PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 308

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1997–98

COMPRISING PERIOD
9 March—20 March 1998

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9 March 1998

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-SECOND PARLIAMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 7 MAY 1997]

FORTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 308**

FIFTEENTH VOLUME OF SESSION 1997-98

House of Commons

Monday 9 March 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Reserve Forces

1. **Mr. Bayley:** If he will make a statement about the role of the reserve forces. [31403]

The Minister for the Armed Forces (Dr. John Reid): The reserve forces support the armed forces in a wide range of operational circumstances. We very much value that contribution, and the link that they form between military life and the civilian community. Their roles are being taken fully into account in our work on the strategic defence review, and our main priority is to make our reserve forces as usable and effective in future as they have been in the past.

Mr. Bayley: Is my hon. Friend aware that, in the past two years, the 3rd battalion of the Prince of Wales's Own Regiment of Yorkshire, which is based in my constituency, has supplied a total of 50 all ranks to support regular forces in a wide range of locations around the world, including Bosnia? Do not the Territorial Army and other reserve forces have a vital role to play in supporting our regular forces and ensuring that we achieve our military objectives, including humanitarian and peacekeeping objectives? Will he ensure that that is properly taken into account during the strategic defence review, and reflected in the White Paper when it is published?

Dr. Reid: Yes. We should all wish to pay tribute to the role that has been played, not only by the 3rd battalion of the Prince of Wales's Own Regiment of Yorkshire, but by the other Territorial Army units, which have done so well in providing members for our activities, not least in Bosnia. We shall, of course, take account of the utility and effectiveness of the Territorial Army and the contribution that it has made to our operations in the past. Like all other elements of our armed forces, it must be rigorously scrutinised, with the aim of ensuring that, in future, all our reserve forces are as usable and effective in the new circumstances as they have been in the past.

Sir Geoffrey Johnson Smith: Are not combat units the most difficult part of an Army to reinforce? Does the Minister agree that, whereas one can put civilians with specialist qualifications into uniform comparatively easily, the Army is the only organisation that can train people to serve in combat units, and that we neglect at our peril the role of people serving in combat units?

Dr. Reid: We would neglect that area at our peril, which is precisely why the Government have no intention of neglecting it. As the complexity of warfare and the security situation increases, many areas of the battle on land and air and in the sea become extremely complex. Logistics and other areas which, in a flexible, deployable force, in the past may not have received the emphasis that they should have done, are another subject, but I agree with the right hon. Gentleman's point on combat units, which is why we shall place such emphasis on them.

Mr. Linton: Is not the most valuable 2 per cent. of my hon. Friend's budget the part that is spent on the

Territorial Army, especially the infantry battalions—not only because of the links that they forge with local communities, but because of the training role that they play through the Army Cadet force? The London Regiment, whose headquarters are in my constituency, looks after no fewer than 32 Army Cadet force detachments and is greatly valued by the local community.

Dr. Reid: Far be it from me to make invidious comparisons between such elements of the British armed forces. However, I take the point about the importance of the Territorial Army—not only its operational support to the regular Army, but its role as the link between the civilian and military community, its role in the regeneration of forces against, perhaps, a more distant threat, and its role in recruitment and in fostering the Army Cadets movement.

Sir George Young: The Minister will understand the concern in the Territorial Army and the volunteer reserves generated by the strategic defence review, which is studying its role. Originally, we were told that that review would be completed by last December. We were then told it would be completed in the spring. Last week, the Green Paper on the Defence Diversification Agency stated that an announcement would be made "later this year". Can the Minister bring to an end that damaging uncertainty by announcing a firm date by which the review will be both completed and published?

Dr. Reid: If anything, the damage is done by those who would rather have the review rushed than right. Unlike the previous Government, we are carrying out a detailed and in-depth strategic defence review to ensure that our forces are not hollowed out and that they are sustainable, deployable and as effective in the future as they were until relatively recently. Under the Conservative Administration, the Territorial Army had establishment figures of 91,000, which sounded marvellous until we found out that the actual figures were only 75,000. Similarly, when the figure fell to 59,000, we found out that it was actually only 55,000. The stronger the rhetoric from the Conservatives, the weaker the forces that they produced.

Smart Procurement Initiatives

2. **Mr. Hutton:** If he will make a statement on the Government's smart procurement initiatives. [31404]

The Secretary of State for Defence (Mr. George Robertson): Smart procurement is a ruthless examination of how value for money from our procurement programme can be improved to ensure faster, cheaper and better delivery of our future requirements.

Mr. Hutton: I thank my right hon. Friend for that reply and welcome the steps that he and the Government have taken to improve the procurement process, which will result in a better deal for the taxpayer and the defence industry as a whole and for my constituency in particular. Is that not the best way to ensure that we avoid the expensive delays, waste and cost overruns that came to characterise the procurement policy of the Conservative party?

Mr. Robertson: My hon. Friend is right and, coming from Barrow, he knows a little about procurement. I know that he will be feeling a special sense of pride, as will Barrow this week, as HMS Invincible, which was built there, steams home after distinguished duty in the Persian Gulf. On behalf of the taxpayer, we are trying to ensure that the cost and delivery overruns that were the experience of the past are minimised and, hopefully, eliminated.

Sir George Young: The Secretary of State will recall that the Scottish Labour party thought that it would not be smart to continue procuring Trident. Why are he and his hon. Friends so unsuccessful at persuading members of the Labour party in Scotland to adopt pragmatic defence policies? Is that not a case of old Labour fighting back and winning? Does not the clear message from the Scottish Labour party show that defence is not a priority, and does that not seriously undermine the right hon. Gentleman's negotiating position with the Treasury?

Mr. Robertson: No, it does not. The Scottish Labour party conference is entitled to express a view but, since it contradicts the manifesto commitment that we gave at the last election and that we intend to stick to, the decision is merely an expression of opinion. Of course, the Scottish Conservative party got so out of line with the country as a whole that it does not exist any more.

Recruitment Advertising

3. **Sir Sydney Chapman:** What amount and proportion of his Department's annual expenditure was allocated to recruitment advertising in 1997–98. [31405]

Dr. Reid: Some £22.71 million was allocated to service and Ministry of Defence civilian recruitment advertising in the financial year 1997–98. That represents 0.1 per cent. of the Department's expenditure allocation for the year.

Sir Sydney Chapman: I am grateful for that reply. On reflection, does the Minister agree that probably the greatest disincentive to recruiting people into our armed services in recent years has been the cases of Privates Clegg and Thain and of Guardsmen Fisher and Wright? Given the extreme anger felt by so many of my constituents at the continuing imprisonment of the two Scots guardsmen, will the hon. Gentleman have a word with the appropriate ministerial colleagues, including the Secretary of State for Northern Ireland, to find out what Government action can be taken, as the issue has now become very much a political one?

Dr. Reid: As the hon. Gentleman would expect, I shall take the same position as all previous occupants of this ministerial post—I shall not intervene in the judicial process. I cannot agree that the issue has had a major effect on the level of general recruitment. The instability and insecurity engendered under the previous Administration—including, whatever their intent, their cack-handed approach to redundancies—and the general lowering of morale all contributed to the desperate situation.

When we inherited this portfolio, all three services were short—the Army was 5,500 soldiers short, and that figure was set to increase to 7,5000. I am glad to be able to tell the House that, for the first time in seven years, the quarterly figures show that the new Government have

stemmed that decline and reduced the shortfall. Even though the increase has been modest, the Government's efforts are beginning to bear fruit.

Ms Squire: Following my hon. Friend the Minister's most welcome announcement, will he agree that those quarterly figures demonstrate that the Government have already had some success in tackling the dreadful shortfall in recruitment in the armed services that they inherited from the previous Government? Will he join me in welcoming the success in Dunfermline in Scotland of the initiative that was developed by Lauder college and Dunfermline's Army recruitment centre, which was so successful in recruiting young unemployed people to the Army that, for the first time, that Army recruitment centre exceeded its recruitment target when it signed up its 100th recruit last week?

Dr. Reid: I extend my congratulations to that recruitment office, which I know has exceeded its target for the first time, and to Lauder technical college on its gateway courses, which we hope will help to inform our approach nationally. Those gateway courses are one of a large range of initiatives that have been introduced since 1 May last year. We take this opportunity to tell anyone outside the Chamber who may read our debates that the armed forces are back in business. There are 25,000 opportunities a year for new recruits to have a rewarding and challenging career with skills and training that are second to none.

Mr. Hancock: I am sure that the whole House will be grateful for what the Minister said about the improvement in the figures. I am also sure that he would agree that the sacking of Major Joyce is hardly something that will excite young graduates or others to want to join the armed forces. What steps will the Government take to improve the situation for well-trained young service men who, sadly, have to rely on state benefits to supplement their incomes? Again, I should have thought that that was a serious impediment to recruitment. Finally, can he tell me whether the recruitment drive around the nightclubs of the north of England, which was announced some months ago in the Chamber, has met with any success?

Dr. Reid: On the first point, that is a personal and personnel matter between Major Joyce and his employer, the Army. It would be quite wrong for me to comment on what is a personal matter, or for Ministers to become involved in it. I merely say that, if the Army Board calls on any soldier to resign or retire prematurely, he can, should he so wish, seek redress against that decision through the chain of command, the Army Board and ultimately the monarch, and then seek judicial review in the divisional court of the High Court.

On the hon. Gentleman's more general questions, I am glad to say that the whole range of instruments to assist in recruitment that have been deployed since the Government came to office have, as I said, begun to bear fruit, although there is a long way to go. On the other question, I have called for an examination of those very few cases in which people have fallen through the net and are in receipt of supplementary benefits. He will be aware that, this year, the Armed Forces Pay Review Body, which is an independent body, ensured that the lower ranks in the armed forces received a higher increase than anyone else in Britain.

Ex-prisoners of War

4. **Mr. Gibb:** If he will make a statement on the process by which the complaints of officer ex-prisoners of war and protected personnel regarding pay deducted during incarceration were investigated. [31406]

The Parliamentary Under-Secretary of State for Defence (Mr. John Spellar): In response to a number of submissions from ex-officer prisoners of war and protected personnel, the previous Government established a thorough review to examine the deductions, the pay policy and its implementation. Following the general election, those submissions and the report of the review were presented to me. I considered them with great care and announced my conclusions on 24 July last year. I am satisfied that the process followed was sound. The report is available in the Library, and I commend it to the hon. Gentleman.

Mr. Gibb: Is the Minister aware that one of the leading campaigners on the issue—my constituent, Group Captain Ingle—fought for this country in the Battle of Britain, and was three times shot down and twice wounded in action before becoming a prisoner of war? Why does the Ministry continue to deny the requests of those incarcerated in Germany and Italy in the second world war to be heard and to contribute their first-hand knowledge of the facts of the case?

Mr. Spellar: No one takes away one iota from the record of both Group Captain Ingle and the many other officer personnel who were prisoners of war. Many submitted their views to the Ministry of Defence, and those were considered in the review. The report shows that the facts do not bear out their case. That view was taken by previous Governments. I examined the case with considerable care, and the conclusion was that it did not stand up. It gave me no great pleasure to draw that conclusion, but those were the facts of the matter.

Mr. Rendel: The Minister has told us that he does not agree that the written statements made out the case, but surely the question—to which I should still like an answer—was why those statements, apparently showing that pay that was withheld should now be disbursed, were not, according to those who submitted them, given sufficient weight in the investigation. Would it not have been better to allow the witnesses to give oral evidence, so that they could at least feel that their case had been made directly to the Minister? Perhaps his decision, which is disappointing at best, could thereby have been changed.

Mr. Spellar: A number of representations were made, as well as further follow-up representations. They have been deeply examined, especially in the light of contemporary evidence and the decisions that were taken at the time. Following representations made at the time, those matters were considered by Ministers in the immediate post-war Government, who were much closer to the issue. When we looked back in our review, it appeared that their reasons were sound. That has been the view of successive Governments of different political complexions.

Mr. Winnick: I do not remember many protests from Tory Members in the previous Parliament, or at any time

in the past 18 years. That said, is my hon. Friend aware that some Government Members are unhappy—I certainly am—because we are not sure that the right decision was made? Bearing in mind the services of the ex-officers and their bravery in the most just war that this country has ever been engaged in—a war that has been over for 53 years—the matter should be re-examined.

Mr. Spellar: Not only the prisoners of war, but all those who served in the armed forces in the war, deserve our enormous and unending gratitude. We had to consider the facts concerning the deductions of pay from officer prisoners of war and protected personnel and determine whether there was a case for making repayments to them after the war.

Successive Governments have reviewed the case. The previous Government instituted a most thorough investigation, the papers from which were presented to me when we came into office. I looked through those papers with considerable care, and I am afraid that the case that was being advanced did not stand up.

Mrs. May: Does the Minister accept that former officer prisoners of war and protected personnel who had their pay docked when they were incarcerated in POW camps—and their families—feel a genuine sense of injustice? They feel that they have facts that bear out their case and they have—as, indeed, has one of my constituents—raised real questions about the report to which the Minister referred. To satisfy the feeling that there are facts and records to bear out that sense of injustice, is not now the time to call for an independent inquiry, so that people can present their evidence orally, as the hon. Member for Newbury (Mr. Rendel) suggested, and feel that a decision is being made independently of Government?

Mr. Spellar: The hon. Lady should understand that her Government came to a similar conclusion. Her views are not universally held by ex-officer prisoners of war, several of whom have written to the papers expressing the view that they do not wish to be associated with the campaign. There would be a reason for setting up an independent or a different inquiry if all those who had examined the case in depth and in detail had not concluded that the case is not made and that the facts do not bear out the claims. Therefore, I believe that we have come to the right conclusion, as did previous Governments of both political parties.

Ethnic Minorities

5. **Jane Griffiths:** What targets his Department have set to increase the number of people from ethnic minorities in Britain's armed forces. [31407]

Dr. Reid: The Government are determined that access to the armed forces is open to the widest possible reservoir of talent and, as part of that, the armed forces should better reflect the ethnic composition of our society. As part of that commitment, for the year starting in April, the goal for each service will be that 2 per cent. of new recruits this year should be from the ethnic minorities, with the figure rising annually by 1 per cent., so that it reaches 5 per cent. by the end of the financial year 2001–02 and, in time, reflects the proportion of people from ethnic minority communities in the wider population.

Jane Griffiths: I thank my hon. Friend for that reply. What targets have been set for the Household Division, which, under the previous Government, was singled out for criticism by the Commission for Racial Equality?

Dr. Reid: Exactly the same targets have been set for the Household Division. I wish to express my gratitude for the way in which the Household Division has tackled the issue. We are working in partnership with the Commission for Racial Equality, and I have been impressed by the determination of the leadership of the Household Division, which stems from the reasons that I mentioned earlier—the effectiveness of our armed forces and their ability to recruit from the widest possible reservoir of talent—and is nothing to do with political correctness. I have been impressed by the commitment to pursuing that agenda that has been shown by the leadership.

Mr. Soames: I congratulate the Minister on the progress that he is making on a difficult, but essential and worthwhile, task. Does he agree that all three services have long recognised that it was not being done as well as it should be, and that they are determined to achieve much better figures? Is it not important that, when possible, members of the ethnic minorities should be able to serve together in bigger blocks than just one or two, which would make them feel more comfortable and perhaps would give them a better start?

Dr. Reid: Yes, I am glad to respond positively to both those points. No one should be under any illusions that the issue is not difficult and complex. The answer does not lie entirely with the armed forces, and we are building on the previous relationship with the Commission for Racial Equality. On the hon. Gentleman's second point, as we move on from a situation in which individuals are isolated, and therefore more exposed to those elements whom we wish to remove from the armed forces, it is better if larger numbers can be kept together for the sake of solidarity in the wider group. The hon. Gentleman's point is well taken.

Persian Gulf

7. **Mr. Miller:** If he will make a statement on the deployment of British troops to the Persian Gulf. [31409]

Mr. George Robertson: HMS Invincible, now relieved by HMS Illustrious, and all our service and civilian personnel deployed to the Gulf, have made a valuable contribution in helping the United Nations Secretary-General achieve an agreement with Iraq. Our forces will remain there to ensure that the agreement Saddam Hussein's Government have entered into is tested, adhered to and obeyed.

Mr. Miller: I thank my right hon. Friend for that answer. Does not the agreement signed between Saddam Hussein and Kofi Annan represent a victory for diplomacy backed by the threat of force? In the light of my right hon. Friend's remarks about what is happening

now, is it not important that our troops remain deployed until we are certain that Saddam Hussein meets his agreement?

Mr. Robertson: My hon. Friend is right to say that the lesson of the agreement achieved by Kofi Annan in Baghdad is that diplomacy without the threat of force would not have produced the result that the world felt so relieved about. The United Nations Secretary-General's words—

"You can do a lot with diplomacy but of course you can do a lot more with diplomacy backed up by firmness and force"—

are the ultimate vindication of the decision of the United States and Britain, along with a growing coalition of others, to ensure that such force was put in place.

My hon. Friend is also right to say that we cannot take Saddam Hussein's word for granted. Others have done so, and his people may have taken his word. The reality is that, unless the potential for the use of force is still there, until we are sure that he will adhere to the agreement, we cannot be certain that he will behave in accordance with what the United Nations has laid down as the norm for the future.

Dr. Julian Lewis: Is the Secretary of State aware that to deploy forces in far-flung theatres such as the Persian Gulf, it is vital to have anti-submarine warfare capabilities? Will he comment on the grave concerns expressed in a letter in *The Times* on 5 March by Sir Patrick Duffy, a Navy Minister in the previous Labour Government, about the proposal that the 12-strong hunter-killer submarine fleet is likely to be cut in the strategic defence review?

Mr. Robertson: Sir Patrick Duffy, who is a good friend of mine, was one of those consulted during the many discussions that we had in the strategic defence review. I know his strong view about naval power in the future. The strategic defence review will take account of all potential threats to Britain's security interest, and will reach a balanced outcome.

Mrs. Gilroy: Will the Secretary of State confirm that, since the end of the Gulf war, Saddam has spent some $1 billion developing 45 so-called palaces while his people are starving? Do not that and the expenditure on the programme of weapons of mass destruction show that Saddam, not the west, is responsible for the suffering of the Iraqi people?

Mr. Robertson: My hon. Friend is right. There is an iniquitous aspect to the propaganda put out by Saddam that we in the rest of the world are responsible for the suffering of his people because of the imposition of sanctions. He alone is responsible for the sanctions regime being in place, and for it being in place so long. As she rightly says, an expenditure of some $1.2 billion since the Gulf war on building 40 lavish presidential palaces is astounding. His people would be appalled if they knew of it. The new oil-for-food resolution, 1153, allows the Iraqi regime to spend $5.2 billion every six months on essential food and medicines. The track record suggests that he will not use it correctly but we must hope that, having been given that flexibility, the poor people of Iraq will benefit from it.

Mr. Key: The whole House was immensely proud of our forces in their recent deployment to the Gulf, and we remain concerned for their safety. Given the changing nature of the threat, the increased threat of chemical and biological weapons, and the fact that our main ally, the United States, is embarked on a programme to inoculate all its service men and women against anthrax in the next couple of years, can the right hon. Gentleman explain why the offer of inoculation to our troops in the Gulf was left so late this time? Is it his policy that inoculation will remain voluntary, and will those inoculations be recorded by a new system, as envisaged by the previous Government?

Mr. Robertson: In the spirit of bipartisanship, I shall simply respond factually to those questions. I hope that the hon. Gentleman has noticed that the announcement of the decision to vaccinate against anthrax was taken simultaneously by the American Government, the British Government and the Canadian Government last week: that was not an accident. Although the threat assessment is still low, the danger still exists.

The independent medical panel of experts that I set up advocated the inoculation of those in the theatre with anti-anthrax vaccine, and that has now gone ahead. The Americans will use their own vaccine, but we were able to supply the Canadians with the vaccine that will be used for our troops. We believe that it is safe: indeed, so satisfied was I of that, that I, the Chief of the Defence Staff, my hon. Friend the Minister for the Armed Forces and the Surgeon-General all took the vaccine last week; we shall continue with the other three injections required for the course.

There will be complete documentation of all inoculations given. I am strongly urging all our troops in the area voluntarily to have the vaccination on the ground that it will be good for them and give them a protection that they require.

Land Mines

8. **Mr. Sarwar:** What action his Department is taking in relation to anti–personnel land mines. [31410]

12. **Ms Southworth:** What steps his Department is taking to help those involved in humanitarian demining. [31414]

Mr. George Robertson: The Government have been at the forefront of international moves towards a global ban on anti-personnel land mines and in providing assistance to humanitarian demining. We shall soon destroy about 1 million anti-personnel land mines, keeping only a very small number needed for training in mine clearance. We have also established a mine information and training centre.

Mr. Sarwar: Will my right hon. Friend join me in paying tribute to the late Diana, Princess of Wales for her contribution to raising awareness of land mines, which have killed thousands of innocent men, women and children throughout the world? Does he agree that the British Army is doing an excellent job and playing a major role in eradicating land mines? Will he tell the House what further steps he intends to take during our presidency of the European Union to eradicate land mines, which are killing almost 70 people a day?

Mr. Robertson: My hon. Friend is right to point to the pioneering work of Diana, Princess of Wales in drawing

attention to the land mine menace, which still plagues our planet. Her legacy will continue through the Ottawa treaty, which was signed by many countries that are now dedicated to eradicating the weapon from the earth. I assure my hon. Friend that we shall continue to use the formidable expertise of the British Army and to ensure that it is able to help not only other military agencies but the civil and humanitarian charitable community in dealing with a weapons system that has damaged or killed many millions of people and has the potential to continue to do so in future.

Ms Southworth: My right hon. Friend will not be surprised to learn that I have received considerable representation from my constituents, who share my horror at the threat land mines pose to the life and health of children living in many countries. Will he investigate the possibility of his Ministry providing equipment to people working on humanitarian de-mining, so that we can make progress toward ending the tragedies that happen every day?

Mr. Robertson: I welcome my hon. Friend's concern, which is shared by many thousands of people in this country and millions around the globe. Her horror and outrage is well reflected within the Government. I can announce today that we are about to gift to the Halo trust—an organisation with which Princess Diana had much to do—10 surplus Volvo medium-wheel tractors, valued at £125,000. They will increase considerably the rate of mine clearance and the safety of operators once the Halo trust has suitably armoured them. We believe that this is a good and meaningful contribution to the work being done by that agency, and we shall look at what else we can do. I am extremely proud that this Government have led the way in the campaign against anti-personnel land mines. They are a blight on the face of the earth, and the sooner they are outlawed for ever, the safer our world will be.

Mr. Clifton-Brown: I am glad that the Secretary of State mentioned the Halo trust. Is he aware that that trust and other non-governmental organisations are doing much brave and dedicated work clearing anti-personnel land mines throughout the world, including Afghanistan? Is he also aware that British troops in Bosnia are clearing a large number of anti-personnel mines? It is difficult and dangerous work, and there does not seem to be any co-ordinated effort between the stabilisation force and the large number of countries that are participating in the work in Bosnia. Will the Secretary of State undertake to raise that matter in the United Nations to see whether there can be a co-ordinated effort to have a strategic plan to clear the mines?

Mr. Robertson: I welcome the hon. Gentleman's interest and concern and agree that a bipartisan approach, which should be built on, is being taken on anti-personnel land mines. The expertise of our armed forces in the area can rightly and properly be put to much use, which is what I have tried to do since Labour came to office 10 months ago.

I am a bit baffled by what the hon. Gentleman said about Bosnia, as I know of the distinguished work done by the British services in Bosnia on the appalling legacy of land mines there. I know because I was there and saw British Army officers teaching local de-miners how best to go about their job. British forces in the stabilisation force in Sarajevo are part and parcel of a well-co-ordinated United Nations operation in the mining information centre in the SFOR headquarters. The British play a strong part in that co-ordination, and we shall continue to ensure that the maximum effort is devoted to making that country safe again.

Parachute Regiment

9. **Mr. St. Aubyn:** What assessment he has made of the current operational roles of the Parachute Regiment. [31411]

Dr. Reid: The operational roles of all elements of the Army are being looked at as part of the strategic defence review.

Mr. St. Aubyn: I thank the Minister for his reply, which was not as comprehensive as the leaks to the press over the weekend. Will he confirm that the identity, traditions and, above all, command structure of the Parachute Regiment will not be changed as a result of his Department's strategic defence review?

Dr. Reid: I am delighted to pay tribute to the glorious history of the Parachute Regiment and the contribution that it has made to the armed forces in a relatively short space of time.

I should not have to tell the hon. Gentleman not to believe everything that he reads in the newspapers. My answer may not have been as accurate or as long as the leaked report, but at least it was my own. The leak had nothing to do with any Labour Member of Parliament. Contrary to the ill-informed speculation in the leak, no one is talking about disbanding the Parachute Regiment or, for that matter, the Marines, but like all other elements of the ground forces, the land command and the wider forces, they are being subjected to scrutiny. The whole purpose of the foreign policy-led review is to ensure that we have a force configuration that relates to today's security analysis, not the past. We want to have useable, effective forces for the future, and even those which have had a glorious past may have to adapt owing to the new security situation.

Several hon. Members *rose—*

Madam Speaker: Order. I call Mr. Brazier, who served in the Parachute Regiment.

Mr. Brazier: Thank you, Madam Speaker. Does the Minister agree that the special qualities and military skills of the Parachute Regiment and of its supporting airborne, engineer, artillery and logistic units go far beyond their means of delivery on to the battlefield and should be highlighted, not watered down, in the review? Does he also agree that the two Territorial Army Parachute Regiment battalions and other airborne and commando units are among the best and most flexible units in the TA?

Dr. Reid: Thank you for the background information, Madam Speaker.

Madam Speaker: My research is very good.

Dr. Reid: Yes, the hon. Gentleman is a fine big man.

The qualities, character and ethos of the Parachute Regiment are well known, and I have the highest regard for it. The hon. Gentleman ran through the capabilities of various units associated with the regiment, but he will not expect me to guarantee that nothing will ever change, for the Paras or for any other unit. However, I assure him that the qualities of the Paras are well known and appreciated, and that no one is talking about disbanding this famous regiment. We want to build on the abilities of our units to enhance their effectiveness in the face of new security threats and our response to them. The Parachute Regiment always played an honourable role, and it will do so in the new configuration.

Mr. Bob Russell: If newspaper reports prove correct and the Parachute Regiment, in a new form, moves to the garrison town of Colchester, where 24 Air Mobile Brigade is based, I can say that it will be given a warm welcome. Does the Minister agree that the traditions of the Parachute Regiment will continue, as did those of the cavalry regiments following mechanisation? I believe that there is a future for the Parachute Regiment, albeit in a different guise, and welcome the Minister's assurance that it will live on.

Dr. Reid: I thank the hon. Gentleman and note his comments. If those press reports are accurate, I must have spent the past eight months undertaking a different defence review from the one the newspapers have reported.

Defence Medical Services

10. **Angela Smith:** If he will make a statement on Defence Medical Services. [31412]

Dr. Reid: Defence Medical Services continues to carry out its duties with professionalism and dedication, both in peacetime and in support of operations. We are urgently addressing shortfalls in manpower and operational medical equipment in the context of the strategic defence review. We are also reviewing the future arrangements for secondary care.

Angela Smith: Does my hon. Friend agree that the state of Defence Medical Services is an indictment of the condition in which it was left by the Conservative Government? What steps are being taken to rectify equipment and personnel shortages?

Dr. Reid: We knew in opposition that there were problems with Defence Medical Services, and just before the general election, the Defence Committee highlighted its parlous state. Detailed scrutiny has revealed that we had not realised how bad things were. There are severe manpower shortages and such a lack of proper investment that we could not properly support a single operational brigade without implementing wider measures such as the use of reserves.

I shall not pretend that there are no difficulties, but the matter is a priority in the strategic defence review: the shortages constitute one of the potholes that we will have to fill before we enhance other capabilities. I have commissioned an urgent review of secondary care in the United Kingdom, and am treating the matter seriously.

Mr. Wilkinson: The Minister's statement that steps will be taken to improve the capability of Defence Medical Services is welcome, not least because it shows that the Government are responsive to Select Committee recommendations. Will he improve the quality of Defence Medical Services by taking three comprehensive steps: by providing an adequate career structure for medical officers in the three services; by increasing the number of defence medical units in general hospitals; and by augmenting the capacity and range of responsibilities of medical reservists of all three services?

Dr. Reid: The hon. Gentleman asks about the career structure. He will know that this year's settlement for dentists, for instance, was widely welcomed. We are considering the reintroduction of distinctions in the medical services that are comparable with what is outside. There is a range of instruments at our disposal, including, as he said, the wider and perhaps earlier use of the reserves in the Defence Medical Training Organisation.

All those matters are being seriously considered, but I should not like to lead the House to think that there are easy answers, first, because of the inherited position from which we start and, secondly, because of the changing nature of the health service and trusts, which are now much more competitive than before. Because of the reduction in armed forces personnel, it is difficult to keep a range of tasks that employ the expertise of the medical services.

HOUSE OF COMMONS

The President of the Council was asked—

Human Rights Select Committee

33. **Mr. Corbyn:** If she will examine the case for establishing a human rights Select Committee. [31438]

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): The White Paper "Rights Brought Home" said that the Government favoured the establishment of a new parliamentary Committee with functions relating to human rights. We intend to take into account what is said during the passage of the Human Rights Bill before deciding what form of parliamentary Committee to recommend to the House.

Mr. Corbyn: Is my right hon. Friend prepared to meet a group of hon. Members who take a particular interest in human rights issues to discuss how that Committee might be set up? Will she recognise that, as human rights are now at the forefront of the Government's foreign policy, it is quite difficult for the Foreign Affairs Committee to deal with human rights issues around the world as well as British foreign policy interests? Does she agree that we would be better off if we did what many other Parliaments do and had a separate, dedicated human rights committee that can take up and investigate human rights issues in the world and try to bring them to the attention of the British Parliament and, obviously, the Government?

Mrs. Taylor: I think that my hon. Friend anticipates some of the discussions that will take place in Committee on the Human Rights Bill. I am always available to meet hon. Members who wish to speak to me about these

issues, but we should judge the timing of any such meeting by what is said in Committee on the Human Rights Bill.

Mr. Simon Hughes: I thank the President of the Council for her answer to the hon. Member for Islington, North (Mr. Corbyn) and join in pursuing his request. Is she as convinced as I am that it would do a great service to the House and to Parliament if we were seen to use the best experiences of other Parliaments to set up a body, potentially involving Members from both Houses, to examine human rights matters in this country and abroad? If the right hon. Lady is willing to come to a view after the Human Rights Bill has left Committee, that would be hugely welcome and could lead to a long overdue reform of the processes of this place.

Mrs. Taylor: I said in my original reply that the White Paper states that we favour the establishment of a parliamentary Committee. However, we should not prejudge what form it might take or whether it might be a Joint Committee but should wait until the Human Rights Bill has left Committee. Those matters are all aspects of the discussion that we shall take into account, and, of course, we shall consult widely.

Private Members' Bills

34. **Mr. Hanson:** What proposals she has to review the procedure for consideration of private Members' Bills. [31439]

Mrs. Ann Taylor: I have no current plans to do so.

Mr. Hanson: In the interests of modernisation, which I know she shares, will my right hon. Friend consider the possibility of timetabling private Members' Bills so that all stages of Bills that have the overwhelming support of hon. Members, such as that promoted by my hon. Friend the Member for Worcester (Mr. Foster), have an opportunity to be considered and voted upon, and a small number of hon. Members do not have an opportunity to filibuster them out of existence?

Mrs. Taylor: I share my hon. Friend's deep disappointment at the antics of Conservative Members on Friday. He knows that the time that is available for private Members' Bills is established by the House. If the Government sought to change the rules, there would be a great deal of interest in the House. For example, if we changed the rules for one Bill, there would be legitimate arguments by the promoters and sponsors of others that they had been treated unfairly. In its first report, the Modernisation Committee said that it may wish to give attention to how private Members' Bills are treated.

Sir Teddy Taylor: As the Government have made it clear that hunting with hounds is not an issue that will be dealt with by public legislation, is it not an insult to democracy for them to make no time available for further consideration of the Wild Mammals (Hunting with Dogs) Bill, particularly bearing in mind that only one weekday is needed? Rather than engaging in political exchanges, does the right hon. Lady appreciate that hon. Members on both sides of the House who feel strongly about this issue believe that they have been sold down the river, basically because assurances were given in writing by people who now serve as Ministers?

Mrs. Taylor: The hon. Gentleman should bear in mind that one day is still available for the Bill and that, if matters were as simple as he suggests, the Bill would make further progress this Friday. Ministers' assurances that there would be a free vote on the issue have been upheld—Labour Members have had a free vote—but there would be great problems in giving extra time at this stage and adverse consequences for the passage of the Government's business, which must take priority.

Mrs. Dunwoody: Will my right hon. Friend arrange a seminar for Back Benchers in which she can explain that Back Benchers' ability to hold up legislation or to progress it is one of their last remaining powers and that those who talk about timetabling Bills do Back Benchers, irrespective of their party and certainly of the rubbish that goes on, a great disservice? Under the guise of modernisation, Back Benchers have already lost the power to vote on a number of Back-Bench issues, and have gained in return Adjournment debates that give them no power.

Mrs. Taylor: The changes have helped many Back Benchers to have important Adjournment debates on Wednesday mornings, and that provision is widely appreciated by the House; but my hon. Friend is right to point out that private Members' Bills depend on the overall will of the House. It would be difficult .o reach agreement that there should be the type of timetabling that has been suggested. If I were to organise a seminar on these matters, I would ensure that she was one of the speakers.

Mr. Hancock: I am sure that the President of the Council shares the view that a majority of hon. Members are disenchanted with what happened last Friday and that a majority of people in the country are disappointed with the way in which Tories and others behaved. Will she consider proposing that the House should sit on Tuesday and Thursday mornings to give the Wild Mammals (Hunting with Dogs) Bill a fair chance of succeeding in all aspects of its passage through the House and that that should set a precedent for other private Members' Bills that might be similarly affected by the bizarre behaviour of hon. Members who want to frustrate democratic processes in the House?

Mrs. Taylor: I am aware that there is considerable concern about the Bill both inside and outside the House. I was one of the people who stayed here last Friday to vote for the Bill and I shall do so again this Friday. As the hon. Gentleman appreciates, were the Government to seek to change the rules for one Bill, promoters and sponsors of other Bills would have legitimate objections. We have to deal with these matters fairly. As I have said, it is one of the topics to which the Modernisation Committee may wish to turn its attention in the not too distant future.

Parliamentary Year

35. **Mr. Bradshaw:** What proposals she has to reform the parliamentary year; and if she will make a statement. [31441]

Mrs. Ann Taylor: The Modernisation Committee will consider the matter shortly, now that it has completed its work on the two reports that were published this morning: one on conduct in the Chamber, including recommendations on short speeches, precedence for Privy Councillors and the use of top hats; the other on the carry-over of Bills. I commend both reports to the House.

Mr. Bradshaw: I am grateful to my right hon. Friend for that reply and I congratulate her on her reports. Am I right in thinking that, with Easter barely a month away, we still do not know if or when there will be an Easter recess, let alone a Whitsun or summer recess? Does she accept that many hon. Members would gladly settle for shorter recesses if they were more predictable, so that we could plan our lives?

Mrs. Taylor: I did indicate, in the first week the House sat in January, the likely dates of the Easter recess. My hon. Friend and other hon. Members will appreciate that, with the business ahead of us and the fact that we sometimes have to wait for Committees to finish or for Bills to come back from the House of Lords, it is difficult to anticipate the details of business a long time in advance. However, we are now giving two weeks' notice of business wherever possible and an early indication—even if it is sometimes in general terms—of other major events and when recesses are likely to be.

Sir Patrick Cormack: I thank the right hon. Lady for the leadership she has given to the Select Committee on Modernisation of the House of Commons. Does she accept that the agreement on the carry over—and it has to be with agreement that Bills are carried over—will make it easier to define a parliamentary year? While I do not necessarily associate myself with everything the hon. Member for Exeter (Mr. Bradshaw) said, does the right hon. Lady accept that there would be a widespread welcome for a more structured parliamentary year?

Mrs. Taylor: I am grateful to the hon. Gentleman for his comments. It will be for the convenience of the House if we experiment with the carry-over procedure, and I believe that we will be able to make progress on that. The hon. Gentleman was right to say that, if we manage to use that procedure successfully, it may be possible to anticipate, with greater certainty, the likely pace of the parliamentary year and when the recesses might occur.

Points of Order

3.31 pm

Mr. Nicholas Soames (Mid-Sussex): On a point of order, Madam Speaker. My point arises from some articles in the press on Sunday, which speculated, clearly on an informed basis, that there would be changes to the mode and ceremonial of the state opening of Parliament and other matters relating to the House.

Do you agree, Madam Speaker, that it is for the House to make those decisions? As the champion and guardian of Back-Benchers' rights, will you ensure that no changes are made before they have received the most detailed scrutiny in the House?

Mr. Paul Flynn (Newport, West): Further to that point of order, Madam Speaker. Is it not right that we should be given the details of the full cost of the state opening of Parliament? They were denied to us in the last Parliament, but we know that police costs are at least £300,000 for the day—in addition to the disruption of traffic in London. Should we not consider having one state opening per Parliament, rather than one a year?

Madam Speaker: The hon. Gentleman's last point was not a point of order.

I want to deal with the original point of order from the hon. Member for Mid-Sussex (Mr. Soames). He should not indulge in newspaper speculation—I do not. Any changes of the nature suggested are a matter for the House. I have not yet been asked my views on the matter, but I have very strong views and I am ready to give them as soon as I am asked.

Sir Patrick Cormack (South Staffordshire): Further to that point of order, Madam Speaker. While it is right and proper that you should have full opportunity to comment on any suggested changes, do you agree that the official Opposition and other parties should be consulted widely on any such matters?

Madam Speaker: As far as I am concerned, all Members and all parties should be invited to comment whenever there is any suggestion that major changes should be made.

Mr. Jeremy Corbyn (Islington, North): Further to that point of order, Madam Speaker.

Madam Speaker: Order. I have dealt with the matter.

Mr. Tam Dalyell (Linlithgow): On a point of order, Madam Speaker. I make no complaint that question 38 was not reached, but have you by any chance received a request from the Foreign Office to make a statement clarifying the difference of opinion between, on the one hand, Mr. Kofi Annan, Russia, China and France, and on the other, the United States and, possibly, the British Government, on the authority that is needed for a military strike against Iraq?

Madam Speaker: I have had no such request. Of course, it is Foreign Office questions tomorrow. I do not know whether there is a question that covers the point that the hon. Gentleman is trying to make, but, if there is, he may try to catch my eye at that time.

Orders of the Day

National Minimum Wage Bill

As amended in the Standing Committee, considered.

New clause 1

VOLUNTARY WORKERS

'.—(1) A worker employed by a charity, a voluntary organisation, an associated fund–raising body or a statutory body does not qualify for the national minimum wage in respect of that employment if he receives, and under the terms of his employment (apart from this Act) is entitled to,—

(a) no monetary payments of any description, or no monetary payments except in respect of expenses—

(i) actually incurred in the performance of his duties; or

(ii) reasonably estimated as likely to be or to have been so incurred; and

(b) no benefits in kind of any description, or no benefits in kind other than the provision of some or all of his subsistence or of such accommodation as is reasonable in the circumstances of the employment.

(2) A person who would satisfy the conditions in subsection (1) above but for receiving monetary payments made solely for the purpose of providing him with means of subsistence shall be taken to satisfy those conditions if—

(a) he is employed to do the work in question as a result of arrangements made between a charity acting in pursuance of its charitable purposes and the body for which the work is done; and

(b) the work is done for a charity, a voluntary organisation, an associated fund–raising body or a statutory body.

(3) For the purposes of subsection (1)(b) above—

(a) any training (other than that which a person necessarily acquires in the course of doing his work) shall be taken to be a benefit in kind; but

(b) there shall be left out of account any training provided for the sole or main purpose of improving the worker's ability to perform the work which he has agreed to do.

(4) In this section—

"associated fund–raising body" means a body of persons the profits of which are applied wholly for the purposes of a charity or voluntary organisation;

"charity" means a body of persons, or the trustees of a trust, established for charitable purposes only;

"receive", in relation to a monetary payment or a benefit in kind, means receive in respect of, or otherwise in connection with, the employment in question (whether or not under the terms of the employment);

"statutory body" means a body established by or under an enactment (including an enactment comprised in Northern Ireland legislation);

"subsistence" means such subsistence as is reasonable in the circumstances of the employment in question, and does not include accommodation;

"voluntary organisation" means a body of persons, or the trustees of a trust, which is established only for charitable purposes (whether or not those purposes are charitable within the meaning of any rule of law), benevolent purposes or philanthropic purposes, but which is not a charity.'.—*[Mr. Ian McCartney.]*

Brought up, and read the First time.

3.33 pm

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): I beg to move, That the clause be now read a Second time.

Madam Speaker: With this, it will be convenient to discuss the following: Amendment (a) to the proposed new clause, in subsection (1), leave out from 'he' to end of subsection (2)(b) and insert—

'(a) works less than 20 hours per week in that employment,

(b) receives remuneration and allowances (including the value of any benefits in kind except subsistence and accommodation which are reasonable having regard to the circumstances of the employment) which amount in aggregate to less than the equivalent of 10 times the hourly national minimum wage per week, and

(c) is not in receipt of any state benefits other than the state retirement pension.

(2) Any payments made in respect of mileage allowance within the limits prescribed by Inland Revenue from time to time in respect of the Fixed Profit Car Scheme shall be disregarded for the purpose of calculating remuneration under (1)(b) above.'.

Amendment (b) to the proposed new clause, in subsection (1)(a)(ii), after 'incurred' insert

'or

(iii) paid as mileage allowance within the limits prescribed by the Inland Revenue from time to time in respect of the Fixed Profit Car Scheme;'.

Government amendment No. 20.

Mr. McCartney: Today's debate is another milestone in establishing a national minimum wage and in tackling poverty across the United Kingdom. The debate follows a failed filibuster by the official Opposition in the Standing Committee, where we had occasionally to debate for 26 and a half hours to make some proper progress on the Bill. Today, we see on the Opposition Benches a bedraggled army of fat cats, former fat cats and wannabe fat cats, who—both today and in the early hours of tomorrow morning—will undoubtedly try to promote their low-pay and no-pay strategy. The truth is that the official Opposition have lost the argument in the country and in Committee, and that they will lose it on the Floor of the House.

Mr. Andrew Lansley (South Cambridgeshire): On a point of order, Madam Speaker. Is it in order for the Minister to refer to a filibuster in Standing Committee? That implies that some of the Standing Committee's debate was out of order. As a member of that Committee, I can say that at no point was the discussion substantially out of order.

Madam Speaker: I doubt very much whether there could have been a filibuster in Committee, as my Chairman in that Committee would not have allowed such a thing to happen.

Mr. McCartney: Madam Speaker, I did say that there was "a failed filibuster." The hon. Member for South Cambridgeshire (Mr. Lansley) would not in any circumstances have been able to hoodwink my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody), who—with the hon. Member for Bournemouth, East (Mr. Atkinson)—brilliantly chaired the Committee. It was

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a failed filibuster—the attempt was abysmal—which is why we are now considering the Bill's Report stage on the Floor of the House.

Mr. Tim Boswell (Daventry): In the middle of the Minister's various bits of rhetoric, he mentioned those who have failed not only in a filibuster but in being fat cats. As I presume that, at some stage, he will get round to speaking to new clause 1, would he like now to concede that, on the Opposition Benches, he is addressing a former chairman of the all-party group on charities and the voluntary sector?

Mr. McCartney: The hon. Gentleman is a bit of a wounded soldier; but I have not yet started. I did not mention any names, but we will undoubtedly be able to determine from the speeches made in the debate who are the fat cats, the wannabe fat cats and the failed fat cats.

Mr. Philip Hammond (Runnymede and Weybridge): Who is fat?

Mr. McCartney: I am fat, but I am not a fat cat.

Mr. Barry Sheerman (Huddersfield): Will my hon. Friend give way on that point of delay?

Mr. McCartney: I give way.

Mr. Sheerman: Everyone knows that the official Opposition are opposing the Bill tooth and claw. Will my hon. Friend confirm that there has already been delay in passing a measure which is hugely popular among the public? Will he tell the House by how much the Bill has been delayed by the official Opposition? Some hon. Members would like to know when, at the earliest opportunity, we can implement a minimum wage.

Mr. McCartney: I can reassure my hon. Friend that they have not delayed the Bill—they have failed to delay it. Furthermore, they will not be allowed to delay the Bill, because the Government regard its passage as an absolute policy priority. That is why we have so quickly brought the Bill back to the Floor of the House for its Report stage and Third Reading, after which it will proceed to the other place, and then—in double-quick time—on to the statute book. Its provisions will then be enjoyed by countless numbers of low-paid workers in the United Kingdom.

Government amendment No. 20 and new clause 1 would replace clause 42 on voluntary workers. I am pleased to say that the entire approach to the clause has been marked by a consensus both on our aims and on the means of achieving them. We want to ensure, first, that genuine volunteers—who give their time to good causes—are not caught up in the Bill's provisions. We want to ensure also that voluntary organisation staff members—all 485,000 of them—are entitled to the national minimum wage. I believe that there is a consensus on those aims, both within voluntary organisations and on both sides of the House.

When we discussed the volunteers issue in Committee, I made a commitment to re-examine clause 42, to ensure that it would work as we want it to. We have subsequently had intensive discussions with voluntary organisations. I have discussed the position also with the hon. Members for Daventry (Mr. Boswell) and for Eastleigh (Mr. Chidgey). I am pleased to say that the voluntary organisations have said that they support our approach. I think that we have got the matter right, and that our proposals incorporate in the Bill the reality of volunteering.

Before explaining the main differences between new clause 1 and the original clause 42, I should emphasise how the new clause is designed to work and how the Bill relates to volunteers, thereby clearing up any lingering confusion on the matter. The main point is that the Bill will apply only to workers, and that none of its clauses will apply to volunteers. Our judgment is that the vast majority who do volunteering work of one sort or another will not be affected in any way by the Bill, because they are not workers. That is what we want to achieve.

We are conscious, however, that there is a grey area. The definition of "worker" in clause 52 is quite wide, although no wider than the definition used for the purposes of provisions on unauthorised deductions in the Employment Rights Act 1996, which originated in the Wages Act 1986. Because of that, some genuine volunteers—although, we think, only a small proportion—might work under arrangements that would amount to a worker's contract. It is precisely those people—the Bill calls them "voluntary workers"—who are included accidentally, and whom we want to exclude through the "exit" of clause 42.

Let me briefly explain the main effects of new clause 1, and how it differs from the original clause 42. The overall effect is to broaden slightly the definition of "voluntary worker" to reflect the reality of volunteering. Subsection (1) broadens the range of bodies for which a voluntary worker may work while still falling within the exemption from the national minimum wage. It will now include not only charities and voluntary organisations, as before, but any "associated fund-raising body"—that is, a body separate from a charity or voluntary organisation but whose profits go to that organisation, such as a body running a charity's shops—and any "statutory body". Therefore, volunteers who work for charity shops, schools and hospitals, as well as for charities and voluntary organisations, and who happen to be workers, will be exempted from the national minimum wage.

Broadly speaking, the range of bodies covers volunteering in the whole statutory sector, but it does not cover volunteering in non-charitable commercial enterprises. To include that would undermine the Bill, and would go against the principle that volunteering should be for social good rather than a form of cheap labour for commercial profit.

In Committee, some technical questions were asked about the drafting. I have no difficulty with that. Just in case a sharp-eyed but puzzled Member is present, let me take the opportunity to enlighten him or her about a particular technical point of detail in the new clause: the inclusion in subsection (1) of the words "apart from this Act". The purpose of that is to prevent the exclusion provisions in clause 42 from being negated by the worker's entitlement to the national minimum wage under clause 15.

Subsection (1)(a) maintains the provision in the original clause that a voluntary worker may receive, or be entitled to, expenses actually incurred, or

"reasonably estimated as likely to be or to have been so incurred".

That ensures that voluntary workers can be paid travel or out-of-pocket expenses without becoming "workers" entitled to the national minimum wage.

Subsection (1)(b) adds a new provision extending what a "voluntary worker" may receive while still being regarded as a voluntary worker, beyond "expenses", to include reasonable "benefits in kind". That consists of "subsistence"—the direct provision of day-to-day sustenance, but not monetary payment—or accommodation. It would cover, for example, the position of voluntary workers employed in youth hostels.

Subsection (2) further extends what a "voluntary worker" may receive to include a monetary payment of subsistence, but only in particular, narrowly defined circumstances. First, the voluntary worker must be employed by a "host" employer, having been placed there by a charity. Secondly, the host employer must be a charity, a voluntary organisation, an associated fund-raising body, such as a charity shop, or a statutory body such as a school or a hospital.

The provision is intended to cater for the position of organisations such as Community Service Volunteers—CSV—which place volunteers, often away from home, with schools, hospitals or voluntary organisations. Such volunteers receive a subsistence allowance to cover laundry expenses, toiletries and other basic day-to-day needs. The circumstances in which a subsistence payment is allowed, without generating an entitlement to the national minimum wage, are deliberately drawn narrowly to minimise the scope for evasion by employers claiming that they were paying their "volunteers" a subsistence allowance.

Subsection (3) extends what a "voluntary worker" may receive without generating an entitlement to the national minimum wage to include training, as long as that training is geared to the activity in which the voluntary worker is engaged. It would include, for example, first aid training for voluntary workers who care for old people or work with children. The provision is included to reflect the fact that voluntary workers often receive training, which may be regarded as generating a contractual arrangement.

Finally, subsection (4) contains definitions of terms used in new clause 1. Amendment No. 20 would delete the existing clause 42, which new clause 1 replaces.

I hope that, following the Government's open and consultative approach on the matter and the constructive input from voluntary organisations and hon. Members on both sides, the House will readily accept the Government amendments. They are good for volunteers, good for the Bill and entirely in line with the Government's approach to the national minimum wage. We have received a letter from the voluntary organisations accepting the amendments, which they believe meet their concerns and needs. I hope that the House will agree to them.

3.45 pm

Mr. Boswell: I sometimes feel that the Minister of State feels better once his press release is out of the way. If he has got it out of the way now, rather than delivering it on Third Reading, perhaps we can get back to today's business. Having been uncharitable about us in a way that was less worthy and convincing than usual, he then proceeded to deliver a new clause which included a measure of consensus. I would not advise my hon. Friends to contest the new clause and the associated Government amendment. No doubt they will wish to speak to their own amendments, and I shall embrace in my remarks some of the concerns on which they touch.

I thank the Minister for trying to bring forward a measure of consensus and for recognising the best traditions of the House in the commitment of hon. Members on both sides to the charitable and voluntary sector for which we feel a great deal of affection. However, in doing so, he managed to deny the argument in his quasi-press release.

If, as the Minister commented, there was a failed filibuster in Committee, he conceded almost in the same breath that the concerns that were expressed by my hon. Friends and me were essentially technical. In respect of the highly legal and complex matters involved—as I mentioned to the House, I had some involvement in charity law, although I hasten to say that it was as a lay person—it is essential that we get it right. Whatever purposes the Government have, we must ensure that they are not frustrated by some technical error.

Turning to the new clause, I should like to draw to the attention of the House a certain distinction. Although it is not a precise one, it is important that we should have at least the thrust of the argument in mind. There are what might loosely be called, to use a slightly Irish phrase, professional charities and amateur charities. The former are large, well-organised charities that employ staff, human resource directors, lawyers and others to advise them and are not represented by, but, in a sense, are reflected by, the National Council for Voluntary Organisations, with which I have had a constructive relationship on this Bill and others. In a way, they are not the problem, although they are the subject of the new clause.

Problems are much more likely to arise in respect of what might be called the amateur sector—although they are not amateurish—which comprises smaller charitable organisations that do not have full-time salaried staff, probably cannot afford access to the best legal advice, may go the Charity Commission from time to time and may be members of the NCVO, but are less closed with their definitions because their concern—goodness knows, it is the concern of us all—is to get on with the job of helping people through the various heads of charity.

That distinction is relevant to several aspects of the Bill that we shall consider. The big organisations that are professionally advised and have made an input to the Government will be able to steer around—or perhaps through—the new clause. They will manage. I am concerned about how the less sophisticated organisations that are less directed towards the day-to-day business of compliance with legislation will manage.

The Minister rightly said that there is no reason in principle why workers employed by a charity should not have the same right as others to receive the national minimum wage. He accurately quoted the NCVO's estimate of 485,000 people employed by charities. That is a significant number of employees. I am not suggesting that we should make an exception for them. In Committee, the Minister introduced a radical exemption

[Mr. Boswell]

for the armed forces, affecting fewer people than half the number in the charitable sector. We have already had that argument.

Mr. Ian McCartney: The armed forces are covered by the armed forces pay review body. That is an entirely different issue from volunteers.

Mr. Boswell: It has been a sadly prevalent practice of Governments of both colours for several years that the recommendations of the various review bodies are not always implemented immediately and in full. That could give rise to different treatment. However, that is the subject of a later amendment.

Mr. Hammond: Would my hon. Friend care to question the Minister on whether he would like to exclude nurses because they have a pay review body?

Mr. Boswell: I note my hon. Friend's suggestion, but I shall not be tempted at the moment.

I am not arguing that it is wrong for the salaried, professional—if I may use the word—employees of charities, many of whom are professional people, not to be able to enjoy the benefit of the national minimum wage.

The second category is volunteers who help charities. The Minister is nodding. He sees the clear distinction. I kick myself because only afterwards did I remember that probably the best example that we could have brought forward in Committee was the Low Pay Commission. The Minister's press release says that its members have undertaken to serve without remuneration. They are entitled to do that. I have not probed the point with the Minister, but I hope that they are receiving appropriate subsistence and expenses and do not have to pay their hotel bills wherever they go. Before the Minister says that I have it wrong, I wish to acknowledge the work of the Low Pay Commission—done on a voluntary basis.

Many people volunteer. I think that the NCVO's figure is about 3 million people. That is different from being paid to work for a charity. The Minister will know from our debates in Committee that the problem arises in between.

The Minister, who is nothing if not a practical man when he is in the mood, keeps saying that it is a matter of common sense to know whether a person is paid. However, on this issue as on others, the Government have found it difficult to ram the protean reality and constant complexity outside this place, which is well exemplified by the charity sector, into the mould that they have set for the national minimum wage, with a series of entitlements and criteria. If that mould does not fit, charities and the people who work for them have two choices. They can either change their arrangements or turn a blind eye to the legislation. One will probably end in tears, and the other will certainly result in difficulty. In the context of the new clause, it is difficult to make an absolute distinction between those who are volunteers and those who are not.

I know that there is a wish—it is a strong doctrine, certainly in professional parts of the charitable sector—that people should be remunerated on a professional basis for their professional services for charity and should, as it were, keep their charity for whatever else they choose to do. I understand that argument; it is certainly easier to sustain with a larger organisation than it is with a small one.

Some years ago, I made inquiries of a well-known charity about its terms and conditions of employment because I was thinking of applying for a job. I did not, in the event, pursue it—not because of the answer that I was given, I hasten to say. The charity suggested that its going rate was somewhat below the traditional going rate. I think that a figure of 25 per cent. was mentioned. That was at the beginning of my career. Such a rate is not by any means characteristic of all charities, although it is not unknown, even in larger charities.

The difficulty with which my hon. Friends and I have been wrestling in Committee is that some people would perfectly like to be associated with a charity on a professional basis. Indeed, the charity might benefit from that and welcome the professional status of workers who do not necessarily want to draw a full salary. Again, no doubt there might be ways of getting round the problem. It might be possible for citizens advice bureaux, for example—I heard this recently, and I think that the Minister did, too—to have a split contract. A body could have a charitable contract for, say, two days of the week, and a paid-for contract for three days. One's remuneration could be concentrated in such a way as to take it over the level of a national minimum wage. None the less, that would be a hassle and not always reflect reality. The Opposition therefore retain that concern.

I turn to the question of honoraria. The Minister seems to think that people who receive honoraria are not workers. I am pleased to hear that, in his terms, they are not. The nature of honoraria is such that they are paid probably on an eclectic basis and after the event. I envisage a situation in which a lady has looked after the village hall for years, probably paid for the stamps and written the letters. Suddenly, somebody says, "Good Lord, Mrs. X—or Miss Y—hasn't had any money for years! We have had a slightly better year than we thought and we want to send her a cheque or a bunch of flowers."

Such a situation would not normally be pursued by the tax authorities, and I particularly want it not to be pursued in the context of a national minimum wage, because it is a reality, certainly in the smaller charity sector. Not only money or principle comes into play. If it were necessary to compute the number of hours worked by that person and in what circumstances, it would be almost impossible. We may well—this may be the Minister's answer—have to turn Nelson's eye to such situations. We do not want to pursue such people, and I doubt very much whether they would want to assert their ultimate rights under the national minimum wage. Such situations are an uncomfortable irritant—even under the new clause.

Mr. Lansley: Does my hon. Friend recognise that disagreements among such persons—although they may be volunteering happily to work for the kind of village hall committee that he describes—may lead to one disgruntled former volunteer asserting that they were, in fact, employed and a worker for the purposes of the Bill?

Mr. Boswell: My hon. Friend is right to cite such a hard-line case. In such unpleasant circumstances, a decent and informal relationship breaks down into two camps—the Big-endians and Little-endians on the village hall committee—at which the book will be thrown. There may be difficulties.

My other concerns relate to the definition of allowable expenses. My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) has tabled amendment (a) to the new clause to rehearse that. I share some of his unease about whether the criterion is sufficiently generous to meet the realities of the charitable sector.

There is also a question about the definitions of "associated fund-raising body" and "statutory body". The Minister covered that subject at some speed. I do not complain about that, but, as I understood it, he said that an "associated fund-raising body" would be, as it were, a fund-raising body attached to, but not part of, the charity, and that it would not be a charity shop, because if a person went to work for a charity shop as a volunteer for nothing, that was down to them, but if a person did take a salary or a wage, it would have to be at the national minimum wage because, otherwise, by implication, it would be out of line with the practice in other parts of the retail sector.

4 pm

Mr. Ian McCartney: The position is clear, is it not? We have tabled new clause 1, which clearly says that people who work for charity shops as volunteers will not fall under the terms of the Bill; but where a charity provides a full-time worker to manage a shop or a range of shops as part of their duties, they are clearly a worker and would be covered by the Bill. I believe that the amendment makes a clear and helpful distinction.

Mr. Boswell: That is clearer, and I am grateful to the Minister for that. The other question—

Mr. John Bercow (Buckingham): The Minister has just offered us a cast iron distinction, which may well be applicable in most cases, but does my hon. Friend accept that it may not apply in certain cases? Are there not instances in which a person works in a charity shop, not for an honorarium but for a modest but regular payment that is below the national minimum wage, and in which, if the shop were obliged to pay that person the national minimum wage, it would have to cease to employ that person? Would not that be a most undesirable state of affairs?

Mr. Boswell: That is the substance of our concern.

Mr. Ian McCartney *indicated dissent.*

Mr. Boswell: The Minister of State shakes his head, but I am sure that such cases will arise, and I am sure that such shops will fold, because, in some cases, they are at the margins of profitability, and they will no longer be able to do their service for the charity. We are worried about that.

Mr. McCartney: I am sorry to interrupt again, but, at the end of our discussions with the hon. Member for Eastleigh (Mr. Chidgey), the hon. Member for Daventry (Mr. Boswell) broadly agreed that the concept of the new clause met the objectives that we all wanted to achieve. The hon. Member for Buckingham (Mr. Bercow) said, in his short contribution, that that was not the case, and the hon. Member for Daventry has just agreed with him. If he agreed with me and the hon. Member for Eastleigh in my office, has he changed his mind since?

Mr. Boswell: I did make it clear to the hon. Gentleman—I do not renege on that—that I agreed that the new clause was a substantial improvement and met most of our objections. I said, however, that we had continuing anxieties in relation to minor payments—we may call them honoraria or whatever—about which I have spoken, and about the fact that persons might choose, or continue to choose, to work at what might be termed "non-fully national minimum wage rates". They will have to find a way of doing so.

The Minister has taken a firm view, as he is entitled to, saying that there will be no exceptions when persons are employed. I understand that. If that is the case, such people will have to find a device, either by the on-off, "switch the light bulb on" type of payment, which I have described, or by some type of covenanting back, if the Inland Revenue will allow it.

Mr. Bercow: I do not wish to delay my hon. Friend for a moment longer than is necessary, but will he accept—for the avoidance of doubt—that the situation that I described is not hypothetical, but relates to a constituent who has raised that point with me, and first did so several months ago?

Mr. Boswell: My hon. Friend is right. I recall that he mentioned his constituent in Committee.

Mr. McCartney: His mother.

Mr. Boswell: It was not his mother, as I recall, although the Minister of State is, as ever, trying to be helpful. In effect, we are trying to set out the sort of advice that we will have to give my hon. Friend's constituent.

The difficulty, particularly when dealing with sensitive areas such as charities, is that people do not want their generosity to be trespassed on, and will say, "If it's got to be done like that, I've never had a covenant with anyone." Or they will say that they will not work two days on one basis and one day on another, when that is not how they see their job. They will end up crashing out of employment. That is our wider concern with other parts of the Bill, and we certainly have that concern over this aspect of it, although that is in no sense to resile from the improvement that the Minister has made in the new clause. That is why I have invited my hon. Friends not to oppose it.

Mr. Lansley: Before my hon. Friend concludes on that point, did he observe that the Government asked the Low Pay Commission to consider the point at which an honorarium shades into a wage? Clearly, the Government have not received advice on that matter. Would it not have been advisable for Ministers to wait until they had such advice?

Mr. Boswell: My hon. Friend performs a service in reminding me that that is exactly what the Government did, and I endorse his advice. Later, I shall say that the whole business is back to front—it would have been better to set up the Low Pay Commission, await its advice and then debate its conclusions, not the other way round. No doubt, the commission will produce something and, in a modest way, our discussions will help to inform that.

Finally, on the overall impact of national minimum wage legislation on the charitable sector, the Minister has not sought to deny that there might be some such

[Mr. Boswell]

impact—as my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) said, it was implicit in the Government's advice to the Low Pay Commission. Indeed, I suspect that the Minister would want to make a virtue of that in relation to persons employed in that sector.

Before he takes that wrongly, I am not arguing that the Opposition should object on principle to those extra costs. They will fall and they will be substantial. At one stage, I was minded—I resisted the temptation—to table an amendment asking for a deferment for charities and the voluntary sector. However, I understand that the Minister wants to have his Bill at one go, and we will not resist that. In turn, he needs to acknowledge that there will be some impact effects.

Again, I must quote the National Council for Voluntary Organisations, which has assessed the problem and suggested that, if the national minimum wage is set at £4.50 an hour, the sector is likely to require an additional £165.6 million to meet the increased salary bill.

Mr. Ivan Lewis (Bury, South): As someone who has worked in the voluntary sector all my life and served on management committees, I find the hon. Gentleman's attitude towards the sector patronising. People who run and work for voluntary organisations and who really care about the voluntary sector strongly believe that we ought to encourage good practice. Part of that is paying properly people who work for voluntary organisations, thus ensuring that the people who depend on their services get the appropriate quality care.

Does the hon. Gentleman agree that people who care about the charitable sector should encourage good practice and have faith in the people who run voluntary organisations to understand the difference between those who are paid and those who are voluntary, and to stop pretending that those paid people are not capable of making such a distinction? The people who run voluntary organisations and who want them to provide the highest quality of care and introduce good practice in terms of employment law will welcome the national minimum wage.

Mr. Boswell: I shall reply briefly to that rather long intervention. First, we certainly accept that the charitable sector should have highly professional standards. I have told the House why it might be more difficult for the smaller and what I will in shorthand call the less professional charities. Secondly, I have not sought to resile from the principle of the national minimum wage that the Government are producing as regards the voluntary sector. Thirdly, I have just told the House that, on reflection, I decided not to table a dilatory amendment for the charitable sector. I was about to say that there would be some acknowledged costs.

I cited the figures from the NCVO research of £165 million if the rate is set at £4.50 an hour, and £87 million if it is set at £4 an hour—I round down the figures. If the rate is set at £3.50, the cost would be an extra £41.8 million. There will also be additional costs involving the public sector, which is the subject of a later debate.

The NCVO also says that there will be a differential effect on the smaller organisations—those with annual incomes between £10,000 and £100,000 will face costs amounting to almost 5 per cent. of their current expenditure on staff. For larger organisations, the cost of a £4 rate would represent some 2.5 per cent. of current expenditure.

The question will arise—I do not want to go on about it now—how the voluntary organisations will seek to recover those costs. Will they receive money from local authorities? What will happen in relation to Government Departments?

Mr. Lansley: Before my hon. Friend leaves that point, will he acknowledge that the costs that voluntary organisations and charities may face could, to some extent, be offset by job substitution between paid, professional employees and volunteers? That could have deleterious effects for the charities—along the lines suggested by the hon. Member for Bury, South (Mr. Lewis)—by diluting professional input.

Mr. Boswell: I think that it is self-evident—my hon. Friend performs a service in saying it—that if there is choice between two kinds of employment—one paid for, and the other not—and the costs of the paid-for employment are artificially raised by the operation of a national minimum wage, the balance between the two kinds of employment will be affected.

There will be a real impact on some of the larger charities. The Royal National Institute for Deaf People, which carried out some very helpful work in its submission to the Low Pay Commission, referred to the substantial impact on certain similar voluntary organisations. The costs will have to be met from somewhere, especially in cases where charities have entered a contract to provide services to a local authority or Government Department, for example.

Although most of those contracts are probably renegotiated annually, in relation to wages, one or two will have a longer tail—they will be in force for three or even five years—and the whole economics of the business will be upset by the introduction of the national minimum wage. If Government are not prepared to meet those obligations one way or another, the charitable sector will deliver less care.

Although we welcome the new clause, which provides a better definition than was available before, it leaves us uncomfortable on some points, which will require some kind of accommodation. I hope that the Minister will respond to some of the matters that I have raised and those that will be raised by my hon. Friends. The Bill will have a significant impact on the voluntary sector. The costs that will be incurred will need to be funded sooner or later by someone other than the charitable sector itself if the quantum and quality of care are not to be diminished.

Angela Smith (Basildon): I welcome new clause 1, as it recognises the special nature of charities, voluntary organisations and the voluntary sector generally. As a former employee in the voluntary sector, a former volunteer and an officer of the all-party group, I take a special interest in the subject. The House should note that the umbrella organisations of the voluntary sector have never argued for their workers to be exempted from the minimum wage. As new clause 1 acknowledges, however, they have asked for a recognition of the special role of volunteers. The new clause recognises that volunteers receive, first, expenses and sustenance, and, secondly, training.

On Saturday evening, I attended a fund-raising event for St. Luke's hospice in my constituency. The number of volunteers who were present was incredible—people who freely give up their time, effort and energy and make a great commitment. Some of them were not only volunteers at St. Luke's hospice, but serial volunteers. At many events in my constituency—I am sure that other hon. Members have similar experiences—I meet the same people who volunteer to help others day in, day out.

If people give their time, energy and commitment, it is right that they should receive expenses if they wish. Many choose to take no reward for their activities, but the difference between expenses and remuneration—wages—should be recognised.

The new clause recognises the situation of those in training. I recently attended an event organised by the south-east Essex office of Relate. As the former Marriage Guidance Council, Relate has to ensure that its volunteers undergo proper training. Despite some of the comments of Conservative Members, being a volunteer does not mean being unprofessional or unqualified.

Volunteers have many skills and are often extremely professional. They should not be taken any less seriously because of their volunteer status. The people whom they seek to help and support have to be assured that they are being counselled or helped by someone who is fully trained.

4.15 pm

Amendments (a) and (b) are misguided and designed to avoid the minimum wage by the back door. It is wrong to suggest that someone who works fewer than 20 hours should be exempt. Those who do part-time work should receive the minimum wage, as should those involved in job sharing.

Mr. Bercow: The hon. Lady is making a general point, but will she consider the specific example of someone who works 15 hours a week for a charity shop, for a consideration of £2.50 an hour, thereby earning £37.50 a week? If the charity shop were obliged to pay the national minimum wage, at £3.50, £3.60 or £3.75 an hour, it would not be able to afford that person's services.

Angela Smith: The first thing I would say is something that we heard often in Committee: I blame myself for taking that intervention. Conservative Members clearly do not understand the difference between those who give their time, effort and energy and ask for recognition but not remuneration, and those who should be paid the minimum wage.

Mr. Bercow: Answer the point.

Angela Smith: I have answered it.

Amendment (b) represents another attempt to avoid the minimum wage by the back door. It would make it difficult to give appropriate training for volunteers.

Mr. Lansley: Will the hon. Lady give way?

Angela Smith: I have already given way once, and I want to make progress.

Mr. Bercow: Very wise.

Angela Smith: I am certainly wise not to take silly interventions from Conservative Members.

The new clause draws a careful distinction between those who should be treated as volunteers and not caught up in the minimum wage and those who are employed and should receive the minimum wage. I remind hon. Members of the views of voluntary bodies. The voluntary sector does not want exemptions that would allow it to avoid paying its staff the minimum wage, and Conservative Members should not try to foist those exemptions on the sector.

Mr. David Chidgey (Eastleigh): The Minister opened the debate in his usual, perhaps almost charming, but certainly endearing and robust fashion.

Mr. Bercow: Rumbustious.

Mr. Chidgey: That is an even better word. We have become used to the Minister's style in the weeks, if not months, during which we have been locked together in Committee. I hope that the lasting impression does not prove too painful for his future career or his peace of mind. I do not want to be accused of filibustering, so I shall come to the point.

We welcome the new clause. The Bill as it stood would not have excluded millions of volunteers—in the public sector, in hospitals and schools, or working for charitable organisations—from the minimum wage. It would not have excluded volunteers who receive benefits in kind—expenses for meals, travel, accommodation, and health and hygiene when they are away from home, for example—that are essential to enable them to continue volunteering.

It is important that that issue be addressed. Both sides of the House accept that it is essential that volunteers should be able to perform the services they offer in the voluntary sector. It is also generally accepted that volunteers should never be used as a substitute for paid staff; that issue has been addressed in our discussions both inside and outside the House.

Volunteers add value. They make a valuable, indeed crucial, contribution to the level and quality of service that voluntary organisations, as well as some public sector organisations, provide in our communities. Many examples could be cited, and I listened with interest to the comments of the hon. Member for Basildon (Angela Smith). I am sure that all Members of Parliament work closely with their local charitable organisations. We could all talk at great length about the valuable services they provide, and how important it is for us to support them.

New clause 1 contains a number of issues that are worthy of further discussion, and I hope that we will learn a little more about the Minister's proposals in the course of our debate. In particular, I wish to address the issue of training provided to volunteers while they provide voluntary services. That is a grey area.

Mr. Lansley: On the question of training, does the hon. Gentleman agree that new clause 1 makes a spurious distinction between training that is specific to the work undertaken by a volunteer and training that is generic? It might be better for volunteers in the charitable sector if all training, specific or generic, were left out of account, so that they could benefit from training more generally.

Mr. Chidgey: The hon. Gentleman has a habit of second-guessing my remarks before I can make them.

[Mr. Chidgey]

He raises an important point. As new clause 1 stands, it refers to limiting training to that required to perform the volunteer's duties. It is difficult to be so precise in that distinction. I am anxious that the new clause should not deprive volunteers of training in basic social skills, including numeracy and literacy, that might enable them to enter the job market and gain employment or undertake further training and education.

As I have mentioned to the Minister on an earlier occasion, the Prince's Trust has a fine record in training. People who have previously escaped the net of employment have found fulfilment in paid employment or further training after they have finished a project with the Prince's Trust. I am anxious that nothing in the new clause would preclude volunteers who work with the Prince's Trust from receiving that basic training in additional skills to enable them to achieve further fulfilment in their lives.

Mr. Ian McCartney: I can give the hon. Gentleman the reassurance he seeks, and I can go further. The Bill contains enabling clauses to deal with training issues, which the Low Pay Commission has been asked to consider and report on. It is worth while for the hon. Gentleman to raise those issues, but the Government have gone to great lengths to ensure that they are all addressed.

Mr. Chidgey: I am grateful to the Minister for that reassurance, but he will understand that it is difficult for Opposition Members to be sure of the Government's intentions, because we have been told so often that the Low Pay Commission will address the issue, but we are still waiting for it to report on so many issues. I am sure that the Government's intentions are honourable, but it is difficult for Opposition Members to be sure what will happen when we do not have the necessary information before us.

At the beginning of the debate, the Minister mentioned the status of limited companies that are set up as an adjunct to a recognised charity. Many of the national charities—including Oxfam and Age Concern—have limited companies that act independently as separate, commercial enterprises with the sole objective of raising money for the charity concerned.

I hope that the Minister can assure me that, under the new clause, the distinction between workers for the charity, workers for the enterprise and volunteers for both will be clear. That is important, because I agree with him that people who should be paid a wage must not be denied one because they are classified as volunteers.

The hon. Member for Daventry (Mr. Boswell) touched on a category that is better entitled "dual-capacity workers". Such people work some hours as volunteers and some as paid staff. There must be a clear distinction in the Bill between volunteering and employment. Such people should have employment contracts for the hours they agree to work with their employers as paid members of staff, but should also have volunteering agreements for the additional time that they wish to give voluntarily to the charitable organisation.

Examples come readily to mind. A scout leader may work some time for the Scout Association as a paid member of staff but readily volunteer his time at evenings or weekends as a scout troop leader—a clear distinction between volunteering and paid employment.

Mr. Boswell: The hon. Gentleman is making a good case. Does he accept that his suggestion of a contract for working and an agreement for voluntary work is probably, on my reading of the new clause, the only way forward for people in that situation?

Mr. Chidgey: I thank the hon. Gentleman for that intervention. That is precisely the point, and I look forward to the Minister clarifying it.

Hon. Members have also mentioned people who are semi-retired. I shall refer to such people as semi-retired, although there are other descriptions, such as "prematurely redundant", or that they have been given an opportunity to seek other employment—sacked, in other words. Many people, at a fit and robust age, earlier than they expected to retire, are able to contribute to society, but find that their remuneration through pension or redundancy is not enough to live on.

Angela Smith: Like Tory Ministers and MPs.

Mr. Chidgey: I shall refrain from responding to that remark. Hon. Members all start as volunteers. There is always a queue of people volunteering to take our jobs come general elections. I suppose that we are paid volunteers in that regard.

Many robust, fit people with much to offer society are not in full-time employment and have income from pension or redundancy payments that is not enough for them to live on comfortably. They want to be able to work for the voluntary sector but also need some remuneration.

It is for such people that contracts of employment and agreements for volunteering are so important. If they wish to work a number of hours per week at not less than the minimum wage to earn sufficient for their needs, we must distinguish between paid hours under working contracts and additional hours that people may wish to volunteer for under volunteering agreements. There is always a danger of coercion with such agreements. I should like some comfort from the Minister that the new clause will ensure that volunteer hours are a genuine gift of the time, not the result of coercion to work extra hours for what would be less than the national minimum wage.

It was an oversight that the Bill did not adequately address the treatment of volunteers. I am grateful to the Minister for the way in which he recognised that, and for how the Government have listened to the Opposition's arguments. As a result, the new clause goes a considerable way to allaying the concerns of the Opposition and of many people in the voluntary sector about the treatment of volunteers. We welcome the Bill and will support it, but I look forward to the Minister clarifying my concerns.

Mr. Hammond: As the Minister said, Conservative Members have opposed the principle of the Bill, but I hope that he recognises that, in Committee, we engaged constructively in seeking to improve the Bill and in identifying some of the areas of weakness within it. He accused the Opposition of having mounted a failed

attack with a filibuster: in fact, we had a long, but extremely constructive and important, discussion, and one of the results is that we have three Government new clauses and 35 Government amendments on Report. I hope that the Minister has the good grace to recognise that the Committee discussion has given him an opportunity to deal with many issues.

Mr. Ian McCartney: I have to put it on record that most of the Government amendments are clarifications relating to other legislation passing through the House. There are few or no amendments of major substance, and, where such amendments have been tabled, that is down to the Government seeking to improve the Bill from our own perspective.

4.30 pm

Mr. Hammond: There we have it: the Government were not informed or illuminated at all by the debate in Committee, and all their new clauses and amendments would have been tabled anyway.

Mr. Bercow: Notwithstanding the Minister's intervention, will my hon. Friend confirm that, to his knowledge and from his recollection, not a single Labour Back Bencher sought to introduce a new clause or an amendment to an existing clause? All the pressure came from Opposition Members, which is testimony to the effectiveness of their contribution to the debate.

Mr. Hammond: I thank my hon. Friend for that intervention. I believe that he is correct, but I am pleased to note that that reticence has now evaporated, and that we are to consider later an amendment tabled by Government Back Benchers.

Notwithstanding the Minister's remarks, new clause 1 is the result of a constructive discussion held in Committee, and, as he said, the issue with which it deals commanded a real consensus on both sides of the Committee. The Minister has recognised the issue of voluntary workers and the special needs of the voluntary sector; however, his new clause does not deal with all the issues raised in Committee. In the opening sitting, the Minister said that there was no point in having a Standing Committee if it was simply going to be

"a dialogue of the deaf."—[*Official Report, Standing Committee D*, 13 January 1998; c. 22.]

His response in the form of new clause 1 suggests that, if not a dialogue of the deaf, our Committee was perhaps a dialogue of the hard of hearing.

I am pleased to see that the Minister has dealt with the issue of subsistence. I raised that in relation the Youth Hostels Association and the problem of subsistence for those working for voluntary organisations. If included in the remuneration that they are considered to receive, it could result in their moving from being volunteers to being paid workers. The Government are clinging to the dogma of universality by insisting that there are only two possible categories of person working for a voluntary organisation: pure volunteers and people who are fully employed by that voluntary organisation. Common sense suggests that that is not the case, and that there are people who fall between those two categories.

Mr. Bercow: My hon. Friend and I have discussed this matter at length and on several occasions. Will he confirm that a number of individuals who straddle the divide to which he has referred work in his constituency?

Mr. Hammond: My hon. Friend is absolutely right. In Standing Committee, he and others of my hon. Friends were able to point to specific examples from within their own constituencies. Later in my speech, I hope to be able to deal with a specific example in my constituency and to ask the Minister to consider a case that I fear would be adversely affected, notwithstanding the fact that the drafting of new clause 1, which deals with voluntary workers, has been very much improved.

Someone who is in the fortunate position referred to by the hon. Member for Eastleigh (Mr. Chidgey)—perhaps in receipt of a pension and prematurely retired, with a little time available—may wish to help a voluntary organisation, but he may be unable to give his time entirely freely. There is a continuum between the pure volunteer, who works without any consideration, and the fully employed worker, whose primary motivation in working for an organisation is the remuneration that he receives. I had hoped that, in the time between Committee and today's debate, the Minister would address that issue as he considered the treatment of voluntary workers.

Mr. Andrew Rowe (Faversham and Mid-Kent): There has been quite a lot of talk about being prematurely retired. One of the points we need to remember when talking about volunteering and volunteer organisations is that many people who retire at a perfectly reasonable time may well have 25 or 30 years of active life still ahead of them—and during some parts of that time, a small remuneration is often useful.

Mr. Hammond: I thank my hon. Friend for his contribution. A significant and growing number of people who may be able to contribute to a worthwhile cause, not just for a couple of years, but on a fairly long-term basis, would be prepared to do so for a wage or remuneration far below what they would be prepared to accept if they were working for a commercial organisation.

There may be a blend of motives between the desire to earn money and the desire to do worthwhile work for a worthwhile organisation. My hon. Friend the Member for Daventry (Mr. Boswell) and the hon. Member for Eastleigh have suggested that one solution would be for people in such positions to work part of their time as a volunteer, for nothing, and part as a paid worker. Such an artificial arrangement smacks of avoidance, and hardly brings the legislation into better standing. It would be far better were the Government to recognise explicitly that there may be a blend of motives between pure altruism and the desire to earn money, and to deal with that in a way that does not cause artificial avoidance.

Mr. Boswell: Does not my hon. Friend consider that clause 39, which involves the extension of the Act, under regulations, to certain other categories of workers—

[Mr. Boswell]

or persons who are treated as if they were workers—poses potential difficulties, even in relation to the suggestion that I put to the House?

Mr. Hammond: My hon. Friend is exactly right. A number of difficulties and potential pitfalls, not least relating to taxation and national insurance, might arise were people tempted to arrange their affairs in a strictly artificial way to deal with the absurd notion that the Government will not allow someone to have a mixed motive in seeking employment or work with a charity. They will not allow the halfway house.

Many decent, respectable people who are willing and anxious to make a contribution to the society in which they live, but who cannot, for one reason or another, afford to give their time totally freely, would be greatly offended by the measure as it now stands. It would be a gross infringement of their liberty and their right to provide good work in society in a way that is practical and convenient for them.

Mr. Lansley: I am listening carefully to my hon. Friend, and I realise that the difficulties proliferate. The new clause refers to statutory bodies. I know from my experience that honoraria paid to members of national health service trust boards are unlikely to correspond to the national minimum wage rate because of the number of hours they work. How does the new clause exclude such people from the definition of "worker"?

Mr. Hammond: I shall discuss later the jeopardy in which people will be placed if any sum they receive is considered to be remuneration under the Bill. The results would be dramatic: any money other than subsistence payments and reimbursement of expenses would be subject to the national minimum wage provisions.

Mr. Ian Stewart (Eccles): Does not the hon. Gentleman understand that existing machinery will test the employment status of workers who qualify for the national minimum wage, and that there is a distinction between permanent or fixed-term contracts, whether they are full time, part time or casual, and unpaid voluntary work? The level of the minimum wage will not alter that one bit.

Mr. Hammond: I thank the hon. Gentleman for that intervention. Such machinery may exist, but the new clause will introduce new machinery. It states:

"no monetary payments of any description"

may be made

"except in respect of expenses—

(i) actually incurred . . . or

(ii) reasonably estimated as likely to be . . . incurred".

One of our concerns is that payments may not be made entirely and exclusively in respect of expenses that have been incurred.

I was not present at the Minister's meeting with my hon. Friend the Member for Daventry and the hon. Member for Eastleigh. I thank him for his invitation, but I was away on an all-party trip when it took place. Had I been present, I would have pressed the Minister about people who work few hours for low remuneration, whom we had in mind when we tabled amendment (a).

As the hon. Member for Basildon (Angela Smith) said, amendment (a) is a relatively blunt instrument to deal with the problem that we have identified.

Mr. Robert Syms (Poole): My hon. Friend is making a persuasive case in respect of employees, but will not employers have to spend a great deal of money on legal advice to prevent enforcement notices from being served on them, which would be embarrassing, especially to public bodies?

Mr. Hammond: My hon. Friend is right: the cost, inconvenience and embarrassment may be significant. How will organisations that are affected as "employers" react to the jeopardy in which the new clause will place them?

Mr. Bercow: Before my hon. Friend leaves that important matter, has he taken on board the significance of the intervention of my hon. Friend the Member for Poole (Mr. Syms)? The loss that we are considering is of a different character from one that might be sustained by a commercial organisation—it is a monetary loss, and it would represent a deprivation to charity beneficiaries. The neediest people would lose because of these additional costs.

Mr. Hammond: My hon. Friend is absolutely right, and I assure him that I had not failed to take account of the significance of our hon. Friend's intervention. In anticipation of problems, charitable employers and voluntary organisations that employ people under arrangements that leave in doubt those employees' status as volunteers under the Bill might dispense with their services and immediately make the provision of service to the community less effective.

4.45 pm

The amendments propose a crude means of dealing with the problem. They highlight the fact that we are discussing not conventional full-time workers but people who work at charitable or voluntary organisations for a day or a few hours each week for nominal sums or for honoraria. We foresaw the objection, which has been made throughout the passage of the Bill, that the state, through the benefits system, should not have to pick up the tab for low wages or low remuneration. We agree, which is why amendment (a) deals with people who are

"not in receipt of any state benefits".

The hon. Member for Eastleigh referred to people in their late fifties or early sixties who have retired early from professional careers. Many of my constituents are such people, and we had them in mind when we tabled the amendment. They may have considerable skills to offer to a voluntary organisation. Although they may be prepared to give of their time generously, they may be unable to do so without being paid.

Amendments (a) and (b) refer to mileage allowances. I should like the Minister to deal with the specific matter of volunteer hospital car drivers, which has been drawn to my attention. The new clause states that expenses may be paid to a volunteer, provided they are "actually

incurred" or reasonably expected to be incurred, but what would happen if different volunteers who drove different sizes of car in different circumstances were paid a fixed mileage allowance that did not reimburse direct costs, but compensated for fixed costs that were not incurred as a result of their voluntary activities?

A significant number of people, many of whom are pensioners, undertake voluntary activities such as car driving for a hospital. That useful and worthwhile community service allows them to continue to run a motor car, which they might not otherwise be able to afford to do on a pension. There is nothing unworthy about such a mixed motive, but the failure to recognise it has been at the heart of the disagreement between Conservative and Labour Members. If the legislation referred to the methods used by the Inland Revenue in deciding whether an amount is part of remuneration, we would not have had to raise the issue. The legislation does not refer to symmetry of treatment in terms of minimum wage calculations and Inland Revenue calculations. When we said in Committee that it might have been better and simpler for the Bill to provide such symmetry, the Minister rejected that notion.

Amendment (a) seeks to include in the Bill the concept of the Inland Revenue's fixed profit car scheme. That scheme will be familiar to hon. Members, because many of them are in it.

Mr. Syms: Those of us who represent rural counties such as Dorset are aware of the tremendous benefits that are conferred by hospital voluntary car drivers. Any suggestion that such services might be imperilled by the Bill must be squashed.

Mr. Hammond: I agree with my hon. Friend. My constituency is not as rural as his, but I understand that my local hospital has 80 volunteer car drivers, all of whom are paid a flat per-mile rate regardless of the size of their vehicles. As there is a single rate for all drivers regardless of the expenses they incur, there must be an element that is considered as remuneration and not reimbursement of expenses, and that would deprive those people of exemption from the legislation. As my hon. Friend suggests, the effect would be catastrophic.

Perhaps the Minister and even local enforcement officers would turn a blind eye to such cases. However, it cannot be a good principle to draft legislation in the hope that it will work because those who are charged with its enforcement will ignore its provisions if that seems sensible.

Mr. Lansley: I am not entirely clear, and perhaps my hon. Friend or the Minister will elucidate. The new clause seeks to exclude people from the national minimum wage, but there seems to be no mechanism for making a declaration or for determining whether a person is excluded. People may assume that they meet the criteria for not qualifying but suddenly find, for reasons that they do not understand, that they are qualified but that no records have been kept.

Mr. Hammond: My hon. Friend raises an important point. An employer would face many perils in such a situation. He may find that he has fallen foul of the Bill's specific record-keeping requirements, and the penalties for failing to keep records are severe. An employer who is in doubt about the status of payments to a worker has no mechanism for seeking a definitive clarification, and would not be able to rest easy.

I think that it was my hon. Friend the Member for Daventry who said that an arrangement that worked in practice between an employer—I use the word "employer" in the Bill's terms—and a voluntary worker might rumble on for years unexceptionally. However, as the result of a disagreement, the voluntary worker might present his employer with a statement to the effect that he had been reimbursed beyond the amount of his expenses and lay a claim on that employer to be paid at the minimum wage rate for all the hours that he had worked since the start of employment. No doubt the Minister will correct me if I am wrong, but that is my understanding.

Retrospectively, if it were established that a payment that had been made to meet expenses which turned out not to be expenses as defined by the Bill, the worker would have a claim against the employer. That is an onerous situation for a voluntary organisation.

Mr. Bercow: My hon. Friend makes an important point. Does he agree that one possible way out of the serious dilemma would be to indemnify charities and other organisations in advance?

Mr. Hammond: My hon. Friend builds upon the suggestion by hon. Friend the Member for South Cambridgeshire (Mr. Lansley), that perhaps there should be some system of certification in advance so that the charitable organisation and the worker in question would be clear about their status and about whether there was any risk. By accepting subsection (2) of amendment (a), the Minister would deal with that issue once and for all by accepting the methodology of the fixed profit car scheme and agreeing that a fixed mileage payment that fell within the limits that are prescribed by the Inland Revenue would be discounted.

My understanding is that, if any part of any payment to a voluntary worker was deemed not to be subsistence or reimbursement of expenses—

Mr. Syms: My hon. Friend asked whether an employer might face a claim for back minimum wages because there had not been a clear contractual arrangement. Such a claim would cause the employer problems with the Inland Revenue and Customs and Excise, because tax implications would arise.

Mr. Hammond: My hon. Friend's intervention reinforces the points made by my hon. Friends the Members for South Cambridgeshire and for Buckingham (Mr. Bercow).

Mr. Bercow: My hon. Friend is coping stoically with the frequent interventions in his excellent speech. Does he agree—*[Interruption.]* Labour Members who chunter unintelligibly are not assisting the quality of the debate. Does my hon. Friend agree that the discovery of earlier non-payments in the public sector will give rise to the serious danger of public finances falling into disarray? The Chancellor will get into a frightful pickle, will he not?

Mr. Hammond: It is interesting to speculate how my local hospital trust, for example, would deal with the

[Mr. Hammond]

discovery some years down the line that a person who had worked as a volunteer for many years should have been paid the minimum wage throughout that time. I do not suggest that such a scenario will occur regularly, but people sometimes fall out, and working arrangements that are based on mutual trust may fall apart if there is a dispute or disagreement.

Mr. Lansley: Does my hon. Friend agree that difficulties may arise when bodies, including perhaps public sector bodies or voluntary organisation, substitute the work of volunteers for the work of paid employees? The Government acknowledged that possibility in their evidence to the Low Pay Commission.

The difficulty may arise not because volunteers subsequently take issue with their employers, but because their representatives—trade unions for example—may seek to challenge in the courts the use of volunteers. They may assert that they are workers for the purposes of the legislation if they are paid expenses over and above those that were incurred.

Mr. Hammond: I had not considered specifically that point, but I am sure that my hon. Friend is exactly right. Earlier, in relation to hospital car drivers, I had meant to mention precisely the point that other parties may be minded to intervene, even though the Minister and his officials are minded to turn a blind eye. For example, the local taxi firm may like to take any opportunity it can to take a swing at the hospital voluntary car service.

Mr. Lansley: My hon. Friend is being extremely generous in giving way again on this point, but it brings to mind a specific instance in my constituency. Considerable savings, measured in terms of more than £100,000, are expected to be made in the budget of Addenbrooke's hospital by reducing the use of ambulance services and increasing the use of hospital car services. The trade union that represents ambulance drivers may conclude that that is substituting volunteer work, or reimbursed volunteer work, for their work. I hesitate to think what some of the difficult consequences might be of the interplay between those two bodies.

5 pm

Mr. Hammond: I thank my hon. Friend for that intervention. We are suggesting not any sinister purpose in what the Government are doing, but that there may be unintended consequences, which could have serious unforeseen effects.

I should like to finish now—

Mr. Andy King (Rugby and Kenilworth): Hear, hear.

Mr. Hammond: I thank the hon. Gentleman for his sedentary encouragement.

I draw attention to one additional point, again relating to my local hospital car service. On Friday, I questioned it very hard about how it operates. I asked whether it was sure that the mileage allowance is all it pays its volunteer drivers. "Yes," it said, "we pay only the mileage allowance." As I was going out of the door, someone called me back and said, "Oh, I have just remembered. At Christmas time, we send them all a £20 gift voucher." Is it Her Majesty's Government's intention to criminalise such gestures by an employer to voluntary workers? Ministers are shaking their heads, but my understanding of the new clause is that any payment to a person called or claiming to be a volunteer that was not a reimbursement of expenses incurred and not subsistence, would remove that person's exemption from the scope of the Bill, and make him liable to be paid the national minimum wage for all the hours he had been working.

Mr. Bercow: As my hon. Friend was making his point, did he hear the Minister for Small Firms, Trade and Industry say from a sedentary position, "It is a gift"? Does my hon. Friend agree that there is a danger that it might not subsequently be so interpreted in a court of law, especially if it is provided regularly and unfailingly over a period of years? Might it not be considered to be other than a gift? Is that not a serious problem with which we must deal?

Mr. Hammond: My hon. Friend makes an interesting point. I have been advised that the Inland Revenue would treat a regular Christmas gift to an employee of a substantial value as part of remuneration. *[Interruption.]* If the Minister of State, Department of Trade and Industry wants me to give way, I should be happy to do so.

I think that I have made the points that I wished to draw to the Minister's attention.

Mr. Syms: Is not the implication of my hon. Friend's speech that many charities will formalise their agreements with volunteers, and is there not thereby great potential not only for expense, but for upset between a charity organisation and volunteers, who may have a different idea of their role within that organisation?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I remind the hon. Member for Poole (Mr. Syms) that his remarks should be made in the direction of the Chair.

Mr. Hammond: I thank my hon. Friend the Member for Poole for his intervention. That is one of the issues about which we are all concerned. All hon. Members have experience of working with volunteers in a voluntary organisation, because, by their nature, all political parties are voluntary organisations.

Mr. Ian McCartney: The Tories do not have many left.

Mr. Hammond: I think that we have rather more than Labour, at the last count. In passing, I take it that the Minister's legislation has not been drafted with the intention that political parties should be included within the definitions of worthwhile organisations that fall within the scope of the new clause.

We all understand the difficulties of working in a voluntary organisation, particularly at the interface between professional paid workers in that organisation and volunteers. That is always an area of some tension. If, as my hon. Friend the Member for Poole has suggested, the new clause causes charities and voluntary organisations to formalise their agreements and to seek to lay down specifically what is and is not required of each party, that may cause considerable dissent and unrest

among a group of people who, by and large, have the best of motives in wanting to assist charities and the communities in which they live.

It is vital that the Government recognise those issues and deal with them. I had hoped that the hybrid motive—the halfway house between a pure volunteer and a full-time worker—would have been recognised and addressed by the Minister when he proposed his new clause and amendments for Report. Sadly, it has not. As I understand it, because of the structure of the Bill, there is no opportunity for Ministers to deal later, by means of regulation, with the issues surrounding the voluntary sector. That is why it is necessary for the Minister to address those issues now. I hope that he will not miss the opportunity to deal with those important points.

Mr. Rowe: I come to the debate without having had the benefit of serving on the Standing Committee and so as to be absolutely certain that my particular preoccupation has been met. I believe that it has been, but I seek confirmation.

For probably more years than is good for the organisation, I have been a trustee of Community Service Volunteers, which still, I think, places more full-time young volunteers in posts than any other organisation in the country. It depends entirely on young people being prepared to accept accommodation and pocket-money subsistence for what they do.

I think that hon. Members on both sides of the House understand the value of the organisation. It has, for example, made it possible for severely disabled people to live in the community: two full-time volunteers undertake to live with a severely disabled person for six months or so, allowing him to conduct a life in the community that would otherwise be entirely beyond him, as no social services department could conceivably provide that sort of 24-hour care.

Of course, the young people learn an enormous amount not only about how to look after disabled people—the disabled person, after a good deal of experience in many cases, teaches much to the young person—but about themselves. Young people who are finding it extraordinarily difficult to get back into the labour market are thus given an opportunity to explore not just one but often two or three avenues in exercising their particular gifts before they hit on the thing that they most want to do.

Plenty of young people who have previously had a life of crime, drug dependency or some other disabling condition are now training to be social workers, to help with mentally handicapped children or to go into teaching. Those young people would otherwise have been lost. That whole process has depended on the fact that they have been able to enter an organisation with a structure, and with 30 years' or more experience of the work involved, and have been able to be taken on, under contracts with local authorities or other employing authorities, for accommodation and subsistence only.

I want the Minister unequivocally to confirm that the intention and practice of the new clause is to safeguard the position of organisations such as Community Service Volunteers, whose value is beyond question. Over the years, it has found places for thousands and thousands of young people, in almost every case to the great advantage both of those young people and of those who employ them for six months or a year.

Mr. Lansley: I am grateful for this opportunity to add a little to what has been said in the debate so far. Unlike my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe), I have the benefit of having served on the Standing Committee, so I know the purposes behind the new clause. However, remembering the debates in Committee, I fear that there are some outstanding issues that have not been satisfactorily dealt with in the debate thus far, and I wonder whether the Minister would take us through them. It may be for the convenience of the House if I list them rather than talking about them at any great length.

The first is an important issue, which impacts on the points that my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) explained carefully and well. As all hon. Members will know, there is an area of activity that is neither wholly voluntary—that is, as the new clause explains, being undertaken solely for expenses or subsistence—nor being carried out by someone who regards himself as on the same or similar terms as those who expect to be paid normal remuneration, a living wage, for that employment.

That could come about for a number of reasons, which have already been explained in the debate. Retired people or others working for a voluntary organisation or charity purely for benevolent purposes rather than for payment may none the less need some small remuneration to assist them in their work. Essentially, such people are working for an honorarium.

It is clear from the Government's evidence to the Low Pay Commission that they understand the practice of paying an honorarium for certain work. I regard an honorarium as a payment that is not designed to reimburse expenses or provide for subsistence, but is a recognition of work in support of a charity or voluntary organisation. A person doing such work is a volunteer, and it could reasonably be argued that he would not be a worker, as defined in clause 52, for the purposes of the Bill.

I freely acknowledge that we debated that matter in Committee, but it is clear that, under clause 52, the contract that might give rise to the definition of someone being a worker for the purposes of the Bill could be implied rather than expressed, orally rather than in writing. We may be dealing with an oral contract of an implied character.

We then have the difficulty that an honorarium may be legally construed as arising from an oral or implied contract. Indeed, the moment the definition of "voluntary organisation" is stretched—and the new clause, for perfectly good reasons, does that to include not only charities but voluntary organisations and statutory bodies—we move into an area where significant numbers of people are paid an honorarium that is not for a volunteer activity but is clearly designed to recognise work that is done under a clear contract.

The example that comes to mind is that of someone on the board of an NHS trust or similar public body. That person clearly is giving his time for what is, in his view, not a paid position—or certainly not at the level of remuneration that would be appropriate for his skills and qualifications. Often, such a person provides hours of

[Mr. Lansley]

work, even under a contract, considerably in excess of what would be implied by the national minimum wage payment. That suggests that either he would have to be paid a greater honorarium to be a member of that board, or he would have to work fewer hours, or he would have to contract for a given number of hours and then add voluntary hours to that.

A major difficulty that arises from that, which the Government have not resolved—namely, that it will give rise—

Mr. Ian Bruce (South Dorset): My hon. Friend is discussing a very important matter, and I am sorry that the Ministers are not listening.

Mr. Ian McCartney: On a point of order, Mr. Deputy Speaker. We have been listening to the debate for an hour and a half, during which time the hon. Gentleman has not even been in the Chamber.

Mr. Deputy Speaker: That is not a point of order for the Chair, but the hon. Member for South Dorset (Mr. Bruce) will have heard what the Minister said.

5.15 pm

Mr. Bruce: Thank you for your defence, Mr. Deputy Speaker.

In the minutes of almost every annual general meeting, including Labour party AGMs, is recorded an honorarium paid to a named accountant for a certain amount of auditing work. Obviously, it takes that person far more hours to do the necessary work than is covered by the small honorarium that he is paid. Under the Bill, will every organisation paying such an honorarium be breaking the law?

Mr. Lansley: My hon. Friend makes a very good point. I am sure that we could find many more such examples. They proliferate in the charity and voluntary sector, not least because organisations are often at pains to establish, in writing, that people have certain responsibilities, and to recognise those responsibilities. The whole purpose of an honorarium is that it is a formal recognition of work done. In those circumstances, it is highly possible that, under the Bill, that will imply a contract being established between the organisation and the person.

The new clause does not provide an opportunity for a voluntary organisation or a charity and the person who, in whatever capacity, does work for it, to make a declaration that that work is being freely done for the charitable purposes of the organisation and therefore should not qualify for the national minimum wage. There is no mechanism by which someone could disqualify himself from the national minimum wage so that he can work for a charity or voluntary organisation for less than the national minimum wage rate.

Mr. Bercow: Does my hon. Friend agree that, unless the Government deal with the issue of honoraria, one or two outcomes will inevitably follow in the case of an NHS trust? Either the trust's wage costs will rise—which would be damaging and no doubt at the expense of patient care—or the person on the board will cease to serve and will be replaced by someone who can afford to serve for nothing, a genuine voluntary worker. Would it not be an extraordinary move to deprive the board of expertise because of the Bill's silliness?

Mr. Lansley: My hon. Friend paints two scenarios, but I suspect that there is a third. It is that someone contracted to be a member of an NHS trust board will work formally for a relatively small number of hours at the national minimum wage rate, but voluntarily for a number of hours over and above that time. The Minister might think that that is an acceptable outcome, but I think that it would be a rather undesirable one.

Across the voluntary and charitable sector, many people will think that it is very tiresome if they qualify for the national minimum wage in respect of some of what they do for an organisation but are considered a volunteer in respect of other activities. They will be drawn into the panoply of national minimum wage legislation for purposes of qualification, record keeping and providing records; but that may bring the entire system into disrepute in charitable and voluntary organisations. I do not think for a moment that any of Opposition Members' suggestions would have impeded voluntary organisations in pursuing an employment policy in which they provided a national minimum wage on the same basis as any other organisation and complied fully with employment legislation.

Legislation will come into disrepute if it prevents charities and voluntary organisations from recognising that people—millions of people, as the Government's submissions to the Low Pay Commission have made it clear—who serve as volunteers have special characteristics that will occasionally have to be recognised in the national minimum wage structure.

Mr. Syms: Another issue is the status of retained firemen and lifeboat men. How will their status fall within my hon. Friend's arguments?

Mr. Lansley: My hon. Friend is testing me. As my hon. Friend the Member for Daventry (Mr. Boswell) said, the Minister will have to respond to those issues. However, to the extent that such persons are actively employed in the fire or lifeboat service, they should be paid the national minimum wage.

The Bill raises the issue whether one would qualify for the national minimum wage for the period in which one is waiting for a call but not working, but I think that you, Mr. Deputy Speaker, would say that I was out of order if I explored that issue, which is dealt with in the Bill's provisions on the definition of hours worked rather than in new clause 1, which deals with voluntary workers. Those firemen and lifeboat men clearly would qualify as workers, whereas the new clause would exclude from such a qualification those who work voluntarily for voluntary and charitable organisations.

Mr. Ian Bruce: I think that my hon. Friend has misunderstood the point made by my hon. Friend the Member for Poole (Mr. Syms), which was that some people who volunteer to work on the lifeboats are paid a

call-out fee, which is bound to be below the national minimum wage. I suspect that they—like volunteer coastguards—would work for nothing rather than force lifeboat organisations to pay the minimum wage. Unless Ministers act on those issues, they will find either that they have no volunteers or that they will have to put a lot of money into those activities.

Mr. Lansley: I am grateful to my hon. Friend. Rather than delaying the debate myself by dealing with the issue, it might be simpler if I directed it to the Minister—who will perhaps reply to the issues raised by my hon. Friends the Members for Poole (Mr. Syms) and for South Dorset (Mr. Bruce). I am sure that, from their constituency knowledge in Dorset, they are especially aware of the circumstances and value of the lifeboat service.

My first point was how we will deal with honoraria—on which I made an intervention earlier. I am surprised that Ministers should have tabled new clause 1 in its present form, as it clearly does not deal satisfactorily with honoraria—on which they have consulted the Low Pay Commission but on which they have presumably not yet received an answer.

The hon. Member for Eccles (Mr. Stewart), who has left the Chamber, said that we could solve all those problems simply by using existing legislative machinery. That gives rise to the question of how he envisages such machinery working. If he was referring to the Employment Rights Act 1996—which I suspect he was—why have Ministers not referred to such current legislation in the Bill?

It always assists our debates if we can use existing statutory definitions, as we can not only read previous debates on them but see how such definitions have been interpreted in practice and tested in the courts. Moreover, would should then not have had to examine the new clause de novo. If the hon. Member for Eccles can enlighten us on how existing machinery can be used, perhaps we will be able to suggest to Ministers that they do exactly that, rather than asking the House to devise entirely new machinery.

Although it was not explicitly stated in the Standing Committee, Ministers have gone to the trouble of including in the new clause references to statutory bodies. It is interesting that they should have done so. The second limb of the new clause makes it clear that, when a charity agrees that a person should do work for charitable purposes, that work may be done for a statutory body. Presumably, the work could entail, for example, helping out with work commissioned by a parish council.

The first limb of the new clause—in subsection (1)—excludes from the Bill's provisions not only volunteers in charities and voluntary organisations and their associated fund-raising bodies but persons in statutory bodies. That means that we are effectively creating an entire class of volunteers in the public sector who will be excluded from qualifying for the national minimum wage.

I should be grateful if the Minister will take us through the train of thought—he did not deal with it in opening the debate—that led the Government to abandon the practice proposed in clause 42, which will be deleted by Government amendment No. 20. Why did Ministers feel it right to include in the new clause such a definition of statutory body so wide that it will include every statutory body established by every Act?

Mr. Hammond: In Committee, Opposition Members mentioned volunteers in the public sector—such as classroom assistants in schools and NHS volunteers. Is it not possible that what gave rise to the Minister's train of thought was no more subtle than a telephone call from No. 11 Downing street telling him that he had to include the public sector so as to ensure that there was not a consequent large increase in public expenditure as a result of that sector's not being able to use volunteer workers?

Mr. Lansley: I am grateful to my hon. Friend. As he has raised that point, I shall leave it to the Minister to tell us his precise train of thought. This is another instance in which—my hon. Friend is right—some of the points made by Opposition Members have led the Government to make the changes that they have made. Although the Minister, in response to an earlier speech, ungraciously said that that was not true, I suspect that it is.

I should like to emphasise another point, which was raised by the hon. Member for Eastleigh (Mr. Chidgey), and with which we will deal later in the debate. It is a great pity that references to training in the new clause include only training specifically designed for people performing a specific voluntary function. I shall not elaborate on the point—the hon. Gentleman has already dealt with it better than I could—but all hon. Members will know of people who undertake voluntary work in a charity or voluntary organisation primarily from altruistic motives but who think that there may be a beneficial secondary gain: work experience and training.

The training that volunteers acquire is by no means necessarily job-specific. From my visits to charity shops in and around my own constituency, I know that some people who work in them—particularly young people with learning disabilities—are acquiring, as the hon. Member for Eastleigh said, much more than job-specific skills: they are acquiring broader social and other skills that are designed to assist them in moving into paid employment in the workplace, where they should be able to attract the national minimum wage. It would be a great pity if, by passing new clause 1, we excluded such wider training, which could be very advantageous to those who are working for charitable organisations. I do not think it likely that any damage or mischief would be done if we included such training.

Let me make a fourth point to the Minister, which I do not think has been raised yet. The Minister has told us that associated fund-raising bodies will be included, and that will allow the inclusion of training enterprises associated with charities; but how far does that go? We know that some charity shops and other organisations remit all their profits to the charities that are, effectively, their sponsors and owners. In certain circumstances, however, charities—I do not criticise them for a moment—are increasingly lending their auspices to bodies that may not remit all their profits to those charities, and are not necessarily owned by them.

5.30 pm

The part of the new clause that deals with associated fund-raising bodies refers to a body

"the profits of which are applied wholly for the purposes of a charity",

but it does not say that the body must be wholly owned by that charity, or that there may not be other subsidiary associated bodies that are not necessarily remitting all their profits to the charity. I hope that the Minister will tell us where the boundaries governing associated fund-raising bodies will lie in future, in relation not only to profit but to ownership.

My fifth and last point relates to political parties. The Minister has not responded to my hon. Friend the Member for Runnymede and Weybridge, who asked whether political parties would be treated as bodies qualifying by virtue of being voluntary organisations. If it is intended to exclude them, I think that considerable difficulties will ensue—not least, perhaps, for the Labour party. As we have discovered, Labour Members tend to employ a number of researchers and others at what would have been well below the going rate for the national minimum wage in past years, and perhaps still is. If they were required to pay all those researchers the national minimum wage, the bids that would have to be made to the Joseph Rowntree trust would be all the greater, and might embarrass Ministers all the more.

Mr. Rowe: My hon. Friend should understand—indeed, I am sure he does, as he has worked at the heart of a voluntary party organisation—that too much transparency could damage democracy. When I worked for the Conservative party, party workers told us that floods of trade union officials were coming in to do by-election work, and asked us to complain bitterly that that constituted a monstrous breach of the spirit of the legislation. I remember the then chairman of the party—the late Lord Thorneycroft—saying that he had noticed with some delight how many paid agents of the Conservative party had chosen to take their annual holiday at the time of the by-election. I think that to force too much transparency on the operations of political parties is more likely to destroy than to enhance the democratic process.

Mr. Lansley: My hon. Friend tempts me to embark on a discussion of the characteristics of political parties more generally. If by "transparency" he means laying political party organisation open to the wider view of the public, I agree with him to some extent. Political parties are not designed to be agents of the state, and ought not to be such agents. If we construct a system whereby they become simply an extension of the accountability regime applying to public organisations, we shall subvert their essential function, which is not to be part of the state but to operate outside it. As I am sure my hon. Friend agrees, that does not mean for a minute that we should forgo accountability within a political party to its membership, but there may well be a distinction between accountability to membership and accountability to the state. Those who talk about transparency often mean accountability to the state.

We need to know at this stage whether the Minister intends political parties to be covered. If they are to be covered, there will clearly be an opportunity to exclude volunteers in political parties from qualifying, in the same way as those in any voluntary organisation. That is important, not least because—as my hon. Friend the Member for Faversham and Mid-Kent pointed out—employees of political parties often have to become volunteers at certain times. If an agent wishes to canvass, for instance, he must do so in his own time, because he cannot be paid for canvassing. I feel that such distinctions should be reflected in the legislation.

If for any reason political parties are excluded from the definition of "voluntary organisation" or "benevolent purposes", I think that we shall have serious problems. In many instances, those working with political parties will be treated as "workers" by virtue of the inclusive character of the provisions, and will be unable to carry out their work in a voluntary capacity. In that event, the activities of political organisations will be damaged.

The new clause is rightly designed to respond to points made in Committee, and it has done so to an extent. I was not party to the discussions between those on the Front Benches, but I fear that some difficulties remain. I have a general sense that, if this is to be done right, the process is becoming unduly complex, for two reasons. First, there is the inclusive character of the rest of the legislation, which is designed to ensure that—in all circumstances other than those that are expressly excluded—everyone qualifies for the national minimum wage. I understand why Ministers set out to do that, but it is causing difficulties in relation to charities and voluntary organisations.

Secondly, Ministers have not chosen to take the—possibly—altogether better route of allowing people to reach agreements allowing their exclusion by virtue of their own free will. That would have been much simpler than setting out tortuous definitions that prompt questions.

Mr. Ian Bruce: Will my hon. Friend give way?

Mr. Lansley: Yes, for the last time.

Mr. Bruce: Surely Labour Governments have always stood for giving people the right to negotiate their wages, and to have them negotiated by others on their behalf. Is it not scandalous that people should be told that they can no longer negotiate their wages, if they want to take less money than the Government think they do?

Mr. Lansley: Yes. It is astonishing that people wishing freely to enter into an agreement with a charity or voluntary organisation to work for less than the national minimum wage—as is perfectly possible—should be legally prevented from doing so. Such people might be forced to choose between not doing the work at all, and doing it at a cost that would significantly impair the return to the charity for its own charitable purposes. Alternatively, they might have to undertake to do the work on a voluntary basis, thus finding themselves considerably disadvantaged. Such people would have been perfectly willing to do their work in a way that would benefit themselves, the charity and its beneficiaries.

Mr. Ian McCartney: We have been debating the new clause and amendments for just over two hours, although at the outset the hon. Member for Daventry (Mr. Boswell) expressed general support for the Government's proposals, following extensive consultation between the political parties and the voluntary sector.

Let me begin by reassuring the hon. Member for Faversham and Mid–Kent (Mr. Rowe). A letter from Community Service Volunteers gives some idea of the charities' view, and of whether they believe that the Government are meeting their needs. I know of no charity that has submitted evidence to the Low Pay Commission, or has commented in the public domain, that does not support the principle of a national minimum wage. They find it wholly inappropriate for Opposition Members to take their names in vain in an attempt to undermine their support for the national minimum wage. On 5 March, CSV wrote expressing its appreciation for the discussions that it had with officials in the Department. The letter stated:

"We are entirely satisfied with the new amendment and particularly pleased that our full-time volunteers will be able to continue to receive accommodation, meals and a subsistence allowance. Your team were very helpful. Please pass on my thanks. I hope the rest of the Bill passes as smoothly as possible for you."

That covers the entire context of this afternoon's debate.

The hon. Member for Daventry raised a number of issues. He mentioned Irish charities, and I am quite sure that he did not intend to challenge or attack them. There are hundreds of Irish charities in Britain doing very good work for the Irish community and the community in general.

Mr. Boswell: Of course I did not mean to do that. My remarks were framed metaphorically. The House may be interested to know that Northern Ireland still holds the palm as the most generous part of the United Kingdom for donations to charity.

Mr. McCartney: Indeed. I was glad to give the hon. Gentleman the opportunity to clarify what he said. I know from our discussions in public and in private that he would never intend his comments to be interpreted in that way. However, there are mischievous people within and outside Parliament in respect of comments by politicians.

The hon. Gentleman mentioned small charities. Many of us have worked with small charities. The purpose of the new clause is that small charities run exclusively by volunteers would be excluded from the provisions of the Bill, so there would be no problems in that respect.

The hon. Gentleman also said something about rates of pay. Many charities pay decent wages and provide decent conditions for their employees. They reject and resent any allegation that the minimum wage would undermine their capacity to continue their work. Most in the charitable sector are good employers and want to pass on good practice to other charities. Many of them work together to secure good employment practice. However, they also want to make a clear distinction between employees and volunteers. The new clause seeks to clarify that, and I believe that it does so effectively.

My hon. Friend the Member for Basildon (Angela Smith) spoke about the professionalism of volunteers. No one would disagree that, although volunteers give their time and effort freely, their skills and knowledge give added value to the charities concerned and the individuals that they seek to benefit. The skill, professionalism and dedication of volunteers provides added value and benefit to the activities of those who work in all parts of the charitable sector.

I hope that, in my intervention in his speech, I gave the hon. Member for Eastleigh (Mr. Chidgey) a clear indication of our position, and I hope that I do not have to add anything to my response to the points that he has raised with me publicly and privately.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) raised a range of issues to which I shall come in a moment. However, I was disappointed by his churlish attitude to the group of amendments, although I understand that he was genuinely unable to come to the meeting and I apologise that I was unable to arrange a subsequent meeting with him. I recognise that he spent a great deal of time in Committee putting his case. When I address his specific amendments, I shall explain why I am somewhat disappointed by his attitude.

On the continuum of employment for unpaid volunteers, the voluntary sector made it clear to us in response to consultation that they wanted no such thing. They wanted a clear distinction between employees of charities and volunteers. That is what we have provided in the new clause, and that is why they wrote to us accepting it.

Mr. Lansley: In passing over the comments by the hon. Member for Eastleigh (Mr. Chidgey), the Minister has not adequately answered the points that he raised about training. Elsewhere in the Bill it is possible to specify a training rate of the national minimum wage. It is also possible to exclude trainees altogether. However, it does not seem possible to do what the hon. Member for Eastleigh and I were asking for—to exclude from account for workers in voluntary organisations the cost of training attributable to them.

5.45 pm

Mr. McCartney: I dealt with the matter more than adequately. If someone undergoes training in health and safety, it is generic training, but it is also specific, as training in health and safety has set principles and purposes. The reason for the training may be specific to the individual, although it may be a generic training programme. That is not a problem under the Bill, and I feel that my answer was more than adequate.

The hon. Member for South Cambridgeshire (Mr. Lansley) asked whether the Bill would challenge an honorarium. A genuine honorarium is not legally binding; it is a contribution, not a wage, and the person receiving it is not an employee. The hon. Gentleman raised honoraria in that context as a smokescreen to undermine the purposes of the new clause.

Mr. Boswell: Will the Minister give way?

Mr. McCartney: No. Opposition Members had two hours in which to put their case. I am trying to deal with the points that they raised as quickly and efficiently as possible.

Amendments (a) and (b) would turn the voluntary workers' clause into something quite different. Instead of allowing genuine volunteers not to be caught up in the Bill, it would provide an exclusion for part-time workers working for charities, voluntary associations and statutory bodies. It would blow a large hole in the Bill—as is entirely consistent with the approach of some Opposition Members.

[Mr. McCartney]

The overall effect would be to limit the range of persons within the exclusion to those not on benefit and pensioners who work for up to 20 hours a week and to increase the weekly remuneration that they could receive to 10 times the national minimum wage—over and above reasonable day-to-day subsistence and accommodation.

Taken individually, there seems no rhyme or reason to any of the elements in amendment (a). Limiting the range of voluntary workers to those working fewer than 20 hours per week would arbitrarily entitle full-time volunteers who, according to the National Council of Voluntary Organisations, work more than 30 hours per week, to the national minimum. In our view, it is not a genuine amendment, but an attempt to catch volunteers in a way that was never intended.

Similarly, the suggestion of benefits up to a weekly amount of 10 times the hourly rate of the national minimum wage seems entirely arbitrary and to have no clear basis.

Amendments (a) and (b) also refer to the fixed-profit car scheme. The hon. Member for South Cambridgeshire said that, in almost all circumstances, we should look to using existing machinery, and that is precisely what we have done. The fixed-profit car scheme was introduced by the Conservative Government in 1990. All the issues that the hon. Member for Runnymede and Weybridge raised in respect of the scheme really relate to the Finance Bill and not the National Minimum Wage Bill.

Mr. Hammond: Will the Minister give way?

Mr. McCartney: No. I shall explain why that is the case.

The fixed-profit car scheme is a non-statutory scheme which employers, employees, volunteers or anyone else can use to calculate whether or not there is a profit element in their mileage allowance, if they get one. Only the profit element is liable to tax, so there is no tax liability if the mileage allowance is within the limits set by the Inland Revenue. The purpose of the scheme was to reduce record keeping. It has clearly been a non-contentious issue in political terms since 1990, so I see no reason for its inclusion. If the hon. Member for Runnymede and Weybridge has complaints about it, he should raise them when we debate the Finance Bill later this year.

Mr. Hammond: I accept what the Minister says about the fixed-profit car scheme. The purpose of including it is that the same mechanism should be used for determining whether any payment has been made that would exclude a worker from the exemption from the national minimum wage. The issue has nothing to do with tax. It is a separate calculation to be carried out under the Bill.

Mr. McCartney: The purpose of the proposal is to ensure clear limitations on payments. We have set out a clear way forward on that, with the approval of the charities. The hon. Gentleman raises issues concerning the fixed-profit car scheme that have been set out in Finance Acts since 1990. He has said nothing to undermine the context of the new clause. If there had been a difficulty, the charitable and voluntary sectors would have told us. The hon. Gentleman has raised spurious points that do not stand up to examination.

I should like to finish, because we have some other important issues to consider this evening. The hon. Member for South Cambridgeshire talked about political parties. They are not philanthropic. Under no circumstances will the volunteers who work for them be caught by the Bill. We are not interested in what members of the Conservative party do, but we should be interested if they published their accounts, please. That would be more interesting than publishing details about members and their voluntary efforts. I ask my hon. Friends to support the new clause and to oppose the amendments to it, if they are put to a vote.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 2

INFORMATION OBTAINED BY OFFICERS

'.—(1) This section applies to any information obtained by an officer acting for the purposes of this Act, whether by virtue of paragraph (a) or paragraph (b) of section 13(1) above.

(2) Information to which this section applies vests in the Secretary of State.

(3) Information to which this section applies may be used for any purpose relating to this Act by—

(a) the Secretary of State; or

(b) any relevant authority whose officer obtained the information.

(4) Information to which this section applies—

(a) may be supplied by, or with the authorisation of, the Secretary of State to any relevant authority for any purpose relating to this Act; and

(b) may be used by the recipient for any purpose relating to this Act.

(5) Information supplied under subsection (4) above—

(a) shall not be supplied by the recipient to any other person or body unless it is supplied for the purposes of any civil or criminal proceedings relating to this Act; and

(b) shall not be supplied in those circumstances without the authorisation of the Secretary of State.

(6) This section does not limit the circumstances in which information may be supplied or used apart from this section.

(7) In this section "relevant authority" means any government department or other body which is party to arrangements made with the Secretary of State which are in force under section 13(1)(b) above.'.—*[Mrs. Roche.]*

Brought up, and read the First time.

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: Government new clause 3—*Information obtained by agricultural wages officers.*

Government amendments Nos. 33, 39 and 34.

Mrs. Roche: The purpose of the two new clauses and related amendments is to remove unnecessary obstacles to the exchange of information between different enforcement authorities that might handicap the effective enforcement of the national minimum wage or agricultural

minimum rates. That makes sense for effective implementation and to help reduce burdens on business. We do not want authorities operating in the same area to be hamstrung because they cannot talk to each other or pass on relevant information. Nor do we want them to be treading on each other's toes or the toes of the companies within their responsibility.

The information that might be exchanged will be limited. We are not proposing an all-embracing mechanism under which information collected for one purpose will be freely available for others to use for any other purpose. In each of the new provisions, we closely limit the information that may be exchanged, the circle of those who may exchange it and the purpose for which it may be used. They must all be related to enforcement of the national minimum wage or agricultural minimum rates.

There is inevitably some contingency about the provisions. We are still considering the most effective means of enforcement, balancing our wish to secure an approach based on self-enforcement with our determination to ensure that unscrupulous employers—hon. Members on both sides of the House have said frequently that such employers are few—will not be able to evade their responsibilities. We must consider carefully who might best enforce the national minimum wage when we have seen the Low Pay Commission's report. The provisions need to cover the possibility of one or more bodies being responsible for enforcement.

The purpose of the new clauses and related amendments is simple: to ensure that information relating to the national minimum wage or to minimum pay rates in agriculture can be exchanged among the authorities responsible for enforcement.

Mr. Ian Bruce: I note the great detail of the information. I am sure that the Minister is privy to the Government's thinking on the data protection legislation. Has she considered whether the proposals may put in jeopardy employers who do not keep the information as securely as they need to under that legislation?

Mrs. Roche: I can reassure the hon. Gentleman that the new clauses and amendments relate to enforcement and the inter-relation of different Acts. It will be possible to use such information as a basis for mounting prosecutions, if necessary. If officers of two or more agencies are appointed or commissioned under clause 13, there should not be any unnecessary obstacles in the way of their exchanging information about the national minimum wage.

New clauses 2 and 3 establish the shape of our intentions. The purpose and effect of the related amendments Nos. 33, 39 and 34 should become apparent. New clause 2 deals with the exchange of information between two or more national minimum wage enforcement officers working for different enforcement bodies, regardless of whether either enforcer is responsible for enforcing the national minimum wage in the agriculture sector.

One agency will be able to pass national minimum wage information to the other agency or agencies. As I have said, the nature of the information that may be exchanged, the circle of those who exchange it and the purpose for which it may be used are all limited to matters relating to the enforcement of the national minimum wage.

Subsection (1) of new clause 2 establishes that the information in question has been obtained by an officer who has been appointed by the Secretary of State or commissioned by the Secretary of State from another Department or Crown body. It also establishes that the information must have been obtained for purposes related to the national minimum wage.

Subsection (2) specifies that the information is treated as held by the Secretary of State. Subsection (3) allows the information to be used by departmental officers or officers belonging to the Department or body that obtained the information for any purpose relating to the national minimum wage. Subsection (4) allows information to be supplied by any relevant authority to any other relevant authority with the authorisation of the Secretary of State. Again, such information may be used for any purpose relating to the national minimum wage.

Subsection (5) allows information to be supplied outside the immediate circle of national minimum wage enforcement bodies, but only for the purpose of civil or criminal proceedings relating to the Bill. Evidence about a breach of the national minimum wage provisions could be supplied to a worker to help bring criminal or civil proceedings against their employer. Again, any such information supply must be authorised by the Secretary of State.

Subsection (6) makes it clear that the provisions on information exchange for national minimum wage purposes are not intended to prevent the passing on of information that could otherwise be passed on. Subsection (7) defines a "relevant authority" and the closed circle that I have already referred to of national minimum wage enforcement bodies.

New clause 2 enables the different national minimum wage enforcers to exchange information for better enforcement. There was a great deal of discussion about better enforcement, much of which was led by the hon. Member for Daventry (Mr. Boswell), in our very good debates in Committee.

New clause 3 and the related amendments Nos. 33, 39 and 34 deal similarly with agricultural wages inspectors in England and Wales, Scotland and Northern Ireland. They are designed to cover two parallel situations. They each relate most probably to a situation in which information is obtained from an employer whose activities straddle agricultural and non-agricultural operations and whose staff consist of a mixture of agricultural and non-agricultural workers. The hon. Member for Daventry will have had experience of that—personally, as well as in his capacity as an hon. Member. Experience is always useful when discussing such matters.

New clause 3 covers cases such as where agricultural wage inspectors visit an employer who employs agricultural and non-agricultural workers and uncover evidence of non-payment of the national minimum wage to a worker who is not employed in agriculture or who is not entitled to agricultural minimum wage rates. In such a situation, it makes sense for inspectors to be able to pass on the information to the relevant national minimum wage officer.

The second situation is dealt with by amendments Nos. 33, 39 and 34 and is the reverse of the one I have just described. A national minimum wage officer might uncover evidence of non-payment of an agricultural

[Mrs. Roche]

minimum wage rate during inspection of a packhouse, where only a few workers are employed in agriculture. In that situation, it also makes sense for the national minimum wage officer to pass such information to the agricultural wages inspectors.

6 pm

Mr. Boswell: Is the Minister saying that, if there is evidence of non-compliance with agricultural wages legislation, notwithstanding compliance with the national minimum wage, the national minimum wage enforcement officer would pass the information to the agricultural wages inspectors?

Mrs. Roche: Yes, the hon. Gentleman is absolutely right. We rightly spent a deal of time in Committee going over the connection between the two areas. We have tabled the new clauses and amendments to clarify the matter.

New clause 3 is similar in design and structure to new clause 2. Subsection (1) establishes that the information covered is information obtained by an agricultural wages inspector under agricultural wages legislation. Subsection (2) allows the information to be supplied to the Secretary of State for the purposes of the Bill. Subsection (3) allows the Secretary of State to pass the information to another Department or body.

Subsection (4) allows the recipients of information to pass it on, in limited circumstances and only with the authorisation of the original supplier of the information, to another person or body for the purposes of bringing civil or criminal proceedings under the Bill. For example, if the national minimum wage officer did not want to bring civil or criminal proceedings against a worker's employer, the information could be passed to the worker so that he or she could do so.

Subsection (5) makes it clear that the provisions on information exchange for such purposes do not prevent any passing on of information which would otherwise be lawful. Subsection (6) defines "agricultural wages legislation" and "relevant authority" to cover each of the three agricultural wages regimes in England and Wales, Scotland and Northern Ireland.

Amendments Nos. 33, 39 and 34 each allow information obtained by national minimum wage officers to pass in the opposite direction, so that it could be used for enforcing agricultural minimum rates by the agricultural wages inspectors in England and Wales, Scotland and Northern Ireland—the very point made by the hon. Member for Daventry. However, the amendments exclude information that is not strictly pay related, such as information relating to holiday entitlement and other terms and conditions. The nature of the information that may be exchanged, the purpose to which it may be put and the circle of those who may exchange it are limited along lines similar to those described in new clauses 2 and 3.

I am convinced that the proposed changes will improve the operation of the Act, both for those responsible for enforcement and for workers and employers. I am also convinced that we have built in necessary limitations so that information can be used only for the purpose of enforcing the national minimum wage or agricultural minimum rates. I have taken a little time to go into some of the detail, for which I hope the House will forgive me. I have done so because it is important to explain to the House exactly what we mean to do. The proposals form a very important part of the Bill. I believe that this is the right approach, and I commend the new clauses and amendments to the House.

Mr. Boswell: I genuinely thank the Under-Secretary for her explanation. These are not simple matters; they do not leap off the page. Such a clear definition is valuable to the House and to those who read our deliberations. In the spirit of her ingratiating—though not intentionally so—remarks, I should say at the outset that I would not seek to oppose what she is doing.

In a sense, the provisions have come to light because the Government have not yet decided on the enforcement structure they will apply to the national minimum wage under clause 13. We know only that there is an agricultural inspectorate and that there will be wages officers in other capacities who will be able to enforce the legislation; we do not have a precise blueprint. Perhaps one ought not to quibble about that. It is much better that the Bill should be made practical and sensible and that it should work in the most economical way possible. That is no issue between the two sides of the House.

It occurs to me that new clause 2(7) refers to the "relevant authority" being

"any government department or other body which is party to arrangements made with the Secretary of State which are enforced under section 13(1)(b) above."

It will be important later for Ministers to consider the extent to which, for enforcement purposes, those arrangements can be made public. If, for example, somebody turns up at my farm—an interest that I have declared in the context of these debates—or at some other business with which I may be involved, and claims to be an officer for that purpose, it is very important that that is keyed in. It would also be helpful if that was clearly explained in advance to relevant interests.

There is a tension in all this. Information—knowledge—is power. It is important and sensitive, and may sometimes be confidential. It is very important that it does not get into the wrong hands. Conversely, it is important that it should be available for the right purposes. That is a balance that all Ministers have to strike. I do not twit the Government for not proposing such extensive and meaty provisions in Committee. The new clauses and the amendments look slightly like afterthoughts. Perhaps they are good afterthoughts. That is what we now need to discover.

We need to consider two areas: one general and one specific. The first concerns the acquisition and control of information by the Secretary of State. New clause 2(2) is a rather deathless, or curt, sentence:

"Information to which this section applies vests in the Secretary of State."

I was irresistibly drawn to the comparison with the coroner, who owns the body. The important aspect is what the Secretary of State is to do with the information and where it should be relevant. The Under-Secretary eloquently explained that the intention is that the Secretary of State should make information relevant to the Act available only for the purposes of enforcing the Act. I note that she is nodding.

The construction of new clause 2(3), which states:

"Information to which this section applies may be used for any purpose relating to this Act by—

(a) the Secretary of State",

is not quite as narrow as the Under-Secretary intended it to be. The Secretary of State might want to make a speech, for example, in which she describes how good the Act is or how triumphant the national minimum wage has proved to be in practice, despite the concerns expressed by Opposition Members. I am not sure how she might do that or whether it would be proper to use internal enforcement information for the purpose. Conversely—I am weighing the dilemma myself—the Opposition find any information bestowed on us by the present Secretary of State or her colleagues a bonus.

From time to time, my right hon. Friend the Member for Wokingham (Mr. Redwood) asks a series of parliamentary questions; he does not always receive an answer. He is distressed and concerned about that, because it reduces his ability to probe and, if necessary, harry the Government.

I never receive a priority written answer on time from the Department of Trade and Industry; it always slips by at least a day. Lest the Minister think that I am singling her out, I should say that on 27 October a Minister in another Government Department promised in a written answer that she would write to me to answer my question on, I suspect, a somewhat sensitive matter. I have a fairly rudimentary bring-up system and I have just noticed that I have not yet received an answer, so I must return to that one.

A balance must be achieved. I think we all know that, although the Secretary of State wants to use the information for the best purposes, to some extent it will have a public face. Sometimes it would be proper to draw on that information in a policy speech. We welcome openness where we can persuade the Department to carry out such a policy. We might even have to welcome openness if, subsequently, the Department is forced to admit that the whole enterprise of the national minimum wage is a signal failure—and we should like the Secretary of State to come clean about that, too.

There is also what might be called the micro-dilemma. What happens to locally amassed information relating to individual employers or enterprises, which is then sent, nominally to the Secretary of State but in fact to her officials, and used for enforcement purposes?

The Under-Secretary rightly says that it is necessary—sensible—for information to be exchanged between public authorities for enforcement. I do not quibble with that—it is entirely proper—but the counterpart of making the information more readily available than it probably would have been if new clauses 2 and 3 had not been tabled is that there is more of it about. There is more of it to leak to the wrong people or, conceivably—although I sure the Under-Secretary would not want her officials to do so; perish the thought—to be abusively released in a way that would breach confidence or create embarrassment for individuals, improperly.

I am not drawing the Government's attention to that potential set of circumstances. I suspect that, if I did, the Under-Secretary would tell me that there are legal defences and that the Department of Trade and Industry would have to resist a legal challenge if there were some malicious disclosure by officials. I understand that, but that is not the case that I have in mind. There are two points on which I seek assurance about the interests of the citizen or the employer on whom a report might be made which may be referred from one set of enforcement officers to another.

What would happen if, under new clause 2(5), the information was disclosed with the authorisation of the Secretary of State and supplied for the purposes of any civil or criminal proceedings relating to the Act—it is sent back to the employee to enable them to consider whether to bring proceedings in an employment tribunal or civil procedure—but the employee abused the information?

The Under-Secretary may remember some exchanges that we had at a late hour—or was it an early hour?—about the possibility of a similar thing happening when a worker took a third party to look at the employer's employment records. It is in my mind that, as a result of malice or even inadvertence, the worker, or the party to whom the Secretary of State might disclose the information, could make it available to another person.

If the information has to be used in civil or criminal proceedings, that would come out in open court, but if the case did not come to court and the information was leaked to a third party and was damaging to the interests of the employer who had originally generated the information, would that be the responsibility of the Secretary of State, through her officers, or would it be the responsibility of the person to whom the information was made available for the purposes of civil or criminal proceedings?

Mr. Bercow: My hon. Friend is dealing with this point in an exemplary fashion. What worries me, however, is the possibility that the information might be leaked, without the authorisation of the Secretary of State, to a business rival. In such circumstances, would any redress be available to the employer who had been offended and discriminated against in that unseemly way?

6.15 pm

Mr. Boswell: That is a perfectly fair point, additional to the ones that I am making. Not only is information about employment practices probably confidential among the parties concerned, it is of considerable interest to an employer to help the latter understand what is going on.

In this context, there is another, separate, issue. If information that is relevant and exists simply for the purposes of the Act is disclosed to a third party, what is the legal position if additional information is accidentally embodied with it? I remember some rather similar discussions taking place during the passage of the Bank of England Bill.

Sadly, there is always the possibility that papers will be accidentally stapled on. The other day, by mistake, I sent a letter to a third party—and not to the person for whom it was intended. The third party was civil enough to return it, but what would have happened if they had used it? It might have been—although in this case it would not have been—embarrassing. It is important to pin the responsibility in such circumstances. I do not seek to sling it round the neck of the Secretary of State.

If information is disclosed to a third party under this procedure for the purposes of civil or criminal proceedings—and therefore, in a sense, for finer purposes and in confidence, under a sanitised procedure—what

[Mr. Boswell]

happens if it is published? Is there any liability on the publisher of that information for what has happened if it gives rise to commercial damage to the individual?

These are genuine points about what might loosely be called civil liberties and the interests of employers that should be considered as part of the powers that the Secretary of State and her Ministers seek to take to extend the powers of information. For the reasons that I gave at the start of my remarks, I shall not cavil at the Minister's method—on balance, it is probably the right thing for her to do—but it is important in all these matters that confidential information is not leaked, that it is not made available in a way that may be abused by a competitor, and that if anyone allows that to happen, either by accident or maliciously, there is some means of redress for the individual whose interests have been damaged.

Mr. Ian Bruce: I am not quite as relaxed as my hon. Friend the Member for Daventry (Mr. Boswell) about the purpose and detailed wording of new clauses 2 and 3. I am deeply troubled that, in about half an hour or so, we shall deliberate on some extremely important new clauses that have just been introduced to the House. They were not considered in detail in Committee. Lawyers outside this place have had far too little time in which to anticipate their likely effect. I am disturbed that the civil liberties lobby—if we may so describe people who work on civil liberties—has probably not addressed itself to what the new clauses do.

You, Mr. Deputy Speaker, will know that the Government, in proposing a National Minimum Wage Bill, have regularly demonstrated that they want to ensure that employers—not the taxpayer—pay their employees. The Government want to ensure that people receive an adequate wage, so that it need not be topped up using housing benefit or income support. That is why the wording of these clauses is so important.

I wonder why the words

"civil or criminal proceedings relating to this Act"

have been used instead of civil or criminal proceedings "taken under" this Act. The wording is extremely important, because of the way in which the Bill could be used.

For example, a constituent who is trying to claim from his or her absent partner through the Child Support Agency, and who probably has good reason for doing so, might come to an hon. Member's surgery. The present wording gives that individual the right to demand that the agency asks for information about someone who claims to be earning a small amount of money, but surely must be getting the minimum wage, so that he or she can take action relating to the Bill to ensure that the person pays his or her full dues under the Child Support Act 1995.

What about an agency looking into housing benefit? Surely the same argument would apply. The Government have said that one of the purposes of this Bill is to reduce the amount of housing benefit that must be paid by the taxpayer. The Government want the individual to be paid a certain amount of money. Under this ill-debated and ill-considered clause, which has only just been sprung on the general public, a housing benefit office could look into a claim from an individual stating that he or she is paid £2 an hour because it seemed incorrect—the purpose of the Bill is to ensure that people are paid the right amount of money—and ask for information. I hope that the Minister will reassure us that that could not happen.

Mr. Boswell: Has my hon. Friend thought of the recent case involving Marks and Spencer, which secured large damages because of the commercial damage done to it by allegations about a defective employment practice? The company was vindicated in court, but needed compensation for damage that had been done because the information had been made public.

Mr. Bruce: I recall that case; the damages were substantial. Marks and Spencer took action against the broadcasting company that had made and published the programme. I suspect that a company would not have the same right to damages against the Government—they always seem to be able to protect themselves.

That moves me swiftly on to another important point about the authorisation of the Secretary of State. When most people read those words, they will think that, when such information needs to be transferred from one agency to another, the Secretary of State and President of the Board of Trade will get the full file in her red box, telling her the circumstances and why the information has to be passed across, so that she can take a semi-judicial decision that it is a proper movement of that information. We know what the general public do not—that that terminology is meaningless. All it means is that it will be authorised by someone who authorised someone else who authorised someone and so forth all the way down the feeding chain until some junior civil servant can say, "I am authorised by the Secretary of State to ask for this information." It will go to another junior civil servant and the information will pass across.

I am reminded of an interesting story that I heard from the late Nick Ridley on this subject. He told the House—certainly the meeting that I was attending—that he had awoken one morning to find an important letter from the Department of the Environment among the post on his breakfast table. The letter said, "I am authorised by the Secretary of State for the Environment to inform you that your carriage gate has been listed." He was the Secretary of State for the Environment and he had no inkling that he was about to list his own arch.

Frankly, the fine words on this amendment paper are a con. They are an attempt to tell the public that it is all right and that information will be transferred only in the most extreme of circumstances because the Secretary of State herself—the President of the Board of Trade—has to authorise the transfer.

Mr. Bercow: My hon. Friend just provided the House with an illuminating example. May I draw his attention to another probably occasional but sinister circumstance that could arise? He referred to the exercise of discretion on the part of the President of the Board of Trade. Could the people who might leak information from time to time be not junior civil servants but senior spin doctors, briefing on their own account and without authority in such a way as to damage others? In those circumstances, would the Secretary of State take responsibility in the classic and, if I may say so, the Powellite sense of the term?

Mr. Bruce: We all doubt whether the Secretary of State would take responsibility. The Minister is an honourable

lady and one of the stars of the Administration—I hope that I do not damage her career by saying so—and she will take that matter on board. We are trying to put across an important point. Who exactly will authorise the transfer of the information? I suspect that it will be the most junior of junior clerks who will be authorised by the Secretary of State to transfer information whenever it must be got from one part of the Government organisation to another.

Mr. Boswell: It would be helpful if, through my hon. Friend, I might ask the Minister what grade of official would be required to authorise the transfer of information.

Mr. Bruce: I would certainly give way to the hon. Lady if she wished to intervene, as that would facilitate matters. It is clear that I shall have to go a little further to tempt her to decide that this matter is important enough for her to give us a proper answer.

The Data Protection Acts 1984 and 1988 and other legislation designed to protect people have often been used almost perversely to prevent people who need information, often for personal use, from misusing the powers available to them—it is the sort of thing that often happens within Departments. In a half-hour debate on a wet Monday—I am not sure whether it is wet; it is probably sunny outside—when the House is nearly empty, we are giving powers to the Secretary of State and the feeding chain all the way through the Department of Trade and Industry, and to the Department for Education and Employment, to allow officials simply to show a card saying, "I am authorised by the Secretary of State to get information you are holding in another agency and pass it across."

Often, it is convenient for Governments to trawl for information in other areas. That has been the case for a long time. Most of the Labour Members present when the Child Support Bill was debated were keen to tell us how the Child Support Agency would have the power to pull in information. That is important, and we should consider it.

I intervened on the Minister on the subject of data protection legislation. I know that she is knowledgeable in such matters. I think that she will be responsible, particularly on the information technology side, for looking into all the problems. She will know that the Data Protection Bill that is passing through the House has been driven by a new European directive.

I was not a member of the Standing Committee that considered this Bill. I come to it on a wet Monday. When I looked at it I thought, "Oh no! Surely not. Surely the Minister must know that German data protection legislation would not allow such a transfer of information—absolutely not." We are considering jurisdictional matters. After all, people working in the United Kingdom and paid by companies in Germany might be caught by the Bill, but that information could not be transferred.

The Minister may think that she will enjoy many powers under the Bill, but I suspect that, when the Data Protection Bill is enacted, she will find that other colleagues, possibly even officials working for the same Department, are working to prevent information being transferred between Departments. It is important that we find out what considerations there have been on how the Data Protection Bill will affect information.

The German system is simple. Any information that is given to someone for a specific purpose must not be given to anyone else for any other purpose, although that is a daft interpretation of the European Union directive. I suspect that, as soon as we think we can live with the new data protection legislation and make it workable, someone will—as has happened time and again—take the matter to the European Court and say, "Hang on a minute. I provided some information about what I was doing in my workplace." That person will claim certain rights under the European convention on everybody's rights, which the Government are incorporating into British law, and say that the information that he provided was transferred from one Department to another without his authorisation.

If information that has been given in good faith by an employer is transferred between agencies, it may be found that, under the new Data Protection Bill, the employee's rights have been trampled on.

6.30 pm

Mr. Lansley: My hon. Friend is talking about the transfer of data between agencies and Departments, but a Government agency may acquire information for two different reasons and be required to keep the data separate. If the officers referred to in the Bill were acting for the Contributions Agency, for example, but were also required to deal with the national minimum wage, they would have two sets of data for two separate purposes. How will the Data Protection Bill affect how they use that information?

Mr. Bruce: Interestingly, people in business are absolutely barred under data protection legislation from transferring information—they could get into a lot of trouble. The Government say, "We're not a business and we are not out for profit. We are guardians of the public interest." They think, therefore, that they can trample on everyone's civil rights in all their other legislation.

On a wet Monday when there is hardly anyone in the House, the Government have introduced pages and pages of new clauses on how they will do away with people's rights. Information will be given to one Department for a particular purpose, but the Government will not prevent its being used for another purpose.

Many people say that, if people volunteer and receive a little money, they will not be charged under the Bill, so long as no one is taken to court and no information is passed on, as there has to be a complaint from the worker first. That is not so. The information will be gathered, and such working arrangements will become criminal. Workers will no longer be allowed to negotiate the pay they want—they will not be allowed to volunteer and receive a small amount of money. The Bill will make it illegal for employers to give a volunteer a little money out of the kindness of their hearts, even though the volunteer did not need it. It will force people to work for nothing if they have volunteered—unless they work for a minimum wage.

If the Government had introduced the two-clause Bill that we expected—a Bill that established a minimum wage at half male median earnings, to be increased over time to two-thirds median earnings through regulations—we could have understood where they were coming from, as that was their commitment. However, they have

[Mr. Bruce]

introduced a Bill which, not including all the new clauses, stretches to some 40 pages. We ask what the minimum wage will be, but it is not in the Bill—we cannot find it. We have all this complicated stuff—

Mr. Deputy Speaker (Mr. Michael Lord): Order. This is not a Second Reading debate. The hon. Gentleman must speak to the new clause.

Mr. Bruce: I was about to say that the Government have tabled all these new clauses and amendments, which the House is expected to take on trust. I hope that the Minister can show that she understands that

"proceedings relating to this Act"

does not mean proceedings taken under this Act.

Mr. Lansley: Does my hon. Friend recognise that industry wants the compliance costs to be minimal? In some ways, industry might find it helpful if a body such as the Contributions Agency deals with the minimum wage as well as national insurance contributions. That is not possible at the moment, because the Government have not made up their mind which body should carry out those duties.

Mr. Bruce: That is an important point. Employers would welcome a single agency that dealt with everything—minimum wage, national insurance contributions, tax or whatever—and had one set of records. In fact, people could be prosecuted if information about them contained a mistake—the wrong figure in the wrong place—as all the agencies will be passing information between themselves. The costs of checking will be considerable.

If the Labour party really believed in its proposals, it would have introduced a two-clause Bill. Instead, the Government have sprung on the House, at this late hour, an enormous muddle with no real discussion. I know that even the Conservative Whips want me to sit down and say almost nothing, but I am trying to help the House to make progress. The Government want to implement their minimum wage proposals—perhaps, if we stay up a little longer, they will tell us what the minimum wage will be, so that we can say, "That is great. We can all go home now."

Mr. Bercow: I fear that my hon. Friend's last point is a triumph of optimism over experience, which leads me to ask where he saw those flying pigs.

Mr. Bruce: The hon. Gentleman makes his point far better than I could. I am an eternal optimist—that is why I am speaking to the new clause. I have the greatest respect and even fondness for the Minister, so I hope that she will make some real, positive efforts. I had to compliment her on bringing forward clear policies on information technology, but the ones that we are discussing now are not clear. They have been bounced on her by her officials—who are looking very amused—as they, not the Secretary of State, will be authorised to grab all the information; if their wives or husbands have disappeared, they will have access to all that information to find out where they are. The civil liberties lobby should examine the matter and the Government should put it out to proper consultation. We should reject the new clause.

Mr. Hammond: Many of the points that I wanted to make have already been raised by my hon. Friends, so we shall be able to proceed a little more speedily. However, there are still some outstanding matters that I want to raise.

One of the concerns that we expressed in Committee on record keeping and the passage of information related to the lack of symmetry between the requirement on an employer to maintain records that would be necessary to bring a prosecution under the Bill—and the penalties that he would suffer if he failed in that duty—and the lack of any requirement on a worker to keep relevant records.

It might at first glance seem that it is clearly the employer's responsibility to keep records, and in the case of most conventional employment, with the employee clocking on and off at the factory door, that is indeed so; but we agreed in Committee at an early stage that the problem areas that were likely to exercise officers appointed under the legislation concerned not such simple cases of traditional employment but, for example, piece work done by home workers.

Records kept by the home worker himself or herself will be essential to determine whether the minimum wage has been properly paid. The employer will have no way of knowing how many hours the home worker has put in. Following our discussions in Committee, I had hoped that the Government would introduce some changes to create a symmetry of obligation between employers and workers.

I am genuinely confused about another issue. Subsection (2) of the new clause says:

"Information to which this section applies vests in the Secretary of State."

I think that I understand what that means, but in almost all cases, the information in question will be held by an employer and transferred in its entirety to the Secretary of State. I imagine that the Secretary of State will have an exact copy of the employer's wages records, for example.

It is not clear from the wording of the new clause whether it is intended that the Secretary of State should have some ownership in the information that has passed via her officer to the Department of Trade and Industry, as distinct from the employer's original ownership in the information that he collated and maintained in his database. Can ownership of a record vest in two people; or must it, by vesting in the Secretary of State, have ceased to vest in the employer?

I repeat a plaintive cry that was often heard in Committee: I am not a lawyer. My understanding of these matters is only that of an informed—I hope—layman. The Minister is a lawyer, and will have a much clearer understanding of this rather technical issue.

Mr. Bercow: The question of ownership is crucial. If my hon. Friend is right, and the President of the Board of Trade becomes the exclusive owner of the information, what is there to prevent a future Parliament from amending the legislation to enable that information to be released to other bodies or persons for purposes unrelated to the enforcement of the national minimum wage?

Mr. Hammond: The possibilities are endless if the intention is that the Secretary of State should become

the owner of the information. I accept that it would normally be unexceptionable for the Secretary of State to be the owner of information that his or her officers have gathered, but in this case, as I think the Minister would agree, the information is almost certainly a direct copy from the employer's records.

Who will own the information? Is there a distinction between owning the information passed to the DTI and owning the original information? What are the implications of the information vesting in the Secretary of State in terms of authorisation of its release? For example, would the original employer retain any rights to authorise the use of the data or their release to other parties? There may be a simple explanation, and if so, I look forward to hearing it.

I, too, have reservations about the possible implications under data protection legislation, but I think that my hon. Friend the Member for South Dorset (Mr. Bruce) has covered that point adequately. I hope that the Minister will be able to reassure us both.

Can the Minister confirm that subsection (6) of the new clause would prevent the Secretary of State not only from transferring the information elsewhere, for purposes unconnected with the minimum wage, but from using it for such purposes within the Department? If she can, that would at least be reassuring as a statement of intent; but, in view of the Government's lamentable record in maintaining the English walls around their information, I am not entirely sure that the Chinese wall that we are invited to imagine being constructed within the DTI would give us as much reassurance as we would really like.

6.45 pm

Judy Mallaber (Amber Valley): I hesitate to prolong the debate. The contribution of the hon. Member for Runnymede and Weybridge (Mr. Hammond) was slightly more to the point, but that of the hon. Member for South Dorset (Mr. Bruce) was nit-picking in the extreme. We are clearly being invited to stay here all night, and Government Members are entirely happy to do that.

Anyone would think that such a situation had never arisen before, but plenty of legislation has been enacted in which there has been a crossover of information. An example of such legislation received Royal Assent just months before the Conservative party went into opposition: the Social Security Administration (Fraud) Act 1997. Under that Act, there was a crossover of information between the Inland Revenue and Customs and Excise for the purpose of checking the accuracy of information relating to benefits contributions or national insurance numbers.

Mr. Lansley: Will the hon. Lady give way?

Judy Mallaber: No, I want to make progress.

Such a crossover is fairly common. It is nothing new.

Mr. Ian Bruce: Will the hon. Lady give way, as she mentioned me?

Judy Mallaber: Very well.

Mr. Bruce: I am grateful to the hon. Lady, but I think that she has been taken in by the Labour party's propaganda. We are not an arrogant party. We know the problems that such transfers have caused in the past. We have never before managed to get the introduction of such new powers right with only 10 minutes' discussion.

Judy Mallaber: I am not sure whether there is anything for me to reply to in that intervention.

When we were discussing in Committee the need for a single minimum rate, I spoke of the need for simplicity and clarity, to prevent us from having a plethora of enforcement procedures, with masses of inspectors and cumbersome policing mechanisms; but we also need effective implementation, which will be impossible if information is coming in from different sources.

It is not surprising that we have not yet laid out fully who will be responsible for enforcement, because that will need to be done by different agencies for different purposes. We need to be able to bring the information together.

Mr. Lansley: Will the hon. Lady give way?

Judy Mallaber: No, I will not give way again, as I want to make some progress.

In police series, it may make for wonderful television to have different parts of the force hiding information from one another, with secrecies and jealousies, but that does not work very well in real life. Different agencies will collect the information we need, and to have sensible enforcement, we must be able to pull it together. That is what we are determined to achieve.

New clause 2 is essential so that information can be passed from one agency to another. That is sensible and necessary if the legislation is to work properly. In Committee, Conservative Members made it clear that they disliked intensely the principle behind the Bill. They said that they could never agree about the morality of legislation to overcome the immorality of poverty pay.

Mr. Hammond: Will the hon. Lady give way?

Judy Mallaber: I wish to move on. I took many interventions in Committee, and I did not have anything to reply to after the intervention by the hon. Member for South Dorset.

We all know that Conservative Members are not happy with the principle of the Bill, because they do not want to get rid of poverty wages and they do not believe in our economic arguments. They did, at least, assure us in Committee that they sought to make the Bill work properly. New clause 2 is an essential part of the enforcement mechanism of the Bill, and we should agree it.

Mr. Lansley: I was prompted to contribute to the debate by a comment made by my hon. Friend the Member for South Dorset (Mr. Bruce), but having listened to the hon. Member for Amber Valley (Judy Mallaber), I must take up one or two issues. She asserted with great confidence that new clause 2 is an essential aspect of the enforcement mechanism of the Bill. It is surprising, therefore, with her membership of the Standing Committee and her knowledge of the Bill, that she did not table a suitable amendment in Committee. She did not say that something was missing from the Bill. She did not

[Mr. Lansley]

say that she knew from her study of the social security administration legislation introduced before the election that a mechanism was needed to control the flow of information between Government Departments. She did not say that, because Ministers did not tell her to say that. Ministers seem to have recently discovered the need for such a mechanism, but I wonder how essential it is.

When the Minister replies, she should tell us which legislation would apply to the acquisition and control of information by Government Departments in pursuance of the provisions of the Bill if new clause 2 were not agreed. I suspect that some perfectly good legislation might apply to the Bill. My hon. Friend the Member for South Dorset made an interesting reference to that point. [HON. MEMBERS: "Where is he?"] He will be back with us and he will read the report of the debate. Legislation exists to govern the control of information by Government Departments.

Mr. Boswell: Does my hon. Friend agree that it would be possible in principle to designate, for example, an agricultural wages inspector as an officer under clause 13 of the Bill for the purposes of the national minimum wage? Once such a designation had taken place, the transfer of information would be easier.

Mr. Lansley: Yes, it would. However, I am not sure how that would help, because the agricultural wages inspectorate could not be responsible for the entire enforcement procedure across other industries. We must still address the problem caused by the fact that more than one agency will be involved.

We all approach new clause 2 with some humility, because we have not been supplied with notes on clauses, as we were in Committee when they gave us information about the structure of clauses and their purpose before we began our debate. Without new clause 2, adequate legislation would still exist to ensure that Government agencies, which had acquired information for whatever purpose, should not use it for another purpose and should not transfer it to another Government agency. Therefore, why have the Government tabled new clause 2?

The answer may lie in a comment made by the hon. Member for Amber Valley when she mentioned the involvement of more than one agency. Although it would appear that the whole exercise could be accomplished by one agency—for example, the Contributions Agency, which has a wide remit and relates to everyone who would be covered by the national minimum wage—I suspect that it would be convenient for more than one agency to be used. For example, as my hon. Friend the Member for Daventry (Mr. Boswell) pointed out, the agricultural wages inspectorate would seem the logical choice for scrutiny and enforcement of the minimum wage in agriculture.

If more than one agency were involved in enforcement, information would have to be exchanged between the different agencies and Government bodies. I suspect that the existing legislation is restrictive and that the transfer of information about the national minimum wage between different agencies may be difficult to accomplish without specific legislation to allow it. New clause 2 will enable the Government to set aside the more restrictive existing legislation and to choose the appropriate agency to pursue information.

Far from new clause 2 meaning stricter enforcement, it is a device to suit the Government's intentions. I make that claim because the hon. Member for Amber Valley mentioned previous legislation and gave as an example legislation on social security administration and the elimination of fraud. She thus illustrated the problem—in previous legislation, Governments rightly referred to specific agencies that had a specific power to transfer between themselves information about their specific responsibilities. The Government have failed to reveal which officers in which agencies will be appointed to be responsible for the enforcement of the national minimum wage. Will it be the Contributions Agency, the agricultural wages inspectorate, the Inland Revenue, Customs and Excise or some other body, or will officers be appointed for that purpose alone?

New clause 2 is a consequence of the Government's failure to specify which officers and which agencies will be responsible for the enforcement of the Bill. That is why the Government will give themselves a wider power than has been enacted in previous legislation. That is a cause for concern, because the civil libertarian anxiety is that Government agencies that are only tangentially related to the purpose of the Bill may acquire some trivial information and use it for their wider purposes. I am sure that that is not what is intended by new clause 2, but that is the civil libertarian concern. To remove that concern, the Government must be explicit about who will get the data and for what purpose.

Mr. Ian Bruce: If the Government wanted a Bill that allowed them to transfer information because they were going to take proceedings under it, they would specify "proceedings taken under the Act", instead of "relating to the Act". The Government are giving themselves power to take criminal proceedings against persons on anything to do with wages or income, and not only on the national minimum wage.

Mr. Lansley: My hon. Friend is testing my ingenuity on the reason behind new clause 2. I shall not attempt to answer that intervention, but shall leave it for the Minister when she winds up.

I wish to raise a second point, which was my original purpose in seeking to contribute to the debate. My speech thus far was prompted by the contribution by the hon. Member for Amber Valley, which shows the value of contributions by Government Back Benchers. Even if we do not agree with them, we are prompted to cover points more adequately. Earlier, the Minister of State made it clear that many of the changes to the Bill that had not previously been contemplated by the Government were prompted by the need to bring it into line with other legislation. I wonder whether this is such a case.

How does the Minister foresee the interplay between the new clause and the prospective freedom of information legislation, which has an impact rather different from the data protection legislation to which my hon. Friend the Member for South Dorset referred? If such information is to be passed between public bodies, and hence out of the private domain and into the domain of the public sector—not into the public domain as such—it raises the question, in respect of information held by Government bodies to which freedom of information legislation will apply, of the extent to which the

legislation will allow access to the information; I hope that it will be not at the level of the individual, but at the level of the firm, industry or sector.

7 pm

Will the structure of the new clause, perhaps inadvertently, act as a constraint on the use of information? What would happen if the Government wanted to publish the data relating to the take-up of the minimum wage and the relationship between wages and the level of the minimum wage? There will be considerable academic as well as industrial interest in the application of a national minimum wage to an economy that has not hitherto been subject to one to anything like the same extent.

To what extent will Ministers be able to supply, or be constrained from supplying, information at industrial, sectoral or regional level by aggregating data acquired for the purposes of the national minimum wage? If the Government collect and publish information in aggregate, will it be passed outside Departments and into the public domain? That is not, on the face of it, contemplated under the new clause. Can the Minister refer us to some saving measure to show that there is no constraint on the publication of data aggregated for the purpose of elaborating the impact of the national minimum wage?

Mr. Bercow: I am moved to comment principally by the contribution of the hon. Member for Amber Valley (Judy Mallaber). It would be an understatement to say that I was saddened and disappointed by her speech. We spent many hours in Committee debating important matters. I hope that she will not take it amiss if I say that she made some of the most thoughtful contributions.

It is in no spirit of hostility that I observe that I was struck by the inadequacy of the hon. Lady's reasoning in backing the Government. In a fit of what looked and sounded like irritation, she said that new clause 2 was essential for the implementation and effective enforcement of the national minimum wage. With that throwaway line, she seemed to suggest that she had obviated the need for further rational argument about the merits of new clause 2, on which several of my hon. Friends made important comments. In short, she appeared to suggest that the ends justify the means. She had not even thought of the need for it, but now she prays in aid her wisdom on the subject. She said nothing about the information provisions previously, but she is now satisfied with what the Government propose. We have several legitimate and serious objections, to which it would be nice to think that the Minister will feel obliged to respond.

As my hon. Friends have made several important points, I shall confine myself to two. The first relates to new clause 2(5), which specifies that information supplied under subsection (4)

"shall not be supplied by the recipient to any other person or body unless it is supplied for the purposes of any civil or criminal proceedings relating to this Act".

That is as may be, but it is not clear what recourse or redress employers have in the event that information supplied to the Secretary of State or another relevant authority is leaked to another relevant authority or, worse, into the public domain, with or without the authorisation of the Secretary of State, maliciously or non-maliciously.

I hope that the Minister for Small Firms, Trade and Industry will be able to tell me that I have no cause for concern and that employers in such circumstances will have redress and be able to go to law; that a remedy will be available to them. She is a decent and civilised human being and an effective exponent of the Government's case. She is also a lawyer and knows the importance of rights of redress for those whose rights have been infringed.

My question does not require elaboration. If an employer suffers from the release into the public domain or to another relevant authority information that is damaging to his business or him individually and that release is improper, unauthorised or even malicious, will he be able to secure some redress, compensation or recognition of the fact of wrongdoing by the Government Department or other relevant authority or whoever?

Mr. Hammond: I have listened carefully to my hon. Friend's argument. It is a question not only of the Government Department, other relevant department or whoever, but whether an injured party would have redress against the recipient who had leaked the information and whether, separately, he would have redress against a Secretary of State who had originally made the information available.

Mr. Bercow: My hon. Friend makes a powerful point. It is of the essence that an employer who has been offended against in such a way should have a right of redress against the Secretary of State, even if the Secretary of State himself or herself had not authorised the release of the information. If the Secretary of State had authorised the information, albeit with no malicious intent, there has ultimately to be an acceptance of responsibility. Nowhere is it more appropriate in the implementation of legislation than in such cases that the Secretary of State should take responsibility. Whether it is a junior departmental official or a senior spin doctor, deliberately or accidentally, with or without authority, ultimately an individual should have redress. The Secretary of State should be held accountable for the inappropriate conduct.

My hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) also raised the important question of the entitlement of the employer who has been offended against to secure redress from others to whom the information has been leaked. Morally, the employer offended against should be so entitled, but, practically, it is doubtful whether it would be possible to secure such redress.

I mentioned, among others, the scenario of the release of information into the public domain. In referring to the public domain, I refer to the likelihood of the information appearing in the media. It is then potentially in the minds of hundreds of thousands, if not tens of millions, of people. It seems improbable that the wronged, possibly aggrieved, employer would be able to secure redress against millions of people, although his grievance would be none the less serious for that.

Mr. Hammond: It occurs to me that, although the new clause creates an absolute prohibition on a party who has received information from the Secretary of State passing it on for purposes other than those relating to the Act, it says nothing about the sanction to which such a person would be subject. Might it not be better if the Secretary

[Mr. Hammond]

of State, when making such information available, entered into a restrictive agreement—a contractual arrangement—which might stipulate entitlement to monetary or liquidated damages if the information was passed into the wrong hands, thus making it a matter of contract between the Secretary of State and the recipient if anything went wrong?

Mr. Bercow: My hon. Friend is making a worthy attempt, albeit relatively late in the day, to improve the likely consequences of the legislation. However, I am sure that he agrees that it would be preferable that, rather than facilitating such contracts in future, the Bill itself were amended specifically to provide for redress in the circumstances I have described or in similar circumstances. It should not be necessary for the Secretary of State subsequently to have to enter into particular contractual arrangements with others to whom she passes the information acquired. It ought to be stated on the face of the Bill that there is a prohibition on the release of the information to third parties, and that there is a sanction in the event of that release of information.

Mr. Ian Bruce: Despite the fear that I shall again be described as nit-picking, I should like to comment on the fact that, having received information from the Secretary of State, one is able to pass it on for the purpose of any civil proceedings. In the English language, civil proceedings do not necessarily take place in front of a court. When reading the phrase "civil or criminal proceedings", one tends to think that they will take place in a courtroom, but one can argue that a solicitor having been given the information and then selling it for a profit to a trade union with an interest in the legislation is "civil proceedings".

Mr. Bercow: I am exceptionally grateful to my hon. Friend, because he has picked a useful nit—indeed, his reputation for doing so is legendary and entirely justified. There is a danger of the information being used in that way, and if, as is possible, the Minister thinks that it is unlikely to arise, I should be grateful if she would explain why. More particularly, I should appreciate her saying what she would think of a circumstance of the sort my hon. Friend describes. Does she believe, as I suspect some Government supporters do, that that is simply an unfortunate but acceptable by-product of a worthy piece of legislation?

I should be saddened if the Minister took that view, because she does not have the gaze of the fanatic about her. That is not a comment I could make of several of her right hon. and hon. Friends, who undoubtedly think that all is justified in the service of the wider goal of the national minimum wage. We are concerned with the respect for rights and, in so far as rights are not safeguarded on the face of the Bill, does the Minister accept that there will be people genuinely concerned about the possibility of abuse? I hope that she does accept that and that she will respond to the point.

I should say that, in respect of the Minister, to whom legislation does not refer—it refers, quite properly, to the Secretary of State—I have no qualms, concerns or anxiety at all. I do not wish to drive any more nails into her political coffin, but I regard her as a person of the utmost propriety and integrity. I am not even concerned about the way in which the current President of the Board of Trade might use the information. However, more dastardly figures might arise in future who would use and abuse the information for malign purposes, the effect of which would be to damage individual employers.

The second feature of the new clause to which I want to refer is subsection (6), which states:

"This section does not limit the circumstances in which information may be supplied or used apart from this section."

It is precisely the vagueness and ambiguity of that terminology which gives me cause for concern, and I invite the House to consider the possibility that it lays us open to an abuse. If there are Labour Members, other than those sitting on the Treasury Bench, who know precisely what is to be interpreted by those words and who are able now, via an intervention, to disarm me and to demonstrate beyond peradventure that subsection (6) is entirely innocuous, I shall be happy to hear from them.

It would not be reasonable for those sitting on the Treasury Bench to rise to defend subsection (6), for, if they do so, all the Labour Back Benchers will sheepishly follow their lead and profess that, although they are most grateful to their hon. Friend the Minister for explaining matters for the benefit of me and my right hon. and hon. Friends, they knew that information anyway and were always aware that it was a perfectly satisfactory and harmless subsection. I issue an invitation to a Labour Back Bencher to state explicitly what subsection (6) means—that is the first challenge; the second is to explain why that subsection is innocuous and why I have no grounds for fearing its possible abuse, to the detriment of perfectly decent people in future.

7.15 pm

I am veritably staggered—nay, I would be veritably staggered, were it not for experience of Labour Back Benchers—to discover this sudden reticence by which they have been afflicted. At the very moment that I hoped a Labour Back Bencher—I notice some experienced Members among those present—might spring to his or her feet to reassure me what an innocuous subsection subsection (6) is, none of them chooses to do so. All refrain from doing so: they remain seated; they have nothing to say; they are duly embarrassed; they are unable to offer a defence of, or to give their explicit and vocal support for, subsection (6). On the basis of their reticence, I am even more concerned now than I was before I issued the invitation.

I repeat, for the benefit of Labour Members, that subsection (6) states:

"This section does not limit the circumstances in which information may be supplied or used apart from this section."

I give the House one illustration of a scenario in which the information may be used for purposes unrelated to the purposes of the clause, and I invite Labour Members to respond to this scenario. I am not saying that the scenario is bound to occur, or that it is even probable that it will occur; I simply submit for the consideration of the House the possibility that it might occur, and I invite Labour Members to comment.

The scenario is this: wholly unrelated to the implementation of the provisions of the National Minimum Wage Act, as the Bill will shortly become,

Ministers of the Crown, for the purposes of what might be described as a name-and-shame policy, choose to release to other relevant authorities or even into the public domain, or allow to be released into the public domain by junior officials or indeed senior spin doctors, information about the employment and wage-paying practices of particular companies. That is potentially a purpose for which subsection (6) could be used; the subsection entitles the use of information for purposes other than those provided for in the clause.

Mr. Hammond: I have been following closely my hon. Friend's interesting and detailed argument; his point may be even stronger than he realises, in that subsection (3) would appear specifically to authorise the Secretary of State to use the information for that purpose, it being a purpose relating to the Act—it does not require the purpose to relate to proceedings or a prosecution under the Act, but merely that the purpose should relate to the Act.

Mr. Bercow: I am grateful to my hon. Friend. As he was intervening, I looked at subsection (3) again, and I am happy to concede that he could be right. As my hon. Friend would expect, I was erring on the side of generosity and I had not focused on the words "relating to this Act" as intently as my hon. Friend the Member for South Dorset (Mr. Bruce) had done. I had slipped into what was probably the error of thinking that the words "relating to this Act" were innocuous. My hon. Friend the Member for South Dorset has already explained why they might very well not be innocuous and could be used and abused for malign purposes by people acting under the authority of the Act.

Mr. Ian Bruce: May I let the House into a little secret? I knew an investigative journalist who, a few years ago, was attempting to embarrass the Labour party by finding out how much each Labour Member was paying his or her research assistant, as it was general knowledge that people volunteered and worked for peanuts. The journalist could not discover the information in sufficient detail to publish it, but, under the Act, inspectors could release that information to journalists because it relates to the Act.

Mr. Bercow: If ever there were a good reason for the Government to reconsider their position and recognise the dangers of the existing wording of the clause, my hon. Friend has, in a thoroughly charitable fashion, provided it. I might have hoped that the cause of the national interest, the merits of the case for individual companies and the simple issue of natural justice would cause the Government to rethink, but we are dealing with new Labour, and it is over-optimistic to expect those virtues to come to the fore.

I note that seated at the back of the Chamber are two hon. Ladies—the hon. Members for Preston (Audrey Wise) and for Birmingham, Selly Oak (Dr. Jones)—who are definitely not members of new Labour. It may be that, in relation to the new clause, those hon. Ladies' natural sense of fair play, their preoccupation with justice and the cause of individual and civil rights will come to the fore. Perhaps, when I have concluded my observations, one of them will enthusiastically rise to her feet to agree with what I have said.

My hon. Friend the Member for South Dorset must understand that the Government will not be motivated to shift in our direction for any reason other than self-interest. The prospect that the policies that Labour Members, and perhaps even Labour Ministers, use to pay their own researchers could cease to be a closely guarded secret and could, instead, be dangerously released into the public domain and covered by national newspapers should give them pause for thought.

My anxiety has been simply stated. I fear that subsection (6) and, possibly, as I happily concede to my hon. Friend the Member for Runnymede and Weybridge, subsection (3) could be used for propaganda purposes, which would damage particular companies, entrepreneurs and individual business men who might have fallen foul of the lieutenants of new Labour. That is particularly serious, because information could be released into the public domain that not only damaged certain employers, but did so wrongfully.

Mr. Lansley: I am grateful to my hon. Friend, and I hope that he will forgive me if I anticipate a point that he is about to make. We need to know from the Minister whether the Government intend to publish data specifically relating to employers to whom enforcement notices have been issued, because, under the Act, such notices may be issued without the employers having any right to make representations.

Mr. Bercow: My hon. Friend makes a valid point, and I hope that the Ministers present will heed it.

Mr. Hammond: Further to the intervention of my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), it strikes me that the information would not even be subject to the limited safeguards of the new clause, because the information would not have been obtained by an officer, but would have come from the officer's own records, which he had created in the course of his duties. Therefore, there would be no protection.

Mr. Bercow: My hon. Friend makes an equally valid point. The danger is that information will be released into the public domain that wrongfully damages particular employers. That might happen because the information about, for example, enforcement notices or penalty notices is incorrect. The possibility of error exists—Ministers have acknowledged that in providing for defences in the context of enforcement notices and penalty notices—

Mr. Lansley: But not in respect of themselves.

Mr. Bercow: My hon. Friend wryly observes that, although Ministers have acknowledged the possibility of error, they have not done so in respect of themselves. He makes a fair point. In fairness, Ministers have acknowledged the possibility of error in respect of an officer issuing an enforcement notice or a penalty notice. The information may be incorrect and, subsequently, it may be successfully contested by an employer. If it is, it will be clear beyond doubt that the information was wrong and that the enforcement or penalty notice should not have been issued.

If, however, acting under subsection (6), the information that has been compiled is used for a purpose unrelated to the Act, before the employer has had the opportunity to clear his name and demonstrate that the enforcement or penalty notice should not have been issued, the damage will have been done. That is why I

[Mr. Bercow]

ask the Minister, in all sincerity, whether she accepts the possibility—not the probability or the likelihood—of abuse.

Mr. Syms: There is also the issue whether the enforcement notice is a private matter between the officer and the company—and therefore open to negotiation or the free flow of information—or a public notice, in which case the employer may well be condemned without having done anything wrong.

Mr. Bercow: What might start as a private notice could cease to be private after a short period. In Standing Committee, I raised the possibility of information being leaked, perhaps to people with a vested interest in its use, not just to Joe Bloggs who is wholly uninterested in the circumstances. The information could be leaked—either deliberately or accidentally—to somebody with a vested interest in doing down a business rival. The circumstance to which my hon. Friend referred is perfectly capable of arising and, if it did, it would be extremely serious.

Mr. Hammond: Will my hon. Friend acknowledge that a particular circumstance has been of concern to Conservative Members throughout the Bill's consideration? It would arise when an employer failed to pay any wages and, under the legislation, enforcement proceedings were taken because that failure constituted, as it certainly would, a failure to pay the minimum wage. Failure to pay wages could signal that something was wrong in the business and that information could be of great value to competitors. Does my hon. Friend agree that, in those circumstances, employers would be right to be concerned about the possible leakage of such information into the public domain?

Mr. Bercow: In such circumstances, the release of information would be damaging and unfair in equal measure. If a company were in the gravest difficulty and had not paid the minimum wage simply because a cash flow crisis prevented it from doing so, it would be serious if those difficulties were compounded by the release of information into the public domain, possibly for use against the company by a business rival.

I conclude by asking the Minister for Small Firms, Trade and Industry—as I have already done a number of times during my speech, eloquently aided and abetted by my hon. Friends—the following question: what is the redress? She is a courteous debater, and I hope that she accepts that in no sense are we seeking to frustrate progress on the Bill by discussing these important issues. The Minister of State is always good fun and good sport, but he has a rather nagging and downmarket tendency to resort to his usual attack that we are making these points just to stop the Bill.

In full view of hon. Members on both sides of the House, I say to the Under-Secretary, graciously and without hint of grudge, that she will get her Bill. I wish to ensure that people do not suffer as a result of the inappropriate exercise of power, which is a legitimate anxiety and a proper preoccupation of hon. Members, whatever their political affiliation. I should be most grateful for the Under-Secretary's response to the points that I have made.

7.30 pm

Mrs. Roche: This has been an amazing, surreal debate. It started well; the hon. Member for Daventry (Mr. Boswell) was so reasonable and made a good response to my opening remarks. I thought that I had been reasonable in my opening remarks, but I have learnt my lesson. I thank Conservative Members for their great contribution to my parliamentary reputation among my colleagues. I am not sure what sort of service they have done me—

Mr. Ian McCartney: We do not believe them.

Mrs. Roche: I am grateful to my hon. Friend for that comment; I must be doing all right.

I agree with the hon. Member for Daventry that, as I said earlier, a balance must be struck between confidentiality and ensuring that the enforcement procedure is right. We want to ensure that the procedure is right; representations were made on that point by hon. Members on both sides in Committee. We started from the premise that the great majority of employers would want to enforce the Bill, and that proper procedures would have to be put in place to ensure such enforcement and to ensure that there would be no abuses.

I shall deal with points that were pertinent to the new clause and the amendments. Hon. Members mentioned unauthorised and improper disclosures. Improper disclosures by Government Departments will be dealt with in the strongest possible terms under internal disciplinary procedures. The previous Government rightly put in place procedures to deal with improper disclosure of information that employers must lodge with the Government, and exactly the same procedures will apply under the Bill.

The hon. Member for Daventry, who is not in his place, asked an interesting question about court proceedings. The hon. Member for South Dorset (Mr. Bruce) asked about civil proceedings—a narrow phrase which covers proceedings that are related to enforcement rights under the Act.

Mr. Ian Bruce: The Under-Secretary used the words that I wanted to hear. Why does the new clause use the words "relating to this Act", and not "under the Act"? Those phrases are so different.

Mrs. Roche: I do not see any difference—it is a term of art—and I assure the hon. Gentleman that he should see no sinister purpose whatever.

The hon. Members for South Dorset and for Daventry asked about misuse of information by the recipient. The normal injunction procedure, which is well known, should usually prevent misuse of information. Information given in open court may already be in the public domain. In that regard, the Bill does not differ from previous legislation.

Mr. Lansley: My hon. Friend the Member for South Dorset questioned me about the words "under the Act" and "relating to this Act", and I have been thinking about that question since he asked it. The Bill will amend legislation such as the Agricultural Wages Act 1948, the Employment Rights Act 1996 and other legislation. Will proceedings take place under the amended legislation and not under the Act, although they will relate to the Act?

Mrs. Roche: The hon. Gentleman was a member of the Standing Committee. He will be aware that the Bill

amends other legislation to ensure that the legislation is coherent and consistent. The Bill has been drafted carefully to cover proceedings that are related to the Act. There will be two parallel systems, one of which will deal with agricultural wages legislation. The Bill is consistent on that matter.

My hon. Friend the Member for Amber Valley (Judy Mallaber) made an important point and greatly assisted our deliberations. She pointed out that the Conservative Government enacted legislation to make such exchanges of information possible. I did not read press reports of great rebellions by Conservative Members when that was taking place.

Mr. Lansley *rose—*

Mrs. Roche: No, I will not give way; I must make progress.

The hon. Member for South Dorset made a remark with which I must take issue straight away. He said that officials were looking amused. Hon. Members well know that officials are never amused; they are absolutely correct at all times.

The hon. Member for South Dorset asked about the grade of officials who will make decisions about vesting authority and about authorising officials to act. As with all other legislation, under the Bill—the hon. Gentleman agreed with this—decisions will be made by officials of the appropriate grade.

Mr. Ian Bruce: The Under-Secretary is a friendly boss, which is why she amuses her civil servants, but is it not important to discover whether decisions will be made at an operational level, at which point the person who collects information is authorised by the Secretary of State to pass it on to anybody else, or at a more senior grade? Someone of an appropriate grade may be at the lowest level, as the Under-Secretary has said.

Mrs. Roche: I hope that the hon. Gentleman accepts—I am choosing my words carefully—that appropriate level means exactly that. Sensitive information has to be dealt with properly. The new clause is narrowly drawn. I assure the hon. Gentleman that we want the matter to be dealt with in a way that is good for the employer and for the employee.

The hon. Member for South Dorset also mentioned the Child Support Agency and in-work benefits. Tempted though I am to discuss them, I feel that you, Mr. Deputy Speaker, would stop me if I did so.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) asked about information, the use of the word "vests" and ownership. The intention is that information obtained by officials for the purpose of the Act should be treated as held by the Secretary of State. No other effect is intended. The information will not cease to vest with the employer; it could not do so, because the employer would still own the original information. The wording is drawn narrowly because information about sensitive matters is being passed.

Mr. Bercow: Will the Minister give way?

Mrs. Roche: No, I must make progress.

The hon. Member for South Cambridgeshire (Mr. Lansley) asked about the purpose of the clauses. They are meant to clarify the enforcement provisions. As I said when I spoke earlier about the contribution by my hon. Friend the Member for Amber Valley, the model for the provisions is the arrangement in the Social Security Administration (Fraud) Act 1997, which was passed by the previous Administration. They managed to make a contribution to our deliberations on the Bill.

Mr. Lansley: Does the Minister accept that the example that she has given specified the agencies that were to collect information on behalf of the Government and the other agencies to which information should be passed? It is specific, not general.

Mrs. Roche: I said when I spoke to the new clauses and the amendments that they were contingency measures because we are waiting for the recommendations on enforcement by the Low Pay Commission. There is nothing sinister in that. I am being frank with the House.

The new clauses and the amendments will assist in the enforcement of the Bill. The measure is warmly welcomed by the majority of hon. Members and by the country. It demands proper enforcement procedures, and I commend the new clauses and the amendments to the House.

Question put and agreed to.

Clause read a Second time. and added to the Bill.

New clause 3

INFORMATION OBTAINED BY AGRICULTURAL WAGES OFFICERS

'.—(1) This section applies to information which has been obtained by an officer acting for the purposes of any of the agricultural wages legislation and which is held by a relevant authority.

(2) Information to which this section applies may, with the authorisation of the relevant authority, be supplied to the Secretary of State for use for any purpose relating to this Act.

(3) Information supplied under subsection (2) above may be supplied by the recipient to any government department or other body if—

(a) arrangements made between the recipient and that department or body under section 13(1)(b) above are in force; and

(b) the information is supplied for any purpose relating to this Act.

(4) Except as provided by subsection (3) above, information supplied under subsection (2) or (3) above—

(a) shall not be supplied by the recipient to any other person or body unless it is supplied for the purposes of any civil or criminal proceedings relating to this Act; and

(b) shall not be supplied in those circumstances without the authorisation of the relevant authority.

(5) This section does not limit the circumstances in which information may be supplied or used apart from this section.

(6) In this section—

"the agricultural wages legislation" means—

(a) the Agricultural Wages Act 1948;

(b) the Agricultural Wages (Scotland) Act 1949; and

(c) the Agricultural Wages (Regulation) (Northern Ireland) Order 1977;

"relevant authority" means—

(a) in relation to information obtained by an officer acting in England, the Minister of Agriculture, Fisheries and Food;

(b) in relation to information obtained by an officer acting in Wales, the Minister of the Crown with the function of appointing officers under section 12 of the Agricultural Wages Act 1948 in relation to Wales;

(c) in relation to information obtained by an officer acting in Scotland, the Minister of the Crown with the function of appointing officers under section 12 of the Agricultural Wages (Scotland) Act 1949; and

(d) in relation to information obtained by an officer acting in Northern Ireland, the Department of Agriculture for Northern Ireland.'.—*[Mr. Robert Ainsworth.]*

Brought up, read the First and Second time, and added to the Bill.

New clause 4

COMPANY DIRECTORS

'.—A person who is a director of a limited company does not qualify for the national minimum wage in respect of that employment.'.—*[Mr. Lansley.]*

Brought up, and read the First time.

Mr. Lansley: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: New clause 5—*Directors of companies*—

'.—A person who is a director of a company is not entitled to the national minimum wage in respect of his or her employment by that company.'.

New clause 10—*Exclusion of severely incapacitated persons*—

'.—(1) The Secretary of State may, after consultation with the Low Pay Commission, make an order exempting incapacitated persons from the provisions of this Act.

(2) An order under subsection (1) above shall provide for the issue of permits by the Secretary of State to those persons whom he believes to be incapacitated and may make provision for—

(a) the procedure for applying for and issuing such permits;

(b) the procedure for establishing the minimum wage to which each permit holder shall be entitled (being less than the single hourly rate prescribed under section 1(3) of this Act);

(c) the appointment by the Secretary of State of suitably qualified persons to assess such applications; and

(d) the procedure for appealing against a refusal to issue such a permit

(3) No person shall be guilty of an offence under this Act in respect of an employee who holds a permit issued in accordance with an order made under this section.

(4) For the purposes of this section, a person is incapacitated if he is so affected by physical injury or mental deficiency or infirmity due to age or any other cause as to be incapable of earning the national minimum wage.'.

Amendment No. 70, in clause 1, page 1, line 14, leave out from '(c)' to end of line and add

'is over the age of 18 years'.

Amendment No. 79, in clause 3, page 2, line 42, leave out '26' and insert '18'

Government amendment No. 21.

Amendment No. 53, in clause 4, page 3, line 10 after 'State', insert

'acting on the advice of the Low Pay Commission'.

Government amendment No. 22.

Amendment No. 54, in page 3, line 11 after 'descriptions', insert 'or deleting existing descriptions.'

Government amendment No. 23.

Mr. Lansley: Hon. Members will note that the group includes some amendments and new clauses relating to different issues. New clause 4 directly reflects the substance of new clause 5, but is expressed slightly differently. I am sure that hon. Members will wish to elaborate on the new clause and the amendments.

The new clause seeks to exclude from qualifying for the national minimum wage those who are employed by companies of which they are directors. Its purpose is straightforward. It became abundantly clear in Committee that, elsewhere in the legislation, the Government took pains to assure the Committee that the Bill did not intend to treat as qualifying for the minimum wage people who were genuinely self-employed. I shall not enter into the debate about what constitutes genuine self-employment, because we have had several debates on that.

If it is agreed that the Government are right in their intention that self-employed people should not qualify for the minimum wage, it would serve us well to understand why. If people are employed, or are workers who have a contract with another person, the Government say that that person should be constrained to pay the national minimum wage. However, the Bill does not intend to constrain people to pay themselves the national minimum wage. There would be all kinds of absurdities and perversities if that were so. Self-employed people would have to pay themselves the minimum wage, although that might cause the business to fail or, in some curious way, they would have to treat the resources of the business as separate from their own resources. Those are strange outcomes, and in the context of the Bill it is right to exclude the self-employed from the national minimum wage.

7.45 pm

The argument proceeds directly to those who are directors of companies, in that, acting corporately, such people have the ability to determine their own pay. The new clause has been introduced with that in mind.

Speaking not legally but substantively, there are two kinds of directors, and we all recognise them in practice. There are directors of large companies and directors of small companies, and it may be argued that the former do not necessarily determine their own pay. It may be determined by a remuneration committee of the board of directors, which may include non-executive directors, and it could be said that executive directors might somehow run the risk of the corporate board paying them less than the national minimum wage. We should treat that as technically correct but substantively pointless, because the

majority of directors of large companies will be paid well in excess of the national minimum wage, and no benefit is served by seeking to ensure their inclusion in qualifying status.

Quite a different practice applies to the directors of smaller companies, who are much more numerous. They will determine what they are to be paid by the business of which they are directors.

Mr. Ian Bruce: I do not want to nit-pick, but I think that my hon. Friend is wrong in excluding that group. In a company in which a body of people decides a director's pay, the director may, because the company is doing badly, volunteer to take no pay that year. In that event, his company could be prosecuted because he was doing what Labour Members say fat cats should do when they do not make a profit, which is not to take any pay.

Mr. Lansley: In practice I do not think that we disagree on that. Whether the company is large or small, its directors have a responsibility to it. It is not simply that they may choose not to take a salary that is equivalent to the national minimum wage—which might apply in a small company in straitened circumstances—because, as directors, they may have a legal responsibility not to do so. For maintaining the company's business, it may be necessary for them not to extract profits and pay themselves salaries above a certain level in pursuance of their wider responsibility to the company as a corporate body.

Mr. Bercow: My hon. Friend's comments about the directors of small companies are especially pertinent in the light of the information that we discussed in Committee. My hon. Friend will recall that that information related to the evidence that the take-home pay of many small business men is lower than that of many of their staff.

Mr. Lansley: That is right, but I shall not replay the Committee debate on small businesses in general. Many of the arguments in that debate apply a fortiori to directors of small companies who determine their own pay. By incorporation and by becoming directors, they are often seeking to create a growing business. Often in those early years—I am reasonably familiar with it; I know that my right hon. and hon. Friends are at least as familiar with the process as I am—withdrawals from the business are necessarily very modest, and may at certain points fall below the national minimum wage level.

That is one reason why low-income statistics are often distorted to an extent by people who draw apparently very low incomes. They may, for example—I know this well from constituency experience, as other hon. Members will—have been in reasonably well-paid employment and have left it to start up their own business; they are either self-employed or they form their own company and are directors of that company. For some period, perhaps two or three years, they take virtually no income from that business, because they are establishing it.

Of course, perversely, those people appear in income statistics to have little income, but they have a certain amount of expenditure. Of course, that is because they are maintaining their expenditure out of assets—their personal assets, as it were—while the business is building up by virtue of their desire to turn it into a growing company.

The perversity of the Bill is that, at that moment, as directors of the company, their intentions may be frustrated by a legal obligation—regardless of their desire as directors—to withdraw money from the business to pay it to themselves as individuals. I will not elaborate, but I know from discussions with my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), who will explain it better than I, that tax consequences may flow from an obligation to withdraw money out of a loss-making business to pay wages. From the tax point of view, it may be perverse to force directors to do that.

New clause 4 has been tabled in pursuance of the Government's aim in relation to the self-employed. *[Interruption.]* It is desirable in relation to small businesses, and it is particularly apposite in relation to company directors.

Mr. Ian Bruce: As my hon. Friend is concentrating so hard on his speech—and the examples that he has given have all applied to me personally—I wonder whether he heard Labour Members mutter and say that he was completely wrong. If the hon. Member for Chorley (Mr. Hoyle) does not believe us, I shall show him the accounts.

Mr. Lansley: My hon. Friend helps me, because I was concentrating on addressing my remarks to you, Mr. Deputy Speaker, and I was not able to pay attention to what was said by Labour Members, but everything that I have said has been directly borne out by the personal experience, if not my own, then that of persons I have met in my constituency or in my time as deputy director-general of the Association of British Chambers of Commerce, where I had the privilege to serve directly many people who had started a business, and had gone through precisely the processes that I have described, often deriding in the process the cosy analyses of Government Departments, of whatever political persuasion—before I am chided by Labour Members—for which the risk of failure is often measured in terms of being moved sideways to a different job. For a small business, the risk of failure is measured in terms of the loss of one's home, all one's security and much for which one might have worked for many years.

Mr. Syms: I am following my hon. Friend's arguments carefully, and he makes a persuasive point. Often a husband and wife start a small business. Both may be committed to it. One of them, sometimes the wife, who may do the book-keeping, may not derive a full salary, and that may cause a problem.

Mr. Lansley: My hon. Friend makes an interesting point. By virtue of an earlier new clause, the spouse of someone who is, let us say, the more active director in a small business that is starting up could hardly be treated as a volunteer in that business; the new clause would not allow such a thing. That person could not contract out of the national minimum wage, because a later clause in the Bill forbids it, so, although a company is required to have two directors, the second director may of necessity be treated as an employee or worker for the purposes of the legislation, and be paid a national minimum wage.

Then it becomes a question of record keeping and all that goes with it, even if the hours worked are deemed to be relatively few. Many people who are starting up small

[Mr. Lansley]

businesses already feel that the burden of record-keeping to which they are required to pay attention is great. There will be a serious difficulty in terms of the constraints to pay those persons who are involved a particular withdrawal from the business and in terms of record keeping. However, incorporation itself brings all the disadvantages that are associated with having to make withdrawals from the business, to pay a certain wage, to keep records, which is perhaps at least as difficult, and to make returns on those records to an enforcement officer, who acts on behalf of the Secretary of State.

All that acts as a perverse disincentive to incorporation, when in recent years so much effort has gone into ensuring that business decisions are as much as possible taken for reasons associated with that business itself, rather than by virtue simply of the Government's actions. However, this is another set of actions by Government which may lead to an obstacle falling between a self-employed person or a sole trader acting in that capacity and someone who seeks corporate status.

Before others speak to it more expertly than I do, may I say that new clause 10 is well constructed, reflecting as it does the structure of the parallel provision within the agricultural wages board legislation. As I said only obliquely and briefly during the Standing Committee, I am aware of exactly the type of circumstances in which people with severe disabilities are encouraged to enter the workplace.

Absolutely nothing in new clause 10 is designed to frustrate that, but it makes different provisions—I know this from the Papworth hospital NHS trust in my constituency—about the mechanism by which remuneration is given to persons with severe disabilities, learning disabilities or incapacities, often of a physical nature, so that those persons still have a full incentive to enter work, rather than to remain wholly on benefits, and an incentive remains for the employer.

It would be disadvantageous if the Bill had no provision for permits of that type, acted as a disincentive to that happening, or interfered with the mechanism by which some of those arrangements to support disabled people into work occur. It may not necessarily be advantageous for the payments to be routed to the employer and then back to the individual through wages. It may sometimes be better for them to be made directly by a supporting body to the individual, while the employer pays a wage that is discounted by some factor in relation to an individual's incapacity.

In Standing Committee, Ministers were often at pains to emphasise the desire to have additional flexibility. Amendment No. 54 is designed to achieve exactly that purpose: to give Ministers the flexibility, using their power under clause 4, to add descriptions of persons who might be treated as not qualifying or for whom a different rate might be prescribed, and to delete descriptions of persons. I do not think that there is any particular agenda in mind in tabling amendment No. 54, but it is entirely laudable that the amendment gives Administrations, including future Administrations, that flexibility.

Amendment No. 79 needs to be debated at some length. It seeks to remove the flexibility within the legislation to prescribe a different rate for persons aged over 18 and under 26. If one considers the Government's evidence to the Low Pay Commission, one can see the direction in which the Government are moving. Clearly, they are looking towards treating those under the age of 26 as a reasonable proxy for those who are in training in one form or another.

The Government do not want a separate training rate, which is much sought by business, for good reason. They hope that, instead of having all the difficulties of defining who is a trainee and what they may assert as the potential subsequent disincentive of having a lower training rate—which might cause people to take jobs without rather than with training—they have a young person's national minimum wage rate. All the evidence suggests that, whether that is right or wrong, the Government are likely to mitigate thereby the adverse economic and job consequences of the national minimum wage.

I recall a study in Spain that concluded that young persons were far more likely to be adversely affected in their job prospects by the imposition of a national minimum wage at a uniform rate, so it is right to have regard to young persons, and to recognise the conclusions of that study.

Several hon. Members *rose—*

Mr. Lansley: I will give way to the hon. Member for Birmingham, Selly Oak (Dr. Jones), who has sat through all the proceedings today.

Dr. Lynne Jones (Birmingham, Selly Oak): Does the hon. Gentleman recall the experience in this country after the Wages Act 1986? The minimum rate set by wages councils was abolished for the under-21s, and there was no increase in employment for young people—in fact, exactly the opposite.

8 pm

Mr. Lansley: This is not a criticism, but the hon. Lady does not have the benefit of having sat through our discussions in Committee. If she had, she would know that it is extraordinarily difficult to assess the impact of a minimum wage in a growing economy. The growth in the United Kingdom economy after 1981 and the growth in employment after 1986 were such that it was difficult subsequently to draw conclusions.

The academic evidence shows that it is better to study the inter-war years and the impact of minimum wages in agriculture. Within one overall economy—we can assume that, broadly speaking, the broader economic movements were the same—the minimum wage was varied even by county. Where the minimum wage was higher, there were adverse job consequences. Within one economic area, a variation in one parameter—the minimum wage—led to positive or negative job consequences.

Mr. Bercow: Does my hon. Friend agree that the problem for Labour Members is that they always look for a mechanistic relationship, but almost invariably the relationship is not mechanistic? There is no greater logic in what the hon. Member for Birmingham, Selly Oak (Dr. Jones) said than in the statement in Committee by a number of Labour Back Benchers that there were low wages in particular parts of the country in the early 1980s, but unemployment rose nevertheless. If there were low wages but unemployment rose, the implication is that

therefore there is never a case for low wages. There is no logic in that—there might be in the minds of Labour Back Benchers, but not in the minds of more sagacious people.

Mr. Lansley: I am grateful to my hon. Friend, who made his point well.

Mr. Ian Bruce *rose—*

Mr. Lansley: I will give way to my hon. Friend one final time.

Mr. Bruce: I hope that it is not the final time. My hon. Friend is missing one point. The effect of wages councils setting particular wages for particular age groups was very effective in my business. I ran an employment agency, and usually the companies I supplied were not affected by wages councils. If someone was doing a job, whether aged 16, 17, 18, 20 or 80, he got the same rate of pay. It was only when dealing with the Aerated Waters Wages Council, which set lower rates of pay for 16, 17 and 18-year-olds, that I was forced by employers to pay them less money, because that was required by the wages council.

Mr. Lansley: My hon. Friend initiates consideration of an issue that might well repay being examined at greater length, but it is better that he should do so than that I should attempt to do so.

Hon. Members seem to want to draw implications from the experience of the wages councils, so we could look at the relatively closed circumstances of the Agricultural Wages Board. The structure of the wages council is to be jettisoned in favour of a uniform structure. That raises the question why, if Labour Members want to replicate, through the national minimum wage, what they perceive, perhaps erroneously, to be the benefits of past wages councils structures, they do not replicate the structure of wages councils in their variations in respect of, for example, casual workers and the Agricultural Wages Board.

I rose to move new clause 4 and to make only brief comments on the new clauses and amendments grouped with it, so I shall leave it to others to refer more specifically to them.

Audrey Wise (Preston): The only phrase that unites the new clauses and amendments is that they refer to "persons who do not qualify." I want to distinguish my amendment No. 79 from the other new clauses and amendments in this group. There is a clear distinction. Conservative Members want to increase the number of people who do not qualify; my hon. Friends and I want to protect the position of those aged under 26. We want them to qualify for the minimum wage.

I am obliged to the hon. Member for South Cambridgeshire (Mr. Lansley), who did me the favour of attacking my amendment. That was both helpful and convenient. Before coming to the meat of my amendment, I want to commiserate with my hon. Friends on the Front Bench and those who served in Committee. I have had four and a half hours of Conservative Members wasting time; I dread to think how I would have felt had I suffered the many hours suffered by my hon. Friends—

Mr. John Healey (Wentworth): Eighty-six.

Audrey Wise: I double my commiserations. Concerned as I am about those under 26, there have been times when I have thought that some of the arguments in the previous debates were put by those under six.

Clause 3 says of those who have not reached the age of 26:

"The Secretary of State may by regulations"

prevent them from

"being persons who qualify for the national minimum wage."

That is of great concern to us. As an alternative, the clause says that there could be a different rate for those under 26. Clearly that means a lower rate.

Those under 26 are certainly persons—they are adult persons. My amendment would replace the age of 26 with the age of 18. When someone becomes 18, he can vote for the Government or fight for his country. In many jobs, especially those likely to benefit from the minimum wage, those over 18 get the adult rate—especially if they are lucky enough to work somewhere that is trade union organised. Trade unions have fought for the adult rate at the age of 18 in exactly those jobs that would benefit from the minimum wage, and for many years they have succeeded.

Under-26s are certainly adults. Many will have children. I had been married for more than seven years, and had two children by the time I was 26. I would have been deeply offended, affronted and horrified, and would have thought it bizarre if anyone had suggested that I was not an adult until I was 26. Some of those who might not qualify for the minimum wage are lone parents, about whom we have had much discussion. Many under-26s, including lone parents, will certainly have many heavy responsibilities.

The school-leaving age is 16. By the age of 26, many people will have left school for 10 years, and they will have been working, hopefully, for most or all of that time. I was therefore surprised—to say the least—to note that the Government felt it necessary to include clause 3 in the Bill.

I very much welcome the Bill, and I admire the tenacity with which my hon. Friends on the Front Bench have stuck to a single national rate and fought off all the blandishments suggesting all types of other complicated arrangements. They have been quite right in doing so. However, while there is a possibility of excluding those under 26, we must continue to feel alarm about the Bill's universality.

Mr. Hammond: Has the hon. Lady also noticed that, in clause 4, the Secretary of State will have powers to exclude persons over the age of 26?

Audrey Wise: We are debating clause 3. As we are debating clause 3, I shall speak to that. The hon. Gentleman's intervention does not encourage me in giving way to Conservative Members.

Mr. John Redwood (Wokingham): I quite understand where the hon. Lady is coming from with amendment

[Mr. John Redwood]

No. 79. Were I a socialist, I am sure that I would want to do the thing properly, which would mean a comprehensive minimum wage. Can she explain to the House why the Government are letting down her and other Labour Members in such a manner? Can she account for Ministers' conduct in leaving out what a socialist would consider the guts of the Bill?

Audrey Wise: The right hon. Gentleman says that he knows where I am coming from—of course he does: I am coming from Preston, where many people are sorely in need of a minimum wage. I need no lessons from Conservative Members, who have tried as much as they possibly can to obstruct the Bill's passage and resorted to the most childish arguments—because there are no good arguments against the Bill. Although this debate is being held on the Floor of the House, I am afraid that our conversation and the controversy will have to be rather more exclusive.

Mr. Bercow: Will the hon. Lady give way?

Audrey Wise: No, I will not give way to the hon. Gentleman. I have already had to endure his efforts for all too long. Let us keep to the matter, which is between me and my hon. Friend the Minister, who I know will be listening seriously to our arguments.

People are adults long before they are 26, and many people under 26 will have heavy responsibilities. They will certainly be responsible for their own upkeep. From the age of 18, it is quite clear that no one else will have responsibility for them. It is not difficult to establish their needs. I should be very interested to hear whether an argument could be made that one has to wait until 26 before accumulating adult income requirements.

People might ask, "Can those under 26 do the job? Do they do the job?" Some jobs are more complex than others. However, as I have already said, and as my hon. Friend the Minister will know very well—as he understands these matters very well and has a similar background to my own—many trade unions have established the adult rate at 18, and it would be very divisive if working people over 26 were afraid that they would lose their jobs because employers preferred to use cheap labour. Those working people over 26 would therefore be aggrieved. Those under 26 would be equally aggrieved, because they do not want to be cheap labour. Therefore, neither those over 26 nor those under 26 would be happy if the clause were activated.

Clause 3 is an empowering clause. My main objective in tabling my amendment and in speaking to it is to make it quite clear that a substantial number of people who are loyal supporters of the Government would be deeply dismayed if the clause were ever activated. I am very sorry that the clause—which hangs there, like a rain cloud—is in the Bill. However, it does not have to be activated.

8.15 pm

I therefore ask the Minister for some assurances. I have read the Committee's proceedings on clause 3, and was very pleased to see that he said that he did not want people under 26 to be used as "skivvy labour", as they had been in the past, and as some of them still are. I very much welcome that assurance.

My hon. Friend also said of clause 3:

"The proposals are consistent with the concept of the universality of the Bill."—[*Official Report, Standing Committee D*, 27 January 1998; c. 367.]

I do not understand that. Universal application of a national minimum wage should mean that it was applicable to all adults. I listened to our earlier debate on the voluntary sector, and I well understand those provisions in the Bill and have no quarrel with them. However, we are talking now about employees who earn a living by selling their labour, and the national minimum wage should apply to them from the age of 18.

I should like clarification from my hon. Friend on a specific matter. In Committee, he said:

"the recommendations, whatever they are, will be brought to the House for decisions to be made on regulations."

This debate is being held in the dark, as we do not yet know the Low Pay Commission's recommendations or how the Government will react to them. There is therefore an element of "just in case" about our debate. However, if anyone thinks that it will be easy to pass clause 3 and to have it accepted with equanimity or approval, they are wrong. If it is in the Bill just in case it can be got away with, many of my hon. Friends and I will do our level best to ensure that it is not got away with.

I should like to be as helpful as I possibly can to my hon. Friend the Minister, because Ministers really have done a very good job in the other parts of the Bill. It would be very helpful if he can assure me that his statement in Committee means what I think it means—that

"the recommendations, whatever they are, will be brought to the House for decisions to be made on regulations."—[*Official Report, Standing Committee D*, 27 January 1998; c. 370.]

Does "the House" mean the Floor of the House—this Chamber? Will we be able to debate any regulations here? I am sure that many hon. Members would very much welcome such an opportunity, if that is what it is.

We do not want to feel that establishing the terms of a minimum wage is a matter of now or never—which it should not be, as there are many contingencies of which we are not yet aware. I hope that the Minister will be able to reassure me on that matter.

Much has been said about Ministers wanting to hear the Low Pay Commission's recommendations. I regret that the age issue was even referred to the Low Pay Commission, as such a referral gives the impression that the matter is somehow technical.

I hope I have made it clear that I do not regard this as a technical matter. I regard it as a matter of adults doing adult jobs and having adult responsibilities, who may yet find themselves excluded from the national minimum wage. I hope that that will never happen: I hope that the Low Pay Commission will not recommend it, and I hope that, if it does, the Government will not accept its recommendations.

Mr. Bercow: Will the hon. Lady give way?

Audrey Wise: No. I referred to the under-sixes, and I had the hon. Gentleman in mind more than any of his

hon. Friends. [HON. MEMBERS: "Some under-sixes are very bright."] There are arguments that are childish, with which it is not wise to delay the House. There are other arguments that relate to whether real people will be able to buy real food for real children, have a decent standard of living and not have to wait for that to happen until they reach the age of 26. It is because I share my hon. Friend the Minister's commitment to the Bill that I want to ensure that it is not undermined by this proposal, with all the divisiveness that that would entail.

I hope that my hon. Friend will accept my remarks in the spirit in which I have made them. He will not be surprised to hear that they were made in a spirit not only of helpfulness, but of determination. I also hope that he will give me the assurance about procedure that I sought.

Mr. John Redwood (Wokingham): I wish to speak to new clause 10, and also to comment on new clauses 4 and 5, which concern directors; on amendments Nos. 70 and 79, which relate to age-specific matters; on the Government amendments, which also cover the issue of age; and on amendments Nos. 53 and 54, which comes under the general heading "Persons who do not qualify".

I pay tribute to my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) for his excellent speech, and for all the hard work and common sense that he put into the Committee stage. I also congratulate other members of the Committee who have done a great deal to probe and test the legislation. As we are seeing this evening, however, much remains to be done.

We enter the Report stage, as we entered the Committee stage, in the spirit of wishing to offer constructive amendments in an attempt to deal with some of the more obvious pitfalls that the original legislation was likely to create. We welcome some of the Government amendments that we have seen so far, and my hon. Friend the Member for Daventry (Mr. Boswell)—who has done so much good work—has already welcomed the move that has been made in the right direction in a couple of instances. Nevertheless, we feel that Ministers should reconsider before the Bill's passage is completed, in order to avoid some obvious difficulties—difficulties that could rebound to hurt the very people whom I think the Minister and some of his hon. Friends intend to help. We wish those people no ill, and we want the Minister to think again.

It is difficult to discuss the range of exemptions from the Bill without knowing the level at which the minimum wage is likely to be set. The main worry that anyone has about the Bill is the worry that it could destroy jobs—the fear that it could cost people their jobs if the minimum wage is too far above their current level of pay. That could happen if employers were forced to pay the national minimum, and chose to cut the numbers that they employed at the same time.

That is our main worry about the Bill. It is not that we want low pay. My hon. Friends and I have often stressed that we want the highest possible pay for people, earned in the normal way in the marketplace. We want policies that promote high pay by creating the conditions for success. Nor do we think that people should have to live on some of the low wages that are still unfortunately paid. We have always supported—and I think this is bipartisan—a minimum income with top-ups from benefit. Of course we would like Ministers to succeed in ensuring that more of people's money comes from employment and less from benefit—that, too, is common ground—but the issues concerning exemptions relate to a central question: would jobs be lost if the minimum level were set too high, and if too many people were included in the proposals?

What is surprising is the way in which the Government began. They began with the pure doctrine that it is possible for a Government to legislate for any level of wages that they choose without any consequences for jobs, but we have seen them slip and slide closer to our position, which is that to legislate for too many people at too high a level is to undermine job opportunities.

When the President of the Board of Trade launched the Bill on its tortuous journey on Second Reading, she offered minimum wage protection for all workers. In Committee, we saw the armed forces exempted from that promise. Tonight, we shall see whether all those under 26 will be exempted, or whether they will be given a lower rate or rates as a result of a powerful provision which, understandably, upsets the hon. Member for Preston (Audrey Wise) and some of her hon. Friends.

Mr. Ian McCartney: I intervene on a point of information. Clauses 3 and 4 were in the Bill on Second Reading, and the Government made no amendments to them in Committee. The Government amendments that we are discussing now are intended to clarify that position; they are not related to principle. We shall deal with the armed forces later, but the Armed Forces Pay Review Body will take care of armed forces personnel, and civilians in the armed forces will be covered by the national minimum wage.

Mr. Redwood: That was a brave effort, but the Minister protests too much. The armed forces proposal was made in Committee, after a period of sustained pressure on the part of the Opposition. Opposition Members said that the Bill was capturing too many people, and that problems were likely to result from such a wide coverage.

The Minister is right to say that certain clauses were in the Bill at the outset, but I am right to remind him about the strong statements—from him, as Minister of State responsible for this important policy, and from his boss, the President of the Board of Trade—that there would be minimum wage protection for all workers. There was no qualification in those original statements suggesting that those under 26 might be left out.

It so happens that people under 26 are the most likely category to be affected by a statutory minimum wage. It is probable that more people under 26 are below any likely minimum wage level than people above that age. The Minister is misrepresenting the history of the legislation. The promise began as a very general promise made by him and by the President of the Board of Trade. We have seen them gradually strengthen the rhetoric in favour of making a series of exemptions, and—in, for example, their evidence to the Low Pay Commission—putting more stress on the idea that perhaps all young people should, after all, be left out of the legislation.

Mr. Ian McCartney: The right hon. Gentleman entirely misrepresents the Government's evidence to the Low Pay Commission. It was completely neutral.

[Mr. Ian McCartney]

We made no recommendation to the commission on any aspect, other than asking the commission to consider the legislation and present proposals. Neither in the public nor in the private domain have we put pressure on the commission to do anything other than that.

Mr. Redwood: To draft clauses as the Government have, and then to write to the Low Pay Commission saying that the one group it should consider is those under 26, clearly implies that the Government think there is a serious argument for exempting all those under 26, or for giving them a lower rate. Otherwise the Government would not have put the clause in, and would not have written to the Low Pay Commission as they did.

Mr. Ian Bruce: Surely the truth of the matter must be that the Government know quite well what they are about to do. They could have asked the Low Pay Commission to make a prior determination. Basically, they are setting out to get through a Bill with which Labour Back Benchers disagree.

Mr. Redwood: I imagine that we share that worry with Labour Members. They may be conned by the measure in terms of the rates not being stated and who will be covered.

Audrey Wise: Will the right hon. Gentleman advise his hon. Friends that my hon. Friends and I are quite capable of telling the Government when we agree or disagree with them? I have not forgotten the many occasions when we were in opposition when I asked Ministers how low was too low in terms of pay, and the answer was never forthcoming. During all those years in opposition, it was crystal clear that no pay was too low to satisfy the Conservatives.

8.30 pm

Mr. Redwood: That is not the position of the Opposition, nor was it the position of the Conservative Government.

Audrey Wise: The right hon. Gentleman should read *Hansard*.

Mr. Redwood: Until May 1997, the Government made it clear what they considered to be a minimum income for different groups of people, depending on their family circumstances and their outgoings. There was a strong and long record of Conservative measures to boost incomes through family credit, housing benefit and income support for those who were not in employment. Some of them were bipartisan measures that mirrored the policies of previous Labour Governments. It is quite wrong for the hon. Lady to say that Conservative Members have any wish for people to live on inadequate incomes; we believe that in certain cases there should be a mixture of benefit and wages.

Mr. Jeremy Corbyn (Islington, North): The right hon. Gentleman has not answered the point raised by my hon. Friend the Member for Preston (Audrey Wise). He is correct in saying that the Conservative Government introduced and used family credit as a tool to prop up low wages and subsidise employers. The Conservatives were always very keen on propping up low wages and subsidising employers, but I do not recall any Conservative Minister ever condemning a low wage. However low it was—£1 an hour or 50p an hour—it was never low enough for the Conservative Government to criticise.

Will the right hon. Gentleman briefly say what he thinks the minimum wage should be? I would love to hear the answer—and so would an awful lot of other people. The Conservative Government never condemned any employer for using bargain-basement tactics to force young people into disgracefully low-paid jobs.

Mr. Redwood: I have made it clear that we concentrated on the income going to the individual or family. We set out what we considered to be the minimum levels of income. If it could not all come from employment income, it was topped up by state benefits. The one matter on which the hon. Gentleman and I agree is that we would like those levels to rise and more to come from employment and less from the taxpayer.

The debate between the two sides of the House is not about that but about how it should be achieved. Will we create more jobs by allowing employers to offer jobs and employees to accept them, or by telling employers that they cannot offer certain jobs at certain levels of pay? I submit that, on reflection, the hon. Gentleman will agree that the former position would result in more jobs. If we achieve success in education, training and promoting an enterprise economy, all wages will go up, and that will be good news.

Mr. Bercow: The inane ramblings of the hon. Member for Islington, North (Mr. Corbyn) notwithstanding, does my right hon. Friend agree that the real point that emerges from recent exchanges is that no minimum wage is too high and no loss of jobs is too great to cause the hon. Member for Preston (Audrey Wise) to abandon her ideological enthusiasm for a minimum wage? The realities, the consequences and the net effects are not exactly at the forefront of her mind.

Mr. Redwood: I think my hon. Friend is gently chiding me for expressing any sympathy for the hon. Member for Preston. I am sympathetic to her—I know she does not want my sympathy—because she fought the election in the belief that there would be a fairly high national minimum wage applying to everyone. She could have deduced that also from the early statements of the Minister and the President of the Board of Trade. The Bill, with its ragbag of exemptions, some of which we welcome, must be a terrible disappointment to her.

I sympathise with the hon. Lady, but my hon. Friend the Member for Buckingham (Mr. Bercow) and I disagree with her judgment, and that is why we are not socialists. We do not believe that it is possible legislate to create prosperity in that way. If it were, we would have done it and we would have been more popular, but the Government are in danger of legislating people's jobs away rather than legislating for higher pay for a lot of people.

Mrs. Maria Fyfe (Glasgow, Maryhill): For the record, and for the sake of clarity, I can recall Conservative

Ministers and Back Benchers being asked whether any pay was too low. Although they never gave a figure, they often replied that people should price themselves into work. They repeated that phrase time and again. Is that still their position, or have their views changed?

Mr. Redwood: I shall try to explain again. Ministers said then, and shadow spokesmen say now, that there are levels of pay that are too low to support the family life of the individuals concerned, and that something should be done about it. In government, we introduced ways of topping up those incomes. We also adopted a series of policies that promoted a more successful economy in many years under the Conservatives. During those periods, wages generally rose. The Labour Government are trying to achieve through legislation what we did by economic success. The best way of getting people into jobs that pay well is economic success, enterprise and growth—which is what I trust both parties wish to see. The argument is about how to achieve them.

Mr. Lansley: Before my right hon. Friend moves away from this point, does he recall that, in October 1996, the Organisation for Economic Co-operation and Development produced a report on the possibilities of different forms of welfare for those on low wages or in low-skilled jobs? It stated:

"This calls for a new income supplement for low-wage jobs, possibly accompanied by a lower minimum wage, to reduce employer costs while retaining a minimum income guarantee."

The OECD called for a direct employer subsidy in Europe, but in the United Kingdom we had a rather better system that supported the individual in work.

Mr. Redwood: My hon. Friend is quite right. He makes an extremely powerful point, which leads me to remind the House that there is a contradiction at the heart of the Government's policy of welfare to work. We hope that it remains welfare to work and does not become work to welfare, but one wonders, given some of their measures.

Some of the steps that the Government are taking are designed to lower the costs of employing people in order to produce more jobs. That is the idea behind some of the Chancellor's measures. He may reduce tax on the lower-paid for the same reason—that he wants to increase their net take-home pay to produce a given level of employment income. That is a sensible idea, but how does it square with trying to increase wages by Act of Parliament, running the risk of pricing some jobs out of existence? It is the opposite of what the Chancellor is trying to achieve by other policies.

If we ran the numbers through a computer, we might discover that, after all the twisting and turning, we would be worse rather than better off as the job-destroying effects of measures that increased employer costs—the tax measures and those in the Bill—more than offset the advantages that the Chancellor is trying to offer by means of other parts of his strategy.

Mr. Michael Jabez Foster (Hastings and Rye): Can the right hon. Gentleman explain the problem in my constituency? Hastings and Rye has the lowest wages in the south-east—something like two thirds of the national average, or a little lower. We also have the highest unemployment rate in the south-east. The problem cannot be blamed on the Labour party, since, until the general election, the constituency had been represented by a Conservative Member of Parliament since 1902 and until recent years there was a Conservative council. Can the right hon. Gentleman explain how there can be areas of low wages and high unemployment if there is some relationship between the two?

Mr. Redwood: I thought that Labour had a solution to that. The Government came to power saying that they would tackle such pockets of persistently and unpleasantly high unemployment in their early days. It is interesting that the hon. Gentleman is seeking the expertise and advice of the Conservatives. He clearly has no confidence in the ability of the Government he supports to solve the problems.

The decline of traditional activities in seaside towns has often been too steep for the creation of new jobs and new opportunities to keep pace. I trust that the hon. Gentleman will work to help to raise school standards, to broaden the horizons of young people leaving school, to ensure that the training offered is of the highest quality and to promote that training to businesses. He is likely to attract more jobs and more businesses by supporting the successful enterprise policies that we followed in the 1980s and the mid-1990s than by following the over-prescriptive and over-regulatory policy that the Minister would like. Countries that have followed such regulatory policies have higher unemployment than Britain—including his constituency.

Sir Teddy Taylor (Rochford and Southend, East): Does my right hon. Friend accept that, in Hastings, Southend-on-Sea and other seaside towns, one of the problems is not the level of wages, but the fact that, although we have high levels of unemployment, some of our travel-to-work areas have much lower unemployment, depriving us of the grants that many other areas have? Is that not a result of European bureaucracy, which insists that the Government have to take travel-to-work areas into account? Would it not be better if the Government—Conservative or Labour—were free to give help to such areas of high unemployment without the restrictions imposed by foolish Euro-regulations?

Mr. Deputy Speaker: Order. That really is going much wider than the group of amendments allows. I hope that the right hon. Member for Wokingham (Mr. Redwood) will be able to keep within the group.

Mr. Redwood: I shall not be wandering off. My hon. Friend has made his point. I had thought that some Labour Members were tempting me a little wide of the group, although it contains some general issues that relate to how many exemptions there should be, which needed some general exposition.

My hon. Friend the Member for South Cambridgeshire has pointed out that directors are caught by the Bill. He made an important point, saying that a director who wanted his business to grow might find it tax-disadvantageous to pay himself any or much salary. It might be better for him to use the cash coming in to invest in the future of the business and not have to pay himself an income. That powerful consideration persuaded me that his new clause has a great deal of merit, as does new clause 5, which is similar.

[Mr. Redwood]

I noticed an interesting story in *The Times* on Thursday 5 March about James McSporran, from a Hebridean island. Mr. McSporran has just retired from one of his 13 jobs. He has been, or is, postman, rent collector, shopkeeper, ambulance man, taxi driver, school bus driver, pier master, registrar, insurance collector, petrol pump attendant, undertaker and proprietor of the guest house. Until five years ago, he was also fire master and coastguard. He may well be a director of one or more of those businesses. If he is not, there may be another Mr. McSporran with a similar portfolio of activities that includes a number of directorships.

Mr. Corbyn: How many directorships does the right hon. Gentleman have?

Mr. Redwood: I have no directorships. My work is cut out keeping up with all the extraordinary schemes coming out of the Department of Trade and Industry and the very badly drafted legislation that it brings before us. The hon. Gentleman is making me deviate from the important subject under discussion.

Mr. McSporran and those like him will have to pay themselves—or be paid—the minimum wage for each of their activities. That is extraordinary. If Mr. McSporran or someone like him is a director of two or three small businesses that provide a community service—doing that work partly for normal business reasons and partly to make a contribution to their community—they are the best judges of whether they need to pay themselves a lot, a little or nothing. With such a portfolio of interests, presumably they have money coming into the family to meet their requirements.

Mr. Corbyn: Before the right hon. Gentleman continues with his extraordinary argument about one person holding 13 jobs, I remind him that the Bill relates to an hourly minimum rate. People can be paid more than that minimum. Is the right hon. Gentleman suggesting that such a person will get 13 times the hourly rate for each job he does? If so, he has clearly not read the Bill.

8.45 pm

Mr. Redwood: The hon. Gentleman is getting confused. My point is that, for someone with 13 jobs—or even four or five jobs—including directorships, it is reasonable that they should be free to be paid a lot or a little depending on their circumstances and the circumstances of the business, rather than having to be paid the statutory minimum for the hours they are working, or say they are working, in that role. The hon. Gentleman should reflect on that.

Mr. Hammond: Does my right hon. Friend agree that it is extraordinary for Labour Members, who are so fond of talking about fat cat directors paying themselves too much out of profits, to want to prohibit directors of companies that might be in trouble and might be faced with the possibility of having to lay off workers from agreeing to take no pay to save the business?

Mr. Redwood: It is extraordinary. My hon. Friend has pre-empted a point that I was about to make. Not only is there the case set out by my hon. Friend the Member for South Cambridgeshire of a director of a business that wishes to grow deciding that that is a higher priority than paying himself a lot—or anything at all—in the early days. There is also the case of the ailing or failing business.

Let us suppose that a failing business has a senior director, a chairman or a chief executive who is also a director who has made—

Mr. Ian McCartney: What about Asil Nadir?

Mr. Redwood: Perhaps the Minister would like to think about the Paymaster General, who has had a lot of experience in business matters. One of the companies that he was involved with got into cash-flow difficulties—I think that that is the polite way of saying it. If such a director had some savings from past financial success to enable him to look after his family, would it not be a public-spirited gesture for him to cut his pay to below the national minimum? Why should he have to pay himself the national minimum if he seriously believes that one way to get the company out of trouble is to cut the costs that he is imposing on it? It would be altruistic for him to forgo money so that some of the staff could be maintained and paid their wages while the company got out of trouble.

Mr. Ian Bruce: My right hon. Friend has missed the obvious point that Lord Simon works for the Government for nothing—or so we are told. Under the Bill, he would not be allowed to do so.

Mr. Redwood: We are not sure how the legislation will treat benefits in kind, of which Ministers get rather a lot. Would they have to attribute as remuneration the diary secretary, the personal secretary, the car, the chauffeur and all the other benefits, which I believe that Ministers without a salary still enjoy? If that was not part of remuneration, the problem that my hon. Friend mentions would become a difficulty. Many businesses are struggling or in difficulty and need to cut their costs. It is rather good if directors offer the lead and cut the costs that they are imposing on the business. As I understand the legislation, it would, to some extent, prevent that.

I do not know whether the Minister and his colleagues at the Department have thought through the consequences in relation to insolvency law. Directors must not knowingly trade while a company is insolvent, and they are under a duty to take all necessary steps to keep a company solvent. The Bill would remove one of the steps that directors could take, particularly if there were an expensive board. Minimum pay requirements would limit the reductions that they could make in board remuneration.

I hope that the Minister will take that matter seriously and try to explain how the legislation relates to directors' duties. What does he imagine would happen if a company were in danger of going into administration? Some directors or former directors of companies have offshore trusts, for example, which can provide them and their families with money to keep them going, and as a result enable them to make the necessary reductions in the charge that they represent on the company.

Another related issue—unfortunately, new clause 9 has not been selected for debate, but new clauses 4 and 5 relate to the same issue—is the employment of a spouse.

I hope that I can raise the matter on the hypothesis that a spouse could be employed as a co-director of a small family firm. As one hon. Member has pointed out, a family—a husband and wife team—sometimes wishes to arrange remuneration in such a way that one member earns most of it and the other does not see the need to draw an income but wants to make a contribution to the family concern. The Bill would make that difficult or impossible. Our proposals on directors would at least help where the employment of a spouse took the form of a directorship of the family company or small company. I would have liked more general exceptions, but amendments that would have achieved that have not been selected.

New clause 10, which I tabled, is designed to tackle a very serious and sensitive issue: the question of employment of severely handicapped persons. All of us in the House wish to see disabled people leading the best of lives, and want everything for them that helps them to fulfil their potential. I am sure that hon. Members on both sides of the House are united in wanting disabled people to work where they can and in wishing to see everything done to make that possible. In that spirit, we hope that the Minister will think again about the position of the most severely handicapped people for whom some light work is available.

We have drafted new clause 10 very carefully and cautiously to show that we are not in favour of depressing the pay of disabled people. We have drafted it so as to leave much discretion to the holder of the office of President of the Board of Trade, showing that the proposal is made in the right spirit. We have proposed that the President of the Board of Trade should have a power to make an order under the Act, which would allow the issuing of permits to any groups or individuals who wanted to work and were able to work for less than the minimum wage, where special circumstances made it unlikely that they would be able to command the minimum wage for what they were capable of doing and wished to do.

We have left the power very general. We have not thought out all the details. We would want the matter to be handled with a great deal of sensitivity. For example, it could be a requirement of the issuing of any permit that the individual, and/or his or her carer, would have to want the provision to be implemented before it could be implemented. Otherwise, they could come under the legislation in the normal way wherever possible. I hope that the Minister will look very carefully at the new clause and reflect on whether he may have inadvertently done more damage than he intended to a group whose members need all the help they can get from us all.

Mr. Ian McCartney: I ask the right hon. Gentleman, in the same spirit, to withdraw that last remark. I have never intended any damage to anybody who has a physical or mental disability. I have spent a great deal of my life as a voluntary advocate on those people's behalf. I am sure that it was not the right hon. Gentleman's intention to suggest otherwise.

Mr. Redwood: I did not think that I had made such a suggestion. I thought that I said that the Minister intended well for the disabled, as I do. I hope that the record shows that. If it does not, this is a correction for the record.

I turn to amendment No. 79, to which the hon. Member for Preston (Audrey Wise) spoke interestingly. She combined a fairly ferocious attack on her Front-Bench team with a reluctance to press the matter fully, fearing that she had perhaps gone too far with the new Labour team. She was clearly trying to shame the Government. Having driven a coach and horses through the Government's majestic but ill-conceived proposals, she looked towards the end of her speech as if she might settle for rather less than she originally intended.

I liked the choice of words of the hon. Member for Preston in describing clause 3 as a "rain cloud" over the legislation. We on the Opposition Benches see just a great sky of clouds, and fear that the rain will wet those least able to withstand it. The hon. Lady sees it the other way round; she feels that "the cloud" is that people whom she would like to be included in the legislation will be left out.

I had a lot of sympathy with the hon. Member for Preston when she asked why the age of 26 should be stipulated. I hope that the Minister will give us some thoughts on that. I could understand stipulating the age of 18, because that is the legal age of majority. I could understand the age of 21, because that is when many young people complete university, college or other tertiary education, and it is the old age of majority. I could certainly understand the age of 16, because that is the traditional school-leaving age. I could even understand the age of 25, because that is a quarter of a century, a nice round number and the type of anniversary that people celebrate. But 26 seems a very odd age.

As the hon. Member for Preston told us, she already had substantial family responsibilities by the age of 26. Most people would not only have completed their training by that age but would have had several years' experience in work, and may have moved jobs two or three times. By then, one would expect people to be making progress in their chosen careers or activities. So, it is very difficult to understand why the Government should create the only age break at 26, when they could have chosen so many different ages or, indeed, chosen a variety of age breaks, both high and low, for different purposes with different rates.

Mr. Bruce: The one guide is that the Agricultural Wages Board uses the age of 19 or over. I cannot understand why one should have to wait another six or seven years before one qualifies under the Bill.

Mr. Redwood: My hon. Friend reminds me of another legislative age limit. The age of 19 does not relate neatly to school leaving or college departure, but as he says, it is important to an important sector of our economy, and embedded in legislation. Perhaps the Government thought about it but rejected it for some reason or other. I hope that the Minister will offer some explanation when he addresses the Government amendments, which seek to change the wording concerning the age break. Amendment No. 79 would ensure that all young people are included under the legislation, while amendment No. 70 would ensure that no one under the age of 18 would qualify for the national minimum wage in the interests of preserving employment for the youngest members of the work force.

Since the Bill's inception as a manifesto promise before the general election, during early ministerial statements and in Committee, we have seen a perpetual muddle over

[Mr. Redwood]

the treatment of young people. We thought at the beginning that young people were to be treated like anybody else—hence all the statements about equality and the national minimum wage applying to all. If the then shadow spokesmen were challenged before the election about the job consequences, they either said that there would be no job consequences—they believed that they could legislate for a national minimum wage without destroying any jobs for young people—or they implied that the single uniform rate of a minimum wage would be set low enough to avoid the worst consequences for young people.

It is necessary to return to the issue of the rate. In its 1992 general election manifesto, Labour told the public that £3.40 was the minimum acceptable wage for all the people that they wished the legislation to cover. I think the Labour party assumed at the time that everyone would be covered by the legislation; there was no mention in the manifesto of leaving out the armed services and so on. The Labour party then said that £3.40 was the rate, and that it thought that that would provide the best balance of advantage over disadvantage.

9 pm

Now the Labour Government are smuggling the Bill through the House without naming the rate. I assume that they are doing so because they can no longer live up to the promise that the Labour party made to its supporters in 1992. They do not intend to set a minimum wage of £4.61 an hour, which—in terms of relationship to average earnings—I believe is the modern equivalent of the £3.40 that Labour suggested in 1992. If the Minister wishes to disagree and say that £4.61 is a serious runner, I should be very interested to hear it because it would be germane to the issue of where to set the break point of age for young people and for older people; but his expression tells me that he does not have in mind anything like £4.61, so the Government are planning a lower wage rate than the one that the Labour party was planning in 1992.

Mr. Ian McCartney: I know it seems as though the right hon. Gentleman is provoking me, but let us be clear from the outset. During and since the general election campaign, the Government have made it clear that the Low Pay Commission would be asked to consider this matter and come up with proposals, following which the Government would take decisions, and that subsequent to that, any decision that the Government made would be subject to secondary legislation before the House.

Mr. Redwood: I agree that we have heard that repeatedly. We are not sure, however, whether the Minister has a rate in mind and the Low Pay Commission exists simply as a fig leaf whose view he will ultimately overturn if he does not agree with it, or whether the Low Pay Commission will recommend the rate and Ministers, in all but extreme circumstances, will accept its recommended rate.

Mr. Bercow: Does my right hon. Friend agree that the Government's self-denying ordinance on the subject of the rate of the national minimum wage would seem a little more credible if it were accompanied by a silence to the newspapers? Given that the situation—

Mr. Deputy Speaker: Order. This has absolutely nothing to do with the group of amendments that we are discussing.

Mr. Redwood: I think that my hon. Friend just wished to develop the point about the level of the remuneration, which is central to the choice of age break in the Bill. If the national minimum wage is to be very low, we should choose a different age break from the one that we would choose if it was to be very high.

That is our difficulty tonight. We are asked to settle the age breaks tonight, in the Chamber, when the Minister remains unwilling or unable tell us not only what the rate will be but whether he will decide it, in practice, or whether the Low Pay Commission really knows all the answers.

Nevertheless, it appears increasingly likely that the national minimum wage will be about £3.60, rather than the £4-plus that people originally intended. That means that the Bill will not do as much damage to young people's jobs as if the Government were setting the national minimum wage at a higher level, but it will be a bigger disappointment for people like the hon. Member for Preston, who had hoped that it would be set higher, for the reasons that she gave. I hope that the House, will keep in mind the question whether 26 is the right break point, given what we might be able to deduce concerning the level at which the national minimum wage will be introduced.

Amendment No. 53 requires the President of the Board of Trade to take the advice of the Low Pay Commission before amending the descriptions of people covered by the Bill. The amendment is designed to try to discover what are the relative powers of the Low Pay Commission and the Minister, over this important range of issues of exemption. The Minister has been unwilling to explain the balance of power in relation to the level, which is central to the amendments before us. We are trying to persuade the Minister to say whether he and his right hon. Friend the President of the Board of Trade are in charge, or whether the Low Pay Commission will retain a great deal of influence and power in the early stages of the establishment of the minimum wage.

As someone who believes in ministerial control and ministerial accountability through the House, I hope that the Minister will be brave enough to take decisions and come to the House to defend them. Obviously, he will use the Low Pay Commission's advice, because he has gone to much time, trouble and expense to establish it and it would be silly to ignore it, but it would be better, for the House and for our democracy, if he and his colleagues took the decisions in the light of the advice that they received, and came to the House to defend them.

Amendment No. 53 would oblige the Secretary of State to take the advice of the Low Pay Commission before amending the descriptions of persons to whom clause 3 applies. Having established the commission, it would be foolish not to listen to what it says or to draw on its expertise, but I hope that the Department of Trade and Industry will not make further progress towards quango government—a trend that is visible in too many

Departments of State under this Administration. We have a quango to run our monetary policy, a quango to run our food policy and a quango to run our development policy—and now, perhaps, subject to what the Minister says, we shall have a quango to run the wages policy. There is a huge expansion of the quango state, at the instigation of the people who, in opposition, delighted in criticising the range and powers of quangos that were then in existence. I always preferred a little less to a little more quango. We now have a Government who say that they would like a little less quango but are busily creating quangos on a huge scale, which dwarfs anything that the previous Administration did.

Amendment No. 54 would allow the deletion of descriptions from the exemption list as well as permitting exemptions to be added under the other powers in the clauses that we are discussing. It is a useful amendment, as I hope the Minister agrees.

I had the impression that the Minister wanted as few exemptions as possible. I may be wrong, but I have the impression that the Minister is ending up with more exemptions than he would have liked or originally had in mind. I do not think that he was terribly keen on the exemption of the armed services, and he may not be keen on the exemption of young people. By tabling the amendment, we are offering him an opportunity to have another go with his colleagues in government later, to persuade them that there are too many exemptions and that those exemptions should be removed.

Mr. Bercow: Does not our support for the amendment show that we are prepared to have our judgments influenced over a period by objectively observable economic facts and outcomes that flow from the national minimum wage? If only Government Back Benchers were prepared to have their judgments similarly influenced instead of sticking to abstract, ideological dogma, they might do a little bit better.

Mr. Redwood: Indeed, I am beginning to wonder whether offering Opposition support for the amendment is too generous; but it is important to find out where the Minister stands on this issue. As the hon. Gentleman should be aware, my colleagues and I fear that, even now, there will not be enough exemptions in the legislation—that many more hard cases will come to light and he will have to rush back to the House to add to the list in one way or another. That is why he should spend a little more time studying what has happened overseas in countries that have introduced minimum wage legislation.

Many of those countries have established minimum wages that are considerably below the level of the 1992 Labour manifesto, and even below the level that the Government will eventually recommend following this agonising study process. In those jurisdictions abroad, even those with low national minimums—well below the level that some Labour Members would like here—they have had to amend and amend again their legislation to exempt more and more groups of people and hard cases.

In Committee and during these relatively brief exchanges on the Floor of the House, we have identified various groups that the Minister may regret having included so comprehensively. If he is not thinking of using the powers in the Bill to exempt all people under 26, he will discover that it will considerably damage youth employment opportunities if he sets too high a level of minimum wage. I trust that he has seen the way in which the continent of Europe is disfigured by high youth unemployment, which is in part related to minimum wage legislation and other labour market restrictions in those countries, which have made it more difficult for young people to get the jobs that we want them to enjoy. So, when it comes to young people, I hope that the Minister will study those situations carefully and decide that he needs to use the power in the Bill.

I also hope that the Minister has thought again about directors. I trust that the Opposition are making a sufficiently powerful case that they should be in a different category. They are responsible for their businesses in a very real way and should be offered the freedom and flexibility to provide the sort of leadership that is sometimes needed. It would be most welcome if Labour Members would occasionally recognise that there are some intentionally thin cats in the corporate world—directors who have offered a lead because they want to save their businesses by reducing the costs that they impose on them.

I hope that the Minister will think again about the position of spouses and about the flexibility of the legislation in adding to and reducing the number of exemptions required. Above all, I hope that this discussion and the debate both in Committee and here tonight will have made him aware that well-intentioned legislation could go horribly astray if the Government set the wrong rate, persevere with too few exemptions and do not understand the threat to people in training or with different types of remuneration—if they do not understand the enormous flexibility of the marketplace, which has generated jobs with all types and styles of remuneration, benefits in kind and the like, that need careful analysis before the somewhat crude injection of legislation into the equation.

I urge the House to support the new clauses and amendments standing in my name and those of my hon. Friends, and I urge the Minister to think again about these issues.

Dr. Lynne Jones (Birmingham, Selly Oak): On that glorious day in May 1997, Labour Members were elected on a pledge to introduce a minimum wage, and to abolish poverty pay and worker exploitation. I for one was not aware that that wage was not to apply to young adults in their 20s. Indeed, the Labour party in opposition opposed measures that reduced the rights of that age group—for example, the Tory reductions in benefit for the under-25s. We argued that that age group were adults and had the same expenses as their older colleagues. That must remain the case.

The majority of young people in the under-26 age group have left home—the average age for leaving home is 20—have their own households and have the same expenses as older people. There is no justification for paying them a lower rate. Indeed, it would be discriminatory. Young women in particular are more likely to have left the parental home and to have the expense of running their own home. It would be very worrying if a Labour Government introduced this long-awaited legislation in such a way as to give less protection than was afforded to 3.5 million workers in the 1970s and early 1980s by wages councils.

[Dr. Lynne Jones]

In 1986, the Labour party opposed the Wages Act that was introduced by the Tories. The Act removed people aged under 21 from the protection of wages councils. As has been said, that did not lead to an increase in the number of jobs for people in that age group—quite the contrary. Nevertheless, between 1986 and 1993, when the wages councils were abolished, adult rates of pay applied to people over 21. I should hate to think that a minimum wage that was introduced by a Labour Government would not apply to that age group. Even today, agricultural workers enjoy a minimum wage: 18-year-olds have a minimum wage of £3.51 an hour, and all those over 19 receive a minimum wage of £4.12 an hour.

9.15 pm

Mr. Ian Bruce: The hon. Lady cites the figures—which I have in front of me—correctly as they relate to people who are permanently employed. Temporary workers—those people who are employed for specific jobs—receive respectively not £4.12 but £3.06 an hour, and not £3.51 but £2.60 an hour. A 16-year-old receives £2.47 in a permanent job and £1.84 an hour in a casual job. Those rates were introduced by the Government last July.

Dr. Jones: I cannot comment on that. I had hoped that we would want rates of pay to apply to all workers, regardless of whether they are temporary or permanent. I am disappointed to hear that information. I hope that the Bill—as I think my hon. Friend the Minister has made clear—will establish a universal minimum wage that will apply to the workers whom the hon. Member for South Dorset (Mr. Bruce) has mentioned.

Mr. Ian McCartney: The hon. Member for South Dorset (Mr. Bruce) is being disingenuous. The agricultural wages council report was drawn up by the Agricultural Wages Board, which is made up of employers and trade unions. The purpose of the Bill is to ensure that, where an Agricultural Wages Board payment is less than the declared minimum wage, the minimum wage will apply, and that, where the agricultural wage is higher than the minimum wage, the agricultural wage will apply. The Bill will improve the system for all agricultural workers.

Dr. Jones: I thank my hon. Friend for that clarification—that is what I hoped to be the case.

The purpose of clause 3 was to allow the Government to take into account the recommendations of the Low Pay Commission, whose remit was to make recommendations on low rates or exemptions for those aged between 16 and 25. I am disappointed that the commission was given that remit. We can all accept that there are grounds for 16 and 17-year-olds—even perhaps 18-year-olds, as in the case of the agricultural wages council—being paid a young person's rate, but I cannot see any justification, especially in the light of experience, for introducing such measures relating to people who are older than that. I certainly hope that the Low Pay Commission will not make such recommendations—I do not think that it would want to do so if it examined the evidence logically.

Mr. Redwood: Does the hon. Lady think that, if the Low Pay Commission recommends the exemptions she fears, the Minister should overturn them and stick to his guns?

Dr. Jones: If the right hon. Gentleman had allowed me to finish, we could have saved the House valuable moments, because that is precisely the point that I was about to make. I hope that the Low Pay Commission will not make those recommendations—if it considers the arguments sensibly, it will not do so—but, if it does, I hope that the Government will reject them. I hope that my hon. Friend the Minister will give us an assurance that, before any such decision is taken, we shall be able to debate it on the Floor of the House.

Mr. Ian Bruce: I should first declare two interests—they are already registered—in that I am a director of Ian Bruce Associates Ltd. and an unpaid director of EURIM, the European Informatics Market group, which is a not-for-profit organisation that acts in a similar way to an all-party parliamentary group.

I have been amazed by Labour Members finding great humour in the idea of directors not paying themselves as much as the minimum wage. I have not had much involvement in the Bill, but I almost idly asked one of the Clerks in the Table Office whether the self-employed were exempt, and he told me that they were, so I asked whether the same applied to company directors, and he said no. Apparently, the matter was not discussed in Committee.

I know that the Minister does not have a great deal of respect for my views, but I ask him honestly to listen carefully to what I have to say about the way in which directors operate. I understand what he is trying to do—although I do not think that he is going the right way about it—to help low-paid individuals, but the legislation will catch a lot of directors whom he has no intention of catching, and will cause an awful lot of problems for the courts.

The Government have rightly taken the view that genuinely self-employed people who contract to do work for an agreed price will make their best efforts to make a profit, but may not do so on every job. It would be ridiculous if a tradesman who had agreed to do a job for a particular price—£500, say—were to come back afterwards and say, "I'm sorry, Guv, but I've just worked out that I didn't get the minimum wage on this job, so you'll have to pay me more."

When we had the recession in the building industry, people were simply trying to keep in work and were not looking for a good return. The same often applies to directors. I know that, because I started my own company. I did not start it so that I could work for poverty wages, or to make a loss; I am a qualified work study engineer, and I had worked everything out and made all the plans.

I freely admit that I dared not show my bank manager how much I was losing, because he would have pulled the plug. When my first set of accounts was drawn up for 18 months of trading, I had not paid myself £1 an hour,

or 50p an hour, or even worked for nothing: it had cost me £9,000—a lot of money in those days—to work for myself for 18 months.

Many people find themselves in such a situation when they start companies. I do not seek sympathy from Labour Members—and I would certainly not get any—but I am trying to show that, when inspectors walk into a facility and try to find out whether the directors are paying themselves the minimum wage, they will get a terrible shock. I know that some Labour Members believe that people should not run companies and pay themselves less than the minimum wage, because they would be doing someone else out of a job. I am sure that some Labour Members would like the self-employed to be covered by the legislation for the same reason.

When someone sets up a business—it is difficult to understand until one does it oneself—it is very hard to find work and to make a profit. Often, one works long hours for no return. Labour Members are smiling, but they must have seen examples in their constituencies of people starting limited companies, a high proportion of which do not survive the first two or three years. That is not because the directors are paying themselves large sums.

Mr. Ian Stewart: They could go to an industrial tribunal.

Mr. Bruce: The hon. Gentleman is wrong about that. I shall describe how directors can get into difficulties when they do not pay themselves minimum wages. Companies have to have two directors and, in many cases, an individual who starts his own business also employs his wife. A couple might not want to tell people that they are earning low wages and that is not a problem, but what happens if the marriage breaks down, as often happens when people go into business together? The wife would be able to claim back from her husband minimum wages for working 40, 50 or 60 hours a week to get the business going.

The new clause on whether people who paid themselves wages were covered was not selected, but it is relevant to people who are directors. The industrial tribunal can be used as a debt collection agency between two people in a business, whether husband and wife or two separate directors. That happens in many limited companies.

Mr. Hammond: Does my hon. Friend agree that the greatest cause of concern is the lack of symmetry between the treatment of the self-employed and the directors of very small companies? To all practical intents, those two groups are in exactly the same position. Someone who is self-employed can pay himself as little or as much as he can afford, but someone who is a company director would be required by the Bill to pay himself the minimum wage. He would also be required to pay tax and national insurance on that salary and, if his business needed the cash flow, he would have to reinject that money as a net amount back into his business. That seems grossly unfair.

Mr. Bruce: That is unfair, and my hon. Friend's point goes to the nub of one of the additional problems that one faces when one runs a company. I shall come to that point later.

I have started several limited companies, some with people who were little known to me. We went into business together to try to make a profit. I do not wish to identify the particular company because of what I am about to say, but in one instance, the director—who was working in partnership with me—and I decided to work for nothing to get the business up and running. That director spent large sums on expenses that should not have been spent and I took him to the small claims court. The business was wound up and I won the money back, which was paid in dribs and drabs.

Under the Bill, that director could have said that he had worked long hours—as he had—in a company that was not making any money. The deal was that we all shared in the profits and in the losses, and that company was making losses. That director would have been able to say that our agreement to set up and run the business meant that he must be paid by the business whatever the minimum wage was.

Mr. Frank Cook (Stockton, North): The hon. Gentleman is throwing an interesting hypothesis at the House, but if his erstwhile colleague had made such a proposition, could he not have countered with a similar one on his behalf?

Mr. Bruce: That is possible, but such situations often involve one working director, who earns an agreed amount. I am familiar with such a case—I do not want to give too much detail—where one director worked in the company for 40 hours a week while the other came in to check what was happening. They fell out, and that case certainly got to the courts. The non-working director, who had no agreement to receive funds, could have argued that he was a director for at least 40 hours a week, checking and supervising, and could have claimed the minimum wage. The Minister never wanted to catch such people or get into this complication. It would be sensible to exclude such directors.

9.30 pm

I am a little concerned about my unpaid directorship of an all-party group of this House. If I took any income from the group, I would not be able to comment in the House about information technology; I do that free of charge, with no thought of anything coming to me. However, under the proposals, any expenses that I might claim as a director—a director cannot get away from his duties to a limited company—could mean that I was caught. I would have to charge a fee and would not be able to carry on with what I am doing.

I know that the House wants to move on, so I shall briefly consider amendment No. 70.

Mr. Hammond: Before my hon. Friend leaves the subject of company directors, has his study of the matter uncovered any reason why the Minister should not be prepared to exclude directors? The Minister has consistently rejected amendments that he considers would undermine the principle of the Bill, but directors of small companies are essentially self-employed.

Mr. Bruce: I have not found such a reason, but there is always a loophole. If some people were willing to work for lower wages, they could all be made directors of the company. I give the Minister that loophole. I had other examples involving problems with the redundancy payments legislation whereby directors were able, in

[Mr. Bruce]

closing down companies, to claim from redundancy funds. A director who had not been paying himself money could, if his company went bust, argue that he was entitled to claim the minimum wage, put an invoice into the company for it and rely on the industrial courts to get it. He would create a debt that would be counted ahead of all the company's other debts.

Mr. Hammond: To add to my hon. Friend's point, I think that I am right to say that, if such a company went into receivership or liquidation, the Government would pick up the bill for unpaid wages. The directors' wages would be wages.

Mr. Bruce: I hope that the Minister is taking this on board, because we are trying to be helpful.

Briefly, I shall discuss the effect of wages councils and how we can learn from that in respect of the Bill. It is quite extraordinary that, when we mentioned the wages councils, the Minister dashed to the Dispatch Box and said that the reason why the Agricultural Wages Board was perfectly acceptable was that employers and employees had negotiated to come up with those minimum wages. The minimum wage for 16-year-olds is £1.84, for 18-year-olds £2.60 and for 19-year-olds £3.06.

The Government are telling us that they have put employers and employees on to a wages council, which will make recommendations to the Government, but why does the Minister—who defended wages councils up hill and down dale whenever the previous Government decided to remove them—believe that the group of people who have been charged with examining the minimum wage will not come up with exactly the same sort of figures? The reason why he does not want that to happen while the Bill is passing through the House is obvious: it is that Labour Back Benchers will be very upset.

This group contains many extremely sensible amendments, which have been wisely selected by Madam Speaker. The Minister would do well to look at our proposals and I hope that he will accept the amendments, or say that he will table amendments in the other place for consideration there.

Mr. Ian McCartney: We have had what I can only describe as a generally unfocused tour around what was basically a Second Reading debate so as to allow the right hon. Member for Wokingham (Mr. Redwood) to try to make a better speech than he made on Second Reading. Unfortunately, he was unable to do so.

I shall explain first the Government amendments to clauses 3 and 4 and then deal with the new clauses tabled by the hon. Member for South Cambridgeshire (Mr. Lansley) and the amendment tabled by my hon. Friend the Member for Preston (Audrey Wise) and her colleagues. By the end of my explanation, I hope to have gained the support of the House in what I am trying to achieve.

Amendments Nos. 21 to 23 do not alter the powers in clauses 3 and 4; instead, they clarify the relationship between the two clauses. In Committee, I explained exactly how the two clauses interact, but in the interests of absolute clarity we have tabled the amendments to explain how they work.

Clause 3 allows the Secretary of State to treat different persons differently by age if they are under 26. That is necessary to allow for a range of rates for different age groups below that age; for example, 16 to 18-year-olds, 19 to 21-year-olds and so on, if—I emphasise the word "if"—that is what is decided in the light of the Low Pay Commission's recommendations.

Clause 4 allows the Secretary of State to add further descriptions of persons to clause 3—for example, trainees, who may be 26 or over—again, in the light of the commission's recommendations. However, under clause 4, the Secretary of State may not differentiate by age. The reason for that is to ensure that the power in clause 4 is not used to set a number of different rates for those aged 26 and above; rather, the clause is intended to allow for a different rate, or an exemption, regardless of age.

The amendments remove any potential ambiguity and work in the following ways. Amendment No. 21 prevents any differentiation by age among those who are aged 26 or older by specifically ruling out such differentiation in clause 3. That is necessary for the sake of clarity, because clause 3 does not otherwise prevent different treatments for those of different ages. Amendments Nos. 22 and 23 make it clear that clause 4 refers only to those who have already attained the age of 26. That is simply good housekeeping. Clause 3 already allows different rates and exemptions for all or any of those under 26—subject, of course, to limitations on differentiating by reference to area, sector, size of company and so on. It follows that there is no point in allowing clause 4 to add descriptions of persons aged under 26 to clause 3, because they are already within clause 3.

Those are not difficult amendments. I hope that I made it clear in Committee how the Bill is constructed. It is entirely logical and recognises the need to allow for a number of possibilities, depending on what the commission has to say. In case any confusion remains, the amendments remove all doubt as to how the clauses relate to each other, and I urge the House to accept them.

New clauses 4 and 5 need not detain us for too long. A person who is a director of a company, limited or otherwise, will not be entitled to the national minimum wage. The Bill does not need to be so amended. The definitions in clause 52 make it quite clear who is covered by the Bill: directors are not workers and so are not covered. Of course, where a director is also an employee of the company, as some managing directors may be, he or she will be entitled to the national minimum wage owing to that contract of employment. The question of Ministers of the Crown was raised by, I think, the hon. Member for South Dorset (Mr. Bruce). He or she is an office holder, not an employee or worker, so is not covered.

New clause 10 deals with a complex area, and I have shown a great deal of sympathy towards it, but I shall explain why it is unacceptable and why I urge the House to oppose it. We discussed the difficult issue of severely incapacitated people and therapeutic earnings in Committee, and we reached some consensus. There is no case for exemption from, or modification of, the national minimum wage for disabled workers simply on the grounds of disability. We are awaiting the recommendations of the Low Pay Commission. If any recommendations were made on the grounds of disability, it would be possible for them to be considered under the powers in clauses 3 and 4. We shall wait to see the Low Pay Commission's report.

The Government's position has always been one of principle: there should be no grounds for not paying someone a minimum wage simply on the grounds of his or her incapacity. In addition, the Government are already taking measures, under the Disability Discrimination Act 1995, the access to work scheme and the supported employment programme to bridge the gap between what people with severe disabilities may be capable of earning and what they are, in practice, paid.

The Opposition's new clause 10 is overly bureaucratic and, through subsection (4), opens a loophole that could undermine the whole principle of the minimum wage. It refers to

"a person"

who

"is . . . so affected . . . due to age or any other cause as to be incapable of earning the national minimum wage."

That is a potentially serious loophole that would invite unscrupulous employers to plead that their workers are incapable of earning a minimum wage and so should be exempted. That is unacceptable.

We have the flexibility that we need to deal with any issues that the Low Pay Commission raises in that context, so the new clause is unnecessary. Moreover, even if it is considered that there should be special provision for the disabled, the new clause goes about providing it in a way that is both wrong-headed and potentially damaging. I urge the House to oppose new clause 10.

Amendments Nos. 70 and 79 relate in some way to the minimum wage and young people. Before dealing with each amendment, I shall place them in the context of the Government's approach to encouraging young people into work. The national minimum wage is only one plank, albeit an important one, of the Government's overall strategy of encouraging people back to work and making work pay, and especially providing help for young people.

We have put together a raft of measures. The welfare-to-work programme addresses the problems faced by those without a job. Changes to the benefits system will help to build a sensible system of in-work benefits, where the taxpayer will not have to subsidise employers who are paying excessively low wages. The new deal for the young unemployed will give young people a number of routes to help them escape long-term unemployment. The Government are delivering on all of those measures.

Over and above that, my Department will consider fairness-at-work issues and employment status. All the initiatives are aimed at the same thing: getting young people into the work place, ending their exploitation and ensuring that they are trained for the challenges of the 21st century.

The Government have made it clear on a number of occasions why they have asked the Low Pay Commission to consider the subject of young people below the age of 26. Most countries with a minimum wage have some sort of special treatment for young people. The old wages councils used to have different rate for young people. Those entering the labour market for the first time are in a different position from other workers; the average wages paid to younger workers tend to be lower than those paid to older workers.

Some economic studies have found that, while a sensibly set minimum wage does not have an adverse effect on jobs as a whole, it may have an impact on jobs for young people. That is why we asked the Low Pay Commission to consider the issue and why we cannot accept amendment No. 70.

Amendment No. 79 would narrow the scope of clause 3 so that the Secretary of State would have the power to determine a different rate or even exemption, but only for workers who have not attained the age of 18.

I should emphasise one point that should be perfectly clear, but is sometimes overlooked. Clause 3 exists because we may need to use it. It is a reflection of the remit given to the Low Pay Commission. I have already explained why I have asked the commission to consider the issue of young people and the minimum wage.

I say to my hon. Friends the Members for Preston and for Birmingham, Selly Oak (Dr. Jones) that we made it clear throughout the process that we undertook in opposition, in public debate and discussions, and in our consultations with trade unions and employers that the Low Pay Commission's remit would allow it to consider as widely as possible issues surrounding the application of the minimum wage—no less and no more than that. We have not attempted, privately or publicly, to put the Low Pay Commission in a straitjacket over recommendations about the rate of the national minimum wage or issues to do with training and young people. Before the general election, we gave a commitment that it would consider those matters and make recommendations.

Alongside our election manifesto, we published our minimum wage pledge to business, which made clear that our proposals for the national minimum wage would take account of the needs of young trainees and would not penalise occupational training activity. Before the election and since, our objectives have been to ensure that the Low Pay Commission has the flexibility to consider evidence on a range of issues and the capacity to make proposals to the Government.

9.45 pm

My hon. Friend the Member for Preston and her colleagues know of my long-standing commitment to the minimum wage and to ensuring that those in the workplace, whatever their age, do not suffer detriment at the hands of unscrupulous employers. The Bill's universality will maximise the number of workers who will be entitled to the national minimum wage: full-time, part-time, temporary, casual, agency and homeworkers and people who work for sub-contractors will be covered by the national minimum wage provisions.

After listening to what I have said about her amendment, I hope that my hon. Friend the Member for Preston will realise that my right hon. Friends and I are serious about passing legislation that will deal effectively with low pay issues. The legislation must be based on the Low Pay Commission's recommendations and on the Government's consideration of them. I repeat to my hon. Friend the absolute commitment that I gave in Committee: the Government will quickly make proposals based on the recommendations of the Low Pay Commission and put them to the House under the affirmative resolution procedure which will allow proper debate and accountability for those decisions. The Secretary of State will be required to explain a decision that is not completely in line with Low Pay Commission recommendations to the House.

[Mr. Ian McCartney]

I hope that my hon. Friend appreciates the strength of feeling with which I have made my remarks. The Government do not intend, as the right hon. Member for Wokingham suggested, to sneak measures past the House. Our view, in opposition and in government, has been that there should be the fullest debate on and accountability for the minimum wage, and that the House should take decisions on the rate and on other issues before the minimum wage rate is set.

Mr. Ian Bruce: I do not want the Minister to leave his dismissal of new clauses 4 and 5 where he did. Would a director who undertook no other work have a contract of employment under clause 52? That case could also be argued the other way. Surely the Minister is not saying that a company director will be excluded from the Bill's provisions if he is not also doing work for that company. We are trying to discover whether a person who decides to pay himself a lower rate under a contract of employment while a director will be excluded. Is the Minister saying that all directors will be excluded under clause 52?

Mr. McCartney: I thought that I had made it absolutely clear to the hon. Gentleman that, if directors are not workers they are not covered, except where they are an employee of the company as some managing directors are. They would be entitled to the minimum wage because they have contracts of employment. I cannot make it any clearer. The hon. Gentleman may not like the National Minimum Wage Bill, but we have been absolutely clear about where we stand on the issue of directors and definitions under clause 52.

The edifice that the hon. Gentleman has built up over the past hour and a half is a smokescreen for an attack on the national minimum wage. He has given no evidence this evening, and none was given in Committee, that demonstrate that clause 52 is defective in respect of directors. It is not defective. It is well targeted and gives rights to workers. In that context, a director is excluded.

Mr. Hammond: Does the Minister agree that most directors have a contract of service and that such people are specifically included in clause 52(3)(b)?

Mr. McCartney: That is a spurious point. Clause 52 does not cover directors because they are not designated as workers for the purposes of the Bill unless they are employees with a contract of employment. That is the clear position and I cannot make it any clearer.

Amendment No. 53 is another over-prescriptive measure of the type that we encountered many times in Committee. It would require the Secretary of State always to consult the Low Pay Commission and to follow its advice before adding any new categories of persons to clause 3. They would include, for example, potential candidates for exclusion or a modified rate of minimum wage.

The amendment is unnecessary. Before making the first regulations to set the minimum wage, the Secretary of State is required by clause 5(2)(e) to consult the Low Pay Commission on whether further classes of persons should be added to those in clause 3 who may be exempted or subjected to a different rate. That is what we are already doing. I look forward to the Commission's report on this matter.

Under clause 6, there is nothing to prevent the Secretary of State from consulting the Low Pay Commission again on this issue in future. I would not find it surprising if the Secretary of State reconvened the commission to consider the possibility of further exemptions if that was what she had in mind. However, in some cases a full-scale consultation would be unnecessary: for example, if the commission had already covered similar ground in a previous report without reaching a firm recommendation. In such cases, why force a further consultation?

These issues are all rather abstract. The Government do not intend to scurry around trying to rake up every possible candidate for exemption, which is what the Opposition have been doing in Committee for the past few months. Our starting point is that the Bill should be universal and apply to all workers. I ask the House to reject the amendment.

Amendment No. 54 would enable the Secretary of State to make regulations to add not only new classes of persons to potential candidates for exemption or a modified rate in clause 3, but to take persons who had been added to clause 3 out of that clause so that they would no longer be potential candidates for exemption or a modified rate. For two reasons, such a power is unnecessary. The first is legal. Under the Interpretation Act 1978, anything that can be done can be undone, and there is no need to spell that out. The power in clause 4 to add persons to clause 3 encapsulates the power to take them out again.

The second reason is pragmatic. Putting a person in clause 3 simply makes him or her a potential candidate for exemption or for a different rate. To achieve that, new regulations would have to be made by the Secretary of State. It remains open to the Secretary of State never to make such regulations. That means that people in clause 3 would not need to be formally removed from the clause. The Secretary of State could simply choose not to make regulations exempting them or subjecting them to a different rate. For those reasons, amendment No. 54 is unnecessary, and I ask the House to reject it.

I hope that the debate so far has led to recognition by my right hon. and hon. Friends that the one simple thread running through the speeches of Conservative Members has been a desire to find any way to undermine the Bill. Once again they have been discredited beyond belief.

The former Secretary of State for Wales, the right hon. Member for Wokingham, who has just returned to the Chamber, spent more than 20 minutes in spurious argument talking about why people in Britain should receive poverty pay and why there should be no floor to pay. He refused to say whether £1, 50p or 30p an hour was too little. Conservative Members would like people to work for nothing if that could be got away with, and that is why there will be a national minimum wage.

Mr. Redwood: Will the Minister tell the House what is too little in his judgment and in the Government's judgment? Perhaps he can answer his own question.

Mr. McCartney: The difference between the right hon. Gentleman and me is that I favour a national minimum wage and will implement it and he favours the continuation of low pay. That is why we set up the Low Pay Commission and why he has opposed its establishment tooth and nail. He has a record as long as

his arm in support of low-paying employers but, after tonight, the introduction of the national minimum wage will be a little nearer. A huge number of people in Britain will be thankful when, at last, a Labour Government implement a national minimum wage.

Mr. Lansley: I am grateful for the opportunity to respond to the debate. I am afraid that the Minister has signally failed to answer the debate in relation to new clause 4, which aims to exclude directors from the scope of the national minimum wage. His assertions that Conservative Members are trying to exclude people from the minimum wage have no bearing on new clause 4, because he himself says that he believes that the Bill already excludes directors from the national minimum wage. However, he has failed to answer points that were put forcefully by my hon. Friends. They have shown that clause 52 relates to people who either have a contract of employment or a contract of service. It is clear that company directors often have either of those.

Mr. Ian Bruce: My hon. Friend is not reading this completely. There is an implied contract of service. He is as familiar as I am with the Contracts of Employment Act 1963. People do not have to have a contract; it is implied by the fact that they are doing work for people.

Mr. Lansley: My hon. Friend is right. It is possible for the contract to be not only implied, but oral and implied. The intention of Ministers in clause 52 was to make the national minimum wage universal in its application. The notes on clauses that were supplied to the Standing Committee say that the clause is intended to be universal in its application. They explain that that does not include people who are described as "genuinely self-employed", but they do not refer to the fact that directors are excluded. The logic of the new clause is either to give effect to the Government's intentions or, if the Minister is wrong about clause 52, to give effect to what should be the Government's intentions.

Mr. Redwood: Can my hon. Friend explain why the Minister says Conservative Members have to answer what will be a satisfactory minimum wage when we have said that we favour a minimum income and we set out rates of that minimum income in office, yet the Minister, who believes in a minimum wage, is unable to tell us what minimum wage he finds acceptable? I find that difficult to understand. Has my hon. Friend worked it out?

Mr. Lansley: My right hon. Friend is absolutely right. The Minister has been hiding behind the polite fiction that this is all going to be left to the Low Pay Commission. If it were all left to the commission, clauses 3 and 4 would be written differently; they would allow the commission to vary the minimum wage by reference to area, occupation or otherwise, but that is not what Ministers want. The Minister has said that he has not led the commission at all, but anyone who reads paragraph 66 of the Government's evidence to the commission will know that the Government want it to specify a lower national minimum wage rate for people under the age of 26 and not to specify a training rate.

The Government have signally failed to answer the points that have been made about new clause 4, which would give effect to what the Minister says are his intentions—although he has not explained how the Bill currently achieves them. For that reason, I invite my colleagues to join me in pressing new clause 4 to a Division.

Question put, That the clause be read a Second time:—

The House divided: Ayes 126, Noes 325.

Division No. 193] **[9.57 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, James
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Gorman, Mrs Teresa
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Hunter, Andrew
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*

Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mr. John M. Taylor.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Ashdown, Rt Hon Paddy
Ashton, Joe
Atkins, Charlotte
Baker, Norman
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blears, Ms Hazel
Blizzard, Bob
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Burnett, John
Butler, Mrs Christine
Byers, Stephen
Caborn, Richard
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cox, Tom
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Healey, John
Henderson, Doug *(Newcastle N)*
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Lewis, Ivan *(Bury S)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Llwyd, Elfyn
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McLeish, Henry
McNamara, Kevin
McNulty, Tony
Mactaggart, Fiona
McWalter, Tony
Mallaber, Judy
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall-Andrews, Robert
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheffld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sanders, Adrian
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*

Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth *(Clwyd W)*
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Wareing, Robert N
Webb, Steve
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. Greg Pope and
Mr. Jim Dowd.

Question accordingly negatived.

BUSINESS OF THE HOUSE

It being after Ten o'clock, further consideration of the Bill stood adjourned.

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, the National Minimum Wage Bill may be proceeded with, though opposed, until any hour.—*[Mr. Betts.]*

Question agreed to.

As amended (in the Standing Committee), again considered.

New clause 8

POWER OF SECRETARY OF STATE TO SUSPEND THE NATIONAL MINIMUM WAGE IN THE CASE OF NATIONAL OR LOCAL ECONOMIC EMERGENCIES

'.—(1) The Secretary of State, after such consultation with the Low Pay Commission as may be reasonably practicable, may by order suspend the operation of this Act if he is satisfied that such suspension is required in the public interest by extreme economic circumstances.

(2) An order under subsection (1) may provide for the operation of this Act to be suspended in whole or in part and, in particular, may provide for the provisions of this Act to be suspended in respect of—

(a) any area or description of area; or

(b) any individual employer.

(3) No order shall be made under subsection (2)(b) above unless the employer has given the Secretary of State not less than 30 days' notice in such form as may be prescribed that, in the opinion of the employer, such an order is necessary in order to prevent the loss of jobs.

(4) A statutory instrument containing an order under this section shall be laid before Parliament after being made.

(5) Unless an order under this section is approved by resolution of each House of Parliament before the end of the period of 28 days beginning with the day on which it is made, it shall cease to have effect at the end of that period.

(6) In reckoning the period of 28 days for the purposes of subsection (3), no account shall be taken of any time during which Parliament is dissolved or prorogued or during which either House is adjourned for more than 4 days.

(7) An order under this section which does not cease to have effect before the end of the period of 3 months beginning with the day on which it is made shall cease to have effect at the end of that period.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

The new clause provides for the suspension of the national minimum wage in the event of national or local economic emergencies. It is, perhaps, rather better drafted than one or two—*[Interruption.]*

Madam Speaker: Order. The House must come to order.

Mr. Boswell: The new clause is, perhaps, rather better drafted than some Opposition new clauses have been over the years, not just because of the admirable assistance of the Clerks' Department but because there is a clear precedent in legislation that is being considered even now. We owe the reference to "extreme economic circumstances" to the Bank of England Bill. I am not sure that I would have used that phrase in drafting legislation, but the Government seem comfortable with it and use it as a legal base, so we have copied it.

In offering the Government new clause 8, I hope that the Minister of State will accept our bona fides. He has consistently suggested—in Standing Committee and subsequently—that we are seeking to belittle his Bill, subvert it or denude it of content. In fact, we are providing for the Secretary of State an enhanced set of powers to use in particular circumstances. They are precedented, and the ability to make use of them would be beneficial to any Secretary of State of whatever party.

10.15 pm

I mentioned that the powers provided under the new clause are based on those in the Bank of England Bill, but they differ in a number of particulars. First, because they have a separate application, subsection (1) suggests that the Secretary of State should hold

"such consultation with the Low Pay Commission as may be reasonably practical".

I suppose that is a lawyer's term of art—not that I am a lawyer—but it is the nearest we can get to recommending to the Secretary of State to take the advice of her or his Low Pay Commission, even in difficult circumstances and at short notice, and, if it is possible, not to go ahead without having done that.

Secondly, the new clause provides not merely for a global suspension of the entire concept of a national minimum wage under the emergency powers, but for partial suspension in particular circumstances.

It is clear that the exact circumstances under which emergency powers should be invoked to suspend the national minimum wage were not clear at the time of our drafting the new clause; nor could they be—an argument which the Government used to their advantage or to convince the Standing Committee considering the Bank of England Bill, by saying that it would be unreasonable to specify the circumstances in which emergency powers would be invoked.

I should like to offer the House two examples—one is historic and the other is by analogy. Dealing first with the historic one, it will be in the memory of a number of right hon. and hon. Members—and in my memory as, at the time, I was a researcher for the Conservative party—that

[Mr. Boswell]

when Lord Healey was Chancellor of the Exchequer, he was about to go to Heathrow airport to fly to an international meeting when he was summoned back because, sadly for him and perhaps less sadly for the economy in the disturbed circumstances of 1976, the International Monetary Fund was summoned in. The boys in blue—the bailiffs—arrived to sort out the British economy. I realise that it is a painful memory for Labour Members, and I would not wish to claim that they have a monopoly on economic difficulties, although it sometimes seems that way.

Mr. Clive Betts (Sheffield, Attercliffe): What about the exchange rate mechanism?

Mr. Boswell: I wondered whether the hon. Gentleman would be alert enough to refer to that; in a sense, he makes my point for me. Any economic difficulty may arise, and although I anticipate—perhaps sooner than we expect—the early return of a Conservative Government, nevertheless I would not wish to say that any future Government would be insulated from the laws of economics. That shows that Governments get into economic difficulties, which might include pressure on resources and for a restraint in wages to retain the competitiveness of the UK economy.

Mr. Eric Forth (Bromley and Chislehurst): When my hon. Friend expands further, as I hope he will, on the possible circumstances in which his excellent provision may be invoked, will he dwell on the possibility of our joining a single European currency and perhaps a version of the exchange rate mechanism before that? Does he believe that the economic pressures involved could bring about an invocation of the measure to protect elements of our domestic economy, particularly our employment?

Mr. Boswell: My right hon. Friend is incredibly perceptive. The next part of my speech addresses that point. He and I may not always agree in every particular on matters European—although we often find ourselves on the same side of the argument. I was about to share with the House my concern that our complete adoption of the single European currency could result in turbulence across the exchanges. That could also be a repercussive effect of the adoption of the euro by other member states. Both situations could have a disturbing effect.

After the Monetary Policy Committee's decision last week—to the surprise of some—not to put interest rates up, the pound broke through the DM3 barrier again. As the likelihood of the euro among the eleven firms up between now and May and as we continue with an apparently restrictive monetary policy, particularly if it is not buttressed with other measures in the Budget—I leave those for the consideration of my Treasury colleagues—there could be a runaway escalation in British exchange rates, which would be highly damaging for our competitiveness. Conversely, if we joined a single currency in due course, we might find it difficult to sustain our exchange rate. We would have to take the strain through higher unemployment, because there would be no exchange rate mechanism to correct the situation as we lost competitiveness.

The analogy with the forced monetary union of East Germany with the federal republic in 1990, after the fall of the wall, makes the point of my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) eloquently. It is an awful warning to those who advocate exchange rate unity by fiat, assuming that the problems can be blown away by uniting currencies, that, almost overnight, East Germany lost even those parts of its productive industry that were relatively competitive. It has had a high, sustained and rising unemployment rate, buttressed by huge monetary and budgetary transfers. Unemployment is still rising, and is currently hovering around 20 per cent.

That is not satisfactory, and I do not advocate it. We are proposing that, in extreme economic circumstances—within the euro or outwith it—it should be possible, after consultation, to suspend the operation of the national minimum wage.

Mr. Rowe: Does the definition of extreme economic circumstances include going to war? The likelihood of such an activity seems to be growing rather than diminishing.

Mr. Boswell: Having strayed into matters related to economic policy, I am not sure that I also wish to dilate on matters relating to foreign policy, except to say that I share some of my hon. Friend's concerns. The news tonight about the Balkans was particularly disturbing. Historically, the outbreak of widespread war has led to rapid changes in bank rates and might be exactly the extreme economic circumstances which would be addressed by the new clause.

I repeat that there is no blueprint for the kind of emergency which is envisaged. We are arguing that a wise and prudent Government, of whatever colour, should equip themselves with a mechanism that could handle such changes. I am genuinely frightened that the national minimum wage, at whatever rate it is set, may impose a cost structure in which a shock would render our economy uncompetitive, and our unemployment would soar through the roof. Nobody wants that; the Government do not intend it. We are trying to provide a bottom line which would avoid it.

I turn to the other element of the new clause which differs from the analogous situation under the Bank of England Bill, to which I have referred. Given that, according to the Government, there is to be a national minimum wage, applicable, without discrimination, by area, by sector of employment, by undertakings of different size, by persons of different ages or by classes of different occupations, the minimum wage—at least when it started out on Second Reading—was to be a universal national minimum wage, with the possibility of different rates for persons under 26, to which we shall return.

Given that that is what the Government intended, we have been arguing—in a way which I know the Minister thinks is subversive to the whole principle—that Governments, in due humility, should be prepared to consider exceptions if those are appropriate. The Government should think long and hard if there is to be a trade-off between their amour propre, in saying that there should be a single universal national minimum wage, and the consequence of a high and rising systematic rate of unemployment in a particular area or industry.

New clause 8(2) considers the possibility of a suspension in part. There are two possible tests for that. One is by area, and I shall deal with that first. As we said in Committee—I do not say this as a prediction, because, as the Minister and the Under-Secretary know, the facts show the following comparison is the greatest economic divergence—the economy of Northern Ireland has a very different costs and wage structure from other parts of the United Kingdom. It is not unique in that; it is only a little behind the north-east of England, but it is an extreme in comparison with Greater London.

The extreme is so apparent: on average, wages in Northern Ireland are 60 per cent. of those in Greater London. The bottom decile of employment in Northern Ireland yields a rate of £3.50 an hour. In London, the figure is £4.72. That marks not only the metropolitan centres of Belfast and London, which have highly capitalised industries. It also includes the impact in rural areas where there is much higher unemployment, greater seasonality of employment, and certain trades, such as hospitality and agriculture, which, historically, tend to pay lower rates.

Suspension should be provided for in case the Government find that, in the end, a single national minimum rate causes high unemployment because the rate will have been bid up in sensitive areas such as Northern Ireland and the north-east of England.

The area need not be as big as a province or a region. We might debate—and, in a different context, we have debated extensively—the concept of regional development agencies. I find it a little distasteful that my regional capital, if I may call it that, of Nottingham, a city which I like, is 100 miles from my home—the journey does not require me to leave the east midlands region significantly, if at all—whereas I live much nearer to the centre of London, and to this place, than I do to Nottingham. Perhaps economic regions are too wide for the purposes of the new clause.

10.30 pm

However, if we were considering areas, which are not specified in detail in new clause 8, we might consider development areas, assisted areas, objective 1 areas, objective 2 areas or objective 5b areas. By definition, those areas are likely to be subject to the greatest economic pressure.

I was disturbed, but not wholly surprised, to read in today's newspaper that Mrs. Wulf-Mathies, the European Commissioner who deals with the structural funds, has outlined a rather dusty scenario for our future regional assistance. If we are to lose European funds, we may well find the pressures on employment in some parts of the country even more intense.

The second provision in subsection (2) of the new clause allows for a suspension in respect of "any individual employer." I emphasise that this is not simply a matter of an employer waking up in the morning and saying, "I do not like the national minimum wage. I do not feel like paying it to my staff." It would be clearly linked by subsection (3) to a formal notice in an approved form to the Secretary of State, prescribing that, in the opinion of the employer, such an order was necessary to prevent the loss of jobs. The concept would bear a close similarity to the idea of the statutory notification of impending redundancies, and although I have an open mind on the subject, I believe that it might be appropriate to combine the two into one process.

Ministers continue to say, without telling us what the national minimum wage will be, that there will be no problem if the national minimum wage is sensibly struck. That is a circular argument, if ever I heard one. While they continue to say that everything will be all right in this new economic Britain to which we are all pointed, and to which the Bill points us, in the real world some employers will feel the pinch. There will be employers whose businesses may be destroyed by the national minimum wage. Not only will their businesses go, but the employment opportunities that they offer their staff will go.

Mr. Forth: I confess that, although I am impressed by my hon. Friend's argument, I am slightly surprised that he has not included in new clause 8 a reference to a business sector. He has covered the concept of area and is now discussing the possibility of individual employers being affected by the national minimum wage. Has he considered that a whole sector may be appropriate for such treatment? I have in mind, for example, a heavily export-oriented sector, especially adversely affected by an exchange rate movement, or perhaps a sector that has been affected by a change in the competitive environment—in a competitive trading nation, or another such factor. Did my hon. Friend consider that as a possibility, and did he consciously decide not to include it in the provisions of his new clause?

Mr. Boswell: Not for the first time, my right hon. Friend almost anticipates me. I could have done as he suggests, but I was conscious of the Government's doctrine that there is to be no differentiation by sector or area generally. Therefore, I was conscious that it might be appropriate, particularly as we should like to help the Government and we want them to adopt our new clause or something like it, to provide for only a limited power—one that would be keyed either to defined areas or to particular firms experiencing difficulty.

If a sector—motor cars, for example—were experiencing difficulties, one would not need to go through many manufacturers. If the component industry were added in, there would be more, and it would be possible to specify a group of manufacturers by listing them, provided that they were prepared to produce the sort of certificate that the clause would require.

My right hon. Friend is on a good point, which is that changing economic circumstances and an economic shock could have a disproportionate effect on a particular industry. His example is better than the one that I would have cited, because he is considering the shock effects of, for example, a change in exchange rates. I might also have added the possibilities of pressure on a whole industry, had I wanted to go for a sectoral solution. For example, certain industries will experience pressure under the national minimum wage, including catering and hospitality, hairdressing, aspects of horticulture and so forth.

Mr. John Hayes (South Holland and The Deepings): As my hon. Friend mentioned agriculture in his response to my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), may I draw his attention to the

[Mr. John Hayes]

double effect on horticulture of pressure from the strong pound on exports coupled with the need for labour flexibility? I am thinking of seasonal work, part-time work and occasional work—all things with which he will be familiar as an expert in that field. In my constituency, the minimum wage in horticulture could have a damaging effect because of that dual threat.

Mr. Boswell: My hon. Friend is a formidable advocate for his constituency, with its huge and significant horticultural interests. He is right to point to the fact that horticulture is already under one severe threat from exchange rates, which would be compounded to a double whammy with a second threat from a national minimum wage. I am not giving him the whole solution in the new clause, because the suspension would have to happen ex-post in the case of an immediate threat to jobs. However, it would provide a mechanism if the scenario that the Government do not believe could happen did occur. It would be appropriate for such a situation.

Mr. Lansley: My hon. Friend is kind in giving way. He amply answered my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth). Before he moves on, will he recognise that it is possible to think in terms of a number of employers in an industry together, and that that sort of example fits well with the concept in the European Community of an industry being in manifest crisis? From the view of managing those economic circumstances, is it not more advantageous to enable those employers temporarily to reduce costs rather than require the Exchequer to engage temporarily in an additional subsidy?

Mr. Boswell: My hon. Friend makes two valuable points. First, he reminds the House of the concept of a manifest crisis as a term of art for an industry that is facing severe problems, probably internationally. Secondly, he makes the appropriate point that it is better to keep people in work and out of benefit—I believe that new Labour is supposed to favour that—and to keep businesses flourishing, rather than let them break down, go bust and have to be bailed out, or effectively compensated, by the Exchequer for what has happened. He is right.

The new clause envisages an emergency, when time will be short. A Government could—perhaps the Government would want to do this if any such circumstance were to arise—publish draft regulations that would be subject to the affirmative resolution procedure. They may even be able to consult the Low Pay Commission before doing so. The new clause, however, would provide for a negative procedure: an order would be made, it would be laid before Parliament, and if it was not approved within 28 days it would be void. Under the emergency provisions set out in the new clause, the order could not continue for more than three months, in any case, even if it was approved by the House.

Mr. David Maclean (Penrith and The Border): Will my hon. Friend say whether there is anything in the new clause that would compel the Government to use the order-making power? Given that the Bill already contains order-making powers—in clauses 39 and 49, for example—and that most of the Government's legislation is littered with powers for Secretaries of State to make orders in certain circumstances, can he think of a good reason why the Government should reject a further order-making power, which they can use at their discretion when they determine?

Mr. Boswell: My right hon. Friend makes a seductive case. We are offering the new clause to the Government on a plate, as an appropriate ancillary to the powers that they have already included in the Bill. I could not agree more on his general point—frankly, if there were no orders in the Bill, there would be no Bill at all. The Bill depends entirely on regulations, and we do not know what will be in them, as we do not know what the Low Pay Commission will say—and the Government will not tell us. When the Government tell us, we shall know and we shall be able to debate the matter, which is an odd way in which to go on.

Mr. Rowe: I have not had the opportunity to study the Bill in as much detail as my hon. Friend has, and I am not absolutely clear about this issue. On occasions, individual firms and, indeed, sectors of industry have come together and asked whether they could take a cut in wages to tide them over a particular problem.

Mr. Maclean: Like the Cabinet.

Mr. Rowe: Am I right in thinking that that would be illegal under the Bill?

Mr. Boswell: I am not sure that I would use the word "illegal"—it would depend whether an order was made or an offence was created. I think that, ultimately, such actions probably would be illegal if they were persisted in. I heard my right hon. Friend the Member for Penrith and The Border (Mr. Maclean) commenting, as an aside, on the activities of the members of the Cabinet, who recently clubbed together in not taking their salary increases. Such actions would also be inconsistent with the power that is set out later in the Bill, under which it will be possible, as part of bailing out a dispute in a conciliation agreement, to allow for a lower rate to have been paid.

My hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) makes a valuable point. If trade unions, for example, are faced with the stark choice between jobs and high pay leading to no jobs, they may settle for lower pay to retain their jobs.

The most flexible labour markets, such as the one in the United States which, I concede immediately, has a modest national minimum wage—*[Interruption.]* It is very much lower than what the Low Pay Commission or the Government are likely to propose. In the United States, which has a flexible labour market, such trade-off bargaining between job possibilities and wages happens extensively.

Mr. Forth: I want to press my hon. Friend on the point that our hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) made. It strikes me as distinctly possible that a company—or indeed an industry or a sector—could find that the only way in which it could protect its work force was to negotiate a voluntary pay reduction that could take the lower-paid below the minimum rate.

I well recall that, many years ago when I worked in industry, a Swiss firm that supplied my company did exactly that. It negotiated a pay reduction across the board, to protect all the jobs. That successful strategy made a great impression on me. If the new clause is not accepted, there will be a distinct danger of denying that sensible course not only to employers but, more important, to employees. Does my hon. Friend share my interpretation and my worry?

10.45 pm

Mr. Boswell: Yes, and yes.

Mr. Bercow: Will my hon. Friend give way?

Mr. Boswell: I will, but for the very last time.

Mr. Bercow: I am most grateful to my hon. Friend, whose forbearance under provocation is always admirable.

Further to the point made by our right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth), does my hon. Friend agree that it would be especially extraordinary if the Government were to decline to agree to a suspension of the terms of the legislation in a case in which a public sector employer and a public sector union agreed that that eventuality was desirable? The Government would be punishing themselves and failing to afford themselves the opportunity offered by both the employer and the employees' representative.

Mr. Boswell: My hon. Friend piles Pelion on Ossa, as they say. He merely intensifies the point. The Government will probably want to say that there is absolutely no question of the Chancellor of the Exchequer so ordering the nation's finances as to require any part of the public sector to pay poverty wages, as they would define them, but such a situation could easily arise given the large proportion of people in the care sector who are either directly or indirectly influenced by public sector settlements.

I might have got on a little better if, instead of simply describing a circumstance in which there had to be a redundancy notification to the Secretary of State, we had further provided for a trade union seal of good housekeeping in the new clause. Perhaps we should have added a provision saying, "as a result of a collective agreement between a recognised trade union and employers' organisation to take a lower rate than the national minimum wage". That might have got the new clause past the Government.

In all humility—the humility that they claim for themselves and deny to us—the Government should admit that, from time to time, Governments will run into difficulties nationally, and that, if that happens, there should be a mechanism for suspending the minimum wage, if Ministers consider, after taking advice, that that is the sensible course. That is even more likely to happen locally, or in relation to one or two firms or industries.

I am happy for any necessary safeguards to be put in place—if it makes it more palatable for the Government to put in a reference to trade unions, I would go along with that—but it would be wise to provide a safety valve, as was done in the Bank of England Bill. If the Government are not prepared to accept the new clause, they must explain why.

Mr. Forth: My hon. Friend seems to be coming to the end of his speech. I hope that he is not, because he has not—it must be an oversight on his part—covered subsection (7) of the new clause. I hoped that he would say a few words about that provision, because it caught my eye. If I read it correctly, it appears to say that an automaticity is built into the provision, whereby it will cease to have an effect after only three months, regardless of the circumstances. That seems to be an unnecessarily harsh restriction, because we do not know the duration of the circumstances that might invoke the use of the provision. I seek clarification from my hon. Friend. Is such automaticity built into the provision? Can he explain his reasoning and reassure me on that point?

Mr. Boswell: I briefly adverted to the fact that the power, being an emergency power, would automatically come to an end. I suspect that the House is familiar with the economic variation of the Gertrude Stein saying—"A trend is a trend is a trend." The question is always whether a trend will end through some unforeseen force. We do not know what might happen in three months, but that is the key to an emergency situation. It would be open to Ministers, in the three-month period, to come to a more acceptable long-term arrangement and, given the circumstances that my hon. Friends have adumbrated, it might be sensible to do so.

Mr. Lansley: In so far as my hon. Friend has followed the construction of the provisions in the Bank of England Bill for similar extreme economic circumstances, is it not logical that if, 28 days before the end of the three-month period, it was clear that the extreme economic circumstances were persisting, it would be open to the Government to bring forward a new order to extend the period of suspension of the national minimum wage? The Government would, of course, need to secure Parliament's agreement that exceptional circumstances applied.

Mr. Boswell: That is a helpful comment, and I shall close on it. It would be possible for the Government to come back to Parliament. The Government should not use a power and then abuse it to pull a fast one on the House. New clause 8 is an emergency provision, but an emergency could extend over longer than merely the three months prescribed, even if parliamentary approval were secured for the initial order. We cannot foresee the future, and we do not know what might go wrong. The Government would be wise to concede that events do not always turn out as they anticipate, and that it would be sensible to have a flexible provision such as new clause 8 to cater for such eventualities.

Mr. Maclean: I wish to comment reasonably briefly on new clause 8.

I cannot remember an occasion during my time in the House on which a Government rejected an order-making power that it would not cause them any grief to accept. I have looked at a few Bills tonight, and, as my hon. Friend the Member for Daventry (Mr. Boswell) pointed out, this Bill is littered with order-making powers. The

[Mr. Maclean]

Fireworks Bill, a private Member's Bill, has 16 clauses, and all 16 would introduce a regulation-making power so that the relevant Minister could regulate every aspect of fireworks. Other Bills have a similar content.

What do the Government have to lose by including in the Bill an order-making power, the use of which is at the sole discretion of the Government? The Government would determine whether serious economic circumstances prevailed. If they decided that economic circumstances did not satisfy the criteria in new clause 8, they would not have to use the power.

Mr. Forth: May I try to help my right hon. Friend? Is it not possible that the Government fear that, if they accepted the new clause and invoked it in the way described by my hon. Friend the Member for Daventry (Mr. Boswell), and it was seen to be successful in protecting employment, it would demonstrate, as we have argued all along, that the Bill's broader provisions are disadvantageous to employment? Might that not explain their reluctance?

Mr. Maclean: My right hon. Friend is right. If the Government reject the new clause, it will be out of pure political dogma. It is sheer political dogma to reject an order-making power that they do not have to use. They fear that it will be regarded as a tacit admission that they may have difficulties that could necessitate its use. If it was used, and saved a certain employment, region or individual employer from the consequences of the minimum wage, people would point to the general failings of the Bill. For the Government to reject it out of political dogma would show how much faith they have in their legislation.

I hope that my hon. Friend the Member for Daventry (Mr. Boswell) intends to press new clause 8 to a vote. After hearing my hon. Friends and the Minister's reply, I look forward to pushing it to a vote personally. An important principle is at stake, and it reflects ill on a Government who put regulation-making powers into almost every clause of their legislation to reject this one.

The other reason we need new clause 8 is that I think the country is heading into recession. The Chancellor bungled his first Budget, and failed to damp down the level of the pound. We have had five interest rate increases and our manufacturing sector is suffering. Dire economic circumstances could occur much more quickly than the Government or commentators expect.

The first area heading for recession is the countryside and our rural economy. I see the effects of the Government's attack on the countryside in my constituency and in other parts of the country. We have had petrol price increases in the past 10 months, and we shall probably have a vicious increase next Tuesday. Coupled with their other measures on the rural economy, such as abolition of the Rural Development Commission—

Mr. Deputy Speaker (Mr. Michael Lord): Order. The right hon. Gentleman is going rather wide of the mark. Will he return to new clause 8?

Mr. Maclean: Of course, Mr. Deputy Speaker. I was doing that by noting that the abolition of the Rural Development Commission means that job prospects in rural areas will be diminished. With effects of the minimum wage, we may get a rather rapid recession in the countryside—greater than we have had for 40 or 50 years, greater than between the wars.

Mr. Rowe: Is not my right hon. Friend pointing to the fact that extreme economic circumstances can arise in a sector very swiftly, whether through the influence of something over which Governments have no control, such as BSE, through some temporary cessation of supply, or through a severe frost in the fruit industry? In such circumstances, many people would rather keep their work force together by agreement with them than be forced to lay them off.

Mr. Maclean: My hon. Friend is right. Many of us in rural areas recall the severe frost last May that destroyed a huge part of our plum crop. That damaged that sector of the economy.

When you, Mr. Deputy Speaker, reminded me to stay within the terms of the new clause, I was giving some examples of circumstances which might result in dire economic conditions, and in which it might be appropriate to use the order-making power in new clause 8. I shall return shortly to the subject of how essential that power is in relation to the countryside, but first I shall give another example of exceptional circumstances.

I was a member of the Government when Kuwait was invaded—I think it was 2 August 1992. During the build-up to the Gulf war, there was a severe downturn in the tourist industry, because many people were afraid to use airlines. Our tourist business was severely affected, and I remember statements being made by my colleagues in the Government and by the British Tourist Authority trying to reassure people around the world that it was safe to fly and to come to Britain. There was a huge downturn in the number of American visitors to this country. Thankfully, that effect was short-lived, but it had severe consequences for a rather fragile sector of our economy—the tourist industry.

That is a textbook case in which, for a period—for three months, perhaps extended for a further three months—it would have made sense to use the power in the new clause to lift the consequences of the minimum wage from that sector, where there had been a huge fall in employment. Tourism employs people seasonally or part time. People in that industry would have preferred to hang on to their jobs and take a pay cut while waiting for the war to end and the economy to pick up, rather than be dismissed because companies did not have the business to sustain their employment.

Mr. Bercow: Tourism is an apposite case, because, for much of the past few years, the industry has objected to the very idea of a national minimum wage, fearing that it will produce economic calamities for the industry. The circumstances of a particular downturn that my right hon. Friend describes make the application of a suspension that much more appropriate. Is it not a case of either being able to remain afloat in such circumstances or sinking altogether?

Mr. Maclean: My hon. Friend is absolutely right. Tourism is a textbook case, and it is an entirely apposite example of an industry in which the minimum wage could be suspended because of short-term economic problems.

We might have another oil crisis. I know that we have a convention requirement to stock 79 or 80 days' supply of oil to stave off such a crisis, but who can tell what form the next crisis may take? Events in the middle east or the Balkans may lead to another crisis, whether or not it is genuine. It does not require a genuine crisis to bring about a lack of confidence in the markets and among economic commentators, and, in those circumstances, particular sectors or areas of the country could be severely affected.

The Government would then be in a bit of a panic. They could do all the spin-doctoring they liked, but spin-doctoring would not remove the problem that the national minimum wage might severely affect workers in a specific area or sector. The Government would be powerless to do anything about it. However, if they could use the order-making power contained in new clause 8, they would be able to overcome a short-term crisis.

One of the main points of contention is the economic crisis that will affect rural areas and all types of employment there—not only agricultural workers, who are covered by the Agricultural Wages Board, but all other workers, such as those working in tourism or in agricultural supply. The dire economic circumstances envisaged in the new clause are coming about rather more quickly in rural areas than any of us would like.

The Government might ask what point there would be in suspending the minimum wage for three months, but the power would be extendable. In much the same way as we extend the Prevention of Terrorism Act annually, provision could be built into new clause 8 to allow the Government to extend the three-month period as they saw fit. The new clause would allow the Government to suspend the impact of the minimum wage in objective 5b areas, where people are suffering because of the economic crisis caused by the Government's bungling of policies for the countryside.

Mr. Boswell: My right hon. Friend may remember that I had ministerial responsibility for objective 5b areas, as he had in the early days of the scheme. I confirm that the economies of areas that are likely to benefit from an objective 5b scheme are highly marginal, and would be severely affected by a national minimum wage at anything like the indicated rate.

Mr. Maclean: When we refer to geographical areas, we tend to think of counties or regions, but I am quite clear in my mind that the areas that would benefit most from the power exempting them from the requirements of the minimum wage are those such as objective 5b areas. Large parts of the west country and of the north Pennines will suffer abominably in the next few years, unless the Government take positive action to help them. So far, the Government have shown that they do not understand how rural areas tick.

If we cannot teach the Government how rural areas work, we can at least give them the power to help those areas when they get into severe trouble as a result of more Government bungling, or of a minimum wage set at an inappropriate level. Such a level may work in a booming economy, but it would seriously impinge on rural areas whose economy is suffering.

I urge the Government to accept the new clause. They may not agree with my analysis of the downturn in our economy, or of the severe economic crisis that many rural areas face, but they must recognise that the new clause gives them a power they can use if they wish: the Opposition parties cannot make it happen; the Low Pay Commission is not in the driving seat, and cannot initiate these powers. The Government would decide whether to use this power. If they reject the new clause, it will be purely out of economic and political dogma, and not because they have great belief in the minimum wage.

Mr. Tim Collins (Westmorland and Lonsdale): It is appropriate for us to debate this new clause 10 months into a Labour Government, because it makes provision for economic emergencies, which are synonymous with Labour Governments. Had we had a minimum wage in 1924, new clause 8 would have been needed within 10 months of the first Labour Government taking office, because they had collapsed in the face of rising unemployment. Had we had a minimum wage at the time of the second Labour Government in 1929, new clause 8 would have been needed, because by 1931 we had been forced off the gold standard, which triggered the worst recession this century.

We would have needed new clause 8 had we had a minimum wage at the time of the third Labour Government, from 1945 to 1951, when there were acute shortages and rationing was continuing after the war. We would have needed new clause 8 had we had a minimum wage during the 1964-70 Labour Government, who had persistent balance of payments crises. As my hon. Friend the Member for Daventry (Mr. Boswell) said, had we had a minimum wage, we would undoubtedly have needed new clause 8 at multiple points during the 1974-79 Labour Government, when the International Monetary Fund had to intervene, and we had the winter of discontent.

Mr. Lansley: In the Standing Committee considering the Bank of England Bill, my hon. Friend the Member for Daventry questioned the Economic Secretary to the Treasury on whether this power would have been used in those circumstances. She avoided answering him by saying that the question did not apply, because a different method of managing interest rates is being used: it is now by reference to an inflation target rather than by direct Government control.

Mr. Collins: My hon. Friend makes an excellent point, which enables me to refer to the excellent speech by my right hon. Friend the Member for Penrith and The Border (Mr. Maclean).

In choosing to hand over control of interest rates to the Bank of England, the Government have made more likely the need for new clause 8. There will be substantial economic emergencies because of rapid rises in interest rates and the fact that the Bank of England is not required to pay attention to the wider needs of the economy but simply to aim at an inflation target.

The chances of the new clause needing to be triggered, if it were in the legislation, have increased as a result of some of the Government's decisions in their early months in office. There is clearly a need for such a provision, and the strength of the new clause is that it enables the emergency provision to be triggered in one of several circumstances. We have heard how it could be triggered by difficulties in a specific area. My constituency in Cumbria in the lake district adjoins that of my right hon. Friend the Member for Penrith and The Border. As he and

[Mr. Collins]

other hon. Members have said, among the sectors that will be most affected by the minimum wage are tourism and agriculture.

Let us imagine doomsday or worst case scenarios in my part of the world, which depends heavily on tourism. A repetition of the 1986 Chernobyl disaster, which resulted in the dumping over large areas of Cumbria of dangerous radioactive substances could cause severe economic difficulties for agriculture and tourism. Imagine—heaven forfend—what would happen if there were an outbreak of rabies in Cumbria. That would be an immense deterrent to visitors, and would trigger emergency action. New clause 8 would be relevant, because many people in my constituency and elsewhere who were coping with such disasters would much prefer to have, temporarily or on a prolonged basis, a lower-paid job than no job at all.

Mr. Forth: One thing which puzzled me in the early part of the debate, but which will probably emerge as the debate proceeds, is that there has been no mention of the differential impact on small enterprises, and especially those that are labour-intensive. I suspect that such companies predominate in my hon. Friend's constituency and that of my right hon. Friend the Member for Penrith and The Border (Mr. Maclean). Does my hon. Friend agree that one of the main aims of the new clause is to seek to provide easement or protection for such small labour-intensive companies? Does he agree about the significance of that?

Mr. Collins: My right hon. Friend is right, and his intervention is helpful. He mentions exactly the sort of factor that sensible legislation should take into account. The new clause would enable the easement of economic difficulties that could be ridden out by a large multinational. ICI is likely to survive anything. It has survived 70 or 80 years of depressions and recessions, and even successive Labour Governments, which testifies to the longevity of any company.

The small firms that provide only one, two or three jobs are likely to be the engines for future jobs. They are currently being assailed by advertisements to join the Government's new deal to help the young unemployed, and they are the firms most likely to find themselves in the economic firing line. Without the protection of new clause 8, they will not be able to deal with some of the problems that arise.

I think of the difficulties that might prevail in my county of Cumbria if there were an incident at the nuclear installation at Sellafield. That could cause severe economic problems throughout the north-west and north of England. There would undoubtedly be an emergency, and it would be imperative to maintain the economic fabric by keeping some jobs and enterprises going.

Imagine, for example, what might happen in our part of the world if, as my right hon. Friend the Member for Penrith and The Border said, there were a recurrence of the oil crisis. In current circumstances, that is a distinct possibility. It is barely two or three weeks since the House was seriously conducting a debate on the general expectation—I think that it was shared by hon. Members on both sides of the House—that, by the time we reached this point in March, British, American and other forces would be engaged in combat in the middle east and in Iraq.

My right hon. Friend reminded us of the economic consequences of the Gulf war in 1990. We remember the oil crisis in 1973-74 and the immense effect that the sudden, overnight and unexpected acceleration of the oil price had throughout the economy.

Mr. Boswell: I do not know whether my hon. Friend has noticed the answer that I secured to a written question the other day about petroleum stock levels. It showed that they were only two days over the indicated level, which reflects several things, including oil companies' reluctance to continue with heavy inventories. Does he agree that, although it is important not to alarm people unnecessarily, that shows the vulnerability of any modern economy to economic shocks?

11.15 pm

Mr. Collins: I agree with my hon. Friend. The other reason that new clause 8 is so important is that it reflects the fact that, since 1974, there has been substantial structural change in the modern industrialised economies. We have moved to what is called the "just in time" philosophy. That means that companies no longer have large stocks of equipment, supplies or other things in their factories. They are used to being able to call instantly on the resources they need, which will include labour resources as well as imported and domestic raw materials.

If an economy is so dependent on transport and on the idea that an order can be placed today and raw materials will be in place tomorrow, and if that network were impeded in any one of the ways we hear about—the impact of the millennium bug when we reach the new millennium, or of a terrorist attack on major installations of power complexes—the consequences could be terrible. I have referred my hon. Friends to a report earlier this evening on "Channel 4 News", which showed the desperate circumstances of businesses in Auckland, New Zealand, which face the prospect of months of power cuts.

By any definition, those are economic crises that would make it next to impossible for some businesses to stay viable and to pay a national statutory minimum wage, which might have been determined in circumstances where any of those things seemed completely remote: power cuts, computers failing, a massive oil crisis or international developments leading to war. All those might not have been taken into account by the Low Pay Commission in setting the national statutory minimum wage level, but all would amount to a clear and present economic emergency for many businesses in a geographical area, business sector or particular part of the country. In those circumstances, new clause 8 would afford them valuable and absolutely vital protection.

New clause 8 has several other merits. It allows for the Low Pay Commission to be consulted, if it is reasonably practicable. There is no question of it being sidelined by the new clause. However, it is intended to be triggered in circumstances of emergency, where there is likely to be urgency, so the Secretary of State is given flexibility. If the Secretary of State is confident that he or she has the power and time to consult the commission, they may do so. If not, that does not prevent them from acting.

Mr. Boswell: Does my hon. Friend agree that, if push came to shove, a telephone call to the Low Pay Commission chairman would be better than nothing?

Mr. Collins: I entirely agree with my hon. Friend, who again demonstrates the essential reasonableness,

rationality and moderation of new clause 8, which is, sadly, a little lost on the Government Front-Bench team. It may deeply regret not having accepted the new clause.

Mr. Syms: Will my hon. Friend consider this aspect? Would not consulting the Low Pay Commission be vital to politicians, who, faced with a crisis, could lean on a commission of experts to give advice on the matter, rather than take arbitrary political decisions?

Mr. Collins: I agree with my hon. Friend, who once again points to one of the great strengths of new clause 8. It would write into the Bill something that would be welcome in any legislation introduced since 1 May 1997—a requirement that Parliament be consulted and that the House takes the final decision on the fate of any orders brought in under new clause 8. Throughout the Bill, order-making powers are given to the Secretary of State, in very general terms, without any reference to this House.

A common pattern across the Government's legislation is the giving of immense discretion to Secretaries of State, other Ministers, new assemblies or parliaments or other quangos that the Government are creating or amending. New clause 8 would directly give Parliament the power to approve or disapprove an order. Of course the Secretary of State could act with immediacy and urgency in a pressing economic crisis, but equally it would be for Parliament to take a view on whether the Secretary of State had acted properly and whether he should continue with any action he had taken.

Mr. Bercow: In view of the evident reasonableness of new clause 8, does my hon. Friend agree that the only possible explanation for the Government's refusal to contemplate accepting it is that they have so often gone on the record insisting that a national minimum wage could not contribute to an economic downturn, and that they now feel unable to do an about-turn and admit that they might have been wrong? Is it not an example of what the late and distinguished economist and political philosopher Friedrich von Hayek described as the "fatal conceit"?

Mr. Collins: I agree with my hon. Friend, as I am sure he would agree with me that the Government are guilty of any number of fatal conceits, which will no doubt lead to their imminent demise.

I disagree with one small part of what my hon. Friend said, in that he advanced only one possible theory for the Government opposing new clause 8. There is another theory, which is that they are already beginning to hear the flapping wings of the chickens presently stacked over Heathrow but ready to come down to roost over Downing street. They fear that the powers given in new clause 8 to a Secretary of State would soon be powers exercised not by a Labour Secretary of State but by a Conservative Secretary of State. That is part of the reason why they are not sympathetic to new clause 8.

My hon. Friend the Member for Buckingham rightly points me in a new direction, which is the Government's stance on this matter. Is it their contention—which would be the logical consequence of them opposing such a reasonable, modest and mild provision—that there are no circumstances whatsoever in which a minimum wage could deter employment, impede enterprise or restrict the ability of those who are working for another group of people to do so effectively and efficiently? If that is the case, we can only wonder why they propose to exempt the self-employed, the armed forces and those under the age of 26.

Why did the Deputy Prime Minister, in a famous Sunday television interview, observe, "Of course the minimum wage will cost jobs; any silly fool knows that"? That was a rather welcome outburst of candour from the Government, yet their attitude to new clause 8 is inconsistent with that.

If the Government believe that, even in normal economic circumstances, members of the armed forces should not be subject to the Bill's provisions; if they believe that, even in normal economic circumstances, people under the age of 26 would be difficult to employ if they were subject to a normal statutory national minimum wage; if they believe that, even in normal economic circumstances, self-employed people would find it excessively onerous, bureaucratic and a deterrent to their ability to create wealth and jobs to fulfil their commitments under a statutory national minimum wage, surely they recognise the powerful argument of my hon. Friend the Member for Daventry, that, in circumstances of acute economic crisis and distress of the sort that we have discussed this evening, the whole economy or, alternatively, some parts of it, either geographical or according to particular businesses, might require some assistance.

New clause 8 is something of a test for the Government—a test of logic. The logic of Ministers' position on a series of other issues is that they should accept new clause 8. The new clause is a test also of their commitment to democracy, as it would include in the Bill new powers that would be clearly constrained by requiring reference back to the House. It is a test of their commitment to recognising potentially serious economic circumstances. It is a test also of their flexibility.

Earlier in the debate, we heard the Minister say, in a most extraordinary remark on a different clause, that an amendment was excessively prescriptive. If ever a Bill was prescriptive, it is this one: it gives the Secretary of State power to dictate by order the amount that people may be paid for performing jobs. New clause 8 is anything but prescriptive. It would give the Secretary of State power to intervene to suspend the Act; it does not require intervention. It does not say that, in certain circumstances, a Secretary of State might find himself or herself hauled up before a court or other body for not invoking it. Discretion is left to the Secretary of State.

Time after time, we have seen in the history of Labour Governments how often it has been necessary for provisions to be in place enabling emergency measures to be taken. How many previous Labour Chancellors of the Exchequer or Prime Ministers would have liked to have some means of getting themselves out of the holes into which they had dug themselves?

In passing new clause 8, the Government would get something for nothing—an additional discretionary power—which they should not fear. The new clause's provisions are consistent with what Ministers have said before. They can oppose it only if they are out of kilter with their previous statements and not as confident as they pretend to be of being in office for perpetuity.

Mr. Ian McCartney: For almost an hour and a half, we have been treated to one of the most extraordinary debates so far on the minimum wage legislation. Conservative Members have repeatedly attempted, both in Committee and outside the House, not only to construct the most bizarre reasons why we should not establish a minimum wage but to justify their role as apologists for low pay. However, tonight's debate has surpassed all the previous debates and statements, setting an absolute record of contempt and showing an absolute lack of concern for poverty in rural areas and poverty in general. We have seen in this debate Conservative Members' apparent denial of the reasons why they lost the general election—leaving the Government with a massive inheritance to clear up.

Conservative Members who have spoken in this debate have been no more than a smokescreen for a dubious campaign to prove how well the previous Government represented rural areas. Let us consider their record. The previous Government's bus deregulation destroyed almost every public transport system in the countryside—but not a single Conservative Member uttered a single word of opposition to the closure of rural transport links. The previous Government—not once, not twice, but three times—tried to destroy the rural post office network by privatising it.

What of the closure of rural railways? The hon. Member for Daventry (Mr. Boswell) was a member of a Government who destroyed rural railways—against which destruction not a single word was uttered by Conservative Members. Conservative Members campaigned to abandon the Agricultural Wages Board, although thousands of constituents of at least two hon. Members who have spoken in this debate are covered by the Agricultural Wages Board and by minimum wages. Those poor rural farm workers are still covered by minimum wages because farmers and farm workers joined together and revolted against the previous Government's attempts to abolish minimum wages in rural areas. What about the sale of housing association homes in small villages, which has led to a collapse in the supply of affordable homes in rural communities?

What about the BSE crisis? The right hon. Member for Penrith and The Border (Mr. Maclean) spoke so piously, but he was a Minister in a Department that denied—not for months, but for years—that BSE caused damage, posed dangers or formed a link in the food chain. He bears heavy responsibility—by his inactivity, because he could have done something about it—for what has happened to United Kingdom agricultural interests. His abysmal failure—both personally and collectively—to do so something about it has left us with a legacy of job losses, of billions of pounds of losses to the British economy and of damage overseas to our industry. He stood at this very Dispatch Box and denied that a problem even existed. He had better not give Labour Members any lessons, or lectures, about the rural economy and the effects of Government policies on rural areas.

Mr. Maclean: Will the hon. Gentleman give way?

Mr. McCartney: In a moment.

I have never thought of the hon. Member for Daventry as subversive, in any circumstances. I think I told him in Committee that I thought of him more as a Captain Mainwaring—the leader of a Dad's Army. Certainly, he has come into battle tonight with something of a battered shield in trying to stop the onward march of the national minimum wage.

The hon. Gentleman normally puts up a substantial argument in Committee, intellectually. My hon. Friends and I have to think carefully about most of the points that he makes, and on occasion he has made points that I have been prepared to concede, both because of the rightness of what he has said and because of the way in which he has said it. The new clause, however, is no more and no less than an opportunity for Conservative Members, in a completely undisguised way, to attack the whole concept and principle of the minimum wage.

11.30 pm

Let us consider some of the arguments that we have heard. We have heard arguments about the single currency. Can the hon. Gentleman name any country in Europe which has signed up to the first wave that has decided to suspend the national minimum wage legislation, or has given any reason to do so? Then there is the argument about BSE. Interestingly, the new clause does not refer to the Agricultural Wages Board or to the suspension of agricultural wages legislation. It is possible that, if workers in rural areas were covered by the board, there would be no suspension, despite what has been said by the right hon. Member for Penrith and The Border (Mr. Maclean) about the crisis caused by BSE. Rural workers who have no interest in agricultural activities will have their wages arbitrarily cut, while agricultural workers involved with BSE will not be covered by the new clause.

The whole thing is a shambles, for one simple reason. There has been no intention of thinking this through; it was just another hook on which to hang the prejudices on which opposition to the minimum wage is based.

Mr. Maclean: Will the hon. Gentleman give way?

Mr. McCartney: The right hon. Gentleman need not worry. Before the end of the day I will give way.

The issue of rabies was raised. Here is a sound reason why the poorest people in Britain should not have a minimum wage: someone might be rabid. The only people I know of so far who may be rabid are Conservative Members: they become rabid as soon as we mention the minimum wage. The same is true of the issue of Chernobyl or Sellafield. There is a possibility that at least a million people in Britain earning under £2.50 will immediately have their wages cut on the grounds of a crisis in Sellafield.

Mr. Maclean: The hon. Gentleman made a strong attack on my handling of the BSE crisis when I was a Minister. Can he give a single example of any official advice that I ignored, or did not put into effect? Has he brought any of his allegations to the attention of Lord Justice Phillips?

Mr. Deputy Speaker: Order. If the Minister replied, he would stray rather far from the terms of the new clause.

Mr. McCartney: I accept that, Mr. Deputy Speaker, but you obviously decided that it was in order for the right

hon. Gentleman to raise the issue of BSE as a reason for cutting low-paid workers' wages. My point was that the BSE debacle happened because the right hon. Gentleman, as a Minister in the last Government, allowed the situation to develop as it did. I withdraw nothing that I said about that.

The next item on the agenda is the possibility of suspending the minimum wage—in fact, cutting wages—for workers on the basis of the millennium bug. Were Opposition Members suggesting that if people were paid a minimum wage there might be power cuts and a further oil crisis? Quite frankly, it beggars belief that they ask us to take the new clause seriously as a genuine attempt to improve the Bill.

Mr. Lansley: It appears that the Minister cannot accept that it would be right to suspend the national minimum wage in any of the circumstances that have been described. Does he believe that, because he cannot envisage any circumstances in which it should be used, such a power should not be included in the Bill?

Mr. McCartney: I shall come to what powers should be on the face of the Bill in a moment, but may I ask Opposition Members one question that they have never answered? In envisaging a crisis that was so real and of such consequence that it was necessary to cut the minimum wage, why have they remained silent about everyone who is paid more than the minimum wage? If, in the event of a national crisis, the very poorest—because no one will be paid less than the minimum wage—are to bear the entire brunt of that crisis, which is surely the intellectual argument that Opposition Members are making, what will happen to those who are better off or well off? Are people with huge resources to be excluded from the consequences of any financial or economic crisis that may arise while the lowest-paid workers in Britain bear the full weight of that crisis? It is economic illiteracy.

The Opposition are using the new clause for one simple purpose: to make a further attack on the principle and concept of establishing a national minimum wage and dealing with the inheritance that they left the United Kingdom. There are large areas of low pay in Cumbria, Scotland, Northern Ireland, Wales—in the north, south, east and west. Huge numbers of families who work full time are paid so little at the end of the week that they have to rely on state benefits. That is the legacy of the Conservative Government. We are addressing the real national emergency—their legacy of poverty pay, not their spurious arguments that we have heard so far in support of the new clause.

Mr. Maclean: To return to the subject of economic illiteracy, does the Minister not understand that it is not necessary to have such an order-making power in respect of those who are paid more than the minimum wage because there will be no statutory bar to their accepting lower wages? Those who are covered by a minimum wage provision, however, would require such an order-making power to take them outside the statutory provisions in an emergency. The new clause is not putting the burden purely on the poor; people who are paid more can have their wages reduced more easily.

Mr. McCartney: That is more absolute nonsense. Under the new clause, the low-paid can have their wages cut, but the better-off and the very wealthy can think about it. They will think about it for exactly one second and get on with the rest of their lives.

Mr. Ian Bruce: On a point of order, Mr. Deputy Speaker. I wonder whether the House authorities can check whether the speakers are working on the other side of the Chamber? The Minister is obviously not listening to what is being said or not hearing it.

Mr. Deputy Speaker: That is not a sensible point of order.

Mr. McCartney: Your comment about the hon. Gentleman not making sensible remarks is probably the most sensible observation that I have heard in 11 years in the House, Mr. Deputy Speaker.

The hon. Member for Daventry mentioned the Bank of England Bill which deals with the macro-economy and allows the economic levers controlled by the Bank of England to return to the Treasury under certain circumstances. The National Minimum Wage Bill is about individual rights and covers a relatively small part of the economy. It is a matter of proportion. Even the Tory Government did not provide a mechanism for removing unfair dismissal rights in a national economic emergency.

Suppose that I had taken as genuine what the hon. Member for Daventry said—that the new clause sought to assist. It would quickly have become quite clear from Back Benchers' speeches that their arguments had nothing to do with assisting the Bill and everything to do with the continuation of low pay among large sectors of British society and with protecting employers who are quite prepared to continue paying £1.20, £1.30, £1.50 or £1.60 per hour. Perhaps Conservative Members will answer a question that they have never answered: do they intend to fight the next general election on a promise to scrap the national minimum wage? If the Conservatives press the new clause, I ask my hon. Friends to vote against it.

Mrs. Theresa May (Maidenhead): I shall speak only briefly on the new clause. I do not intend to go into the various extreme economic circumstances that might lead to the necessity of operating the provisions of the new clause.

I was astounded by the Minister's reaction to our sensible proposal. I admit that I was not on the Standing Committee that debated the detail of the Bill, so I had not hitherto had an opportunity to see the Minister in full flight on the Bill. Having heard several of his responses so far, I am disappointed that he is not able or willing to address the issues that are raised. He merely talks about the dogma of whether there should be a national minimum wage. The Bill is about a national minimum wage. Our new clauses are about the practicalities of the operation of the Bill.

Mr. Ian McCartney: The hon. Lady is right—she was not in Committee. She obviously did not listen to the hon. Member for Daventry when he moved the new clause. The new clause would not provide for a national minimum wage; it would get rid of it. The purpose of the new clause is to suspend it or cut it.

Mrs. May: The Minister obviously was not listening to what I just said. I listened to my hon. Friend the

[Mrs. May]

Member for Daventry (Mr. Boswell). The Minister's responses are all about whether there should be a national minimum wage. He has not addressed the practicalities of how it should be operated. The new clauses that the Conservatives have proposed have all addressed practical issues about the operation of the national minimum wage in certain circumstances. New clause 8 is a good example of that.

Mr. Desmond Swayne (New Forest, West): Can my hon. Friend somehow get it through to the Minister that the purpose of the new clause is to allow those who would otherwise lose their job in extreme circumstances to hold on to it and have a wage at all?

Mrs. May: I am grateful to my hon. Friend for that very valid point. He makes it with rather more force than I could. In extreme economic circumstances, when the choice is between people losing their job or keeping it at a lower wage, the Minister is saying that people should lose it and have no wage. He does not want the flexibility of allowing employers to step aside from the provisions of the national minimum wage for a limited period in extreme economic circumstances.

We are extending a generous helping hand to the Government. We are giving them the means of saving them from themselves. *[Laughter.]*

Mr. Ian Bruce: My hon. Friend is getting guffaws from Labour Members. They seem not to appreciate that, despite the many hours that the Bill spent in Standing Committee, seven of the groups of amendments are Government amendments because they did not get it right before. Madam Speaker is keen to ensure that amendments that have already been well debated are not selected, yet there are 16 groups on the selection list. That shows what a mess the Bill is in. Labour Members should listen to my hon. Friend rather than laughing at what she is saying.

Mrs. May: My hon. Friend is absolutely right. It is extremely disappointing that, despite the fact that the Government have had to table a whole series of amendments because they failed to get the Bill right first time round, they will not spend time listening to the practical points that we are raising in a spirit of generosity. We are trying to help the Government out of the problems that they are causing.

There are two types of circumstances in which it could be necessary for the new clause to operate. The first is where extreme economic circumstances have been caused by some external shock to the system. A variety of such examples have been given by my right hon. and hon. Friends. I seem to recall that, in moving the new clause, my hon. Friend the Member for Daventry referred to a circumstance in the 1970s, when the then Chancellor of the Exchequer, now Lord Healey, had to be turned back at the airport. I recall that, at the time, Lord Healey made the famous remark, "Crisis? What crisis?" It is therefore not surprising that the Government are not taking any notice of the issue. It is obvious that the Labour Government would not see an extreme economic circumstance if it came up and hit them.

Mr. Boswell: My hon. Friend is making an interesting argument. Does she agree that, although the Labour Government could not recognise an economic crisis, and would be powerless, unable or unwilling to do anything about one, we would suffer?

11.45 pm

Mrs. May: My hon. Friend is exactly right. The people who would suffer particularly are those who lost their jobs because the Government had not taken unto themselves the power to set aside the national minimum wage provisions for a limited period.

The Government are creating the other set of extreme circumstances themselves. That is precisely why I say that we would be saving them from themselves in pressing the new clause. My right hon. and hon. Friends have referred to circumstances that are being created at the moment. Given the strength of the pound, the five interest rate rises and the impact of the Chancellor's first Budget, many firms are in extreme difficulty.

Mr. Syms: Does my hon. Friend agree that it is not just a question of suspending the national minimum wage to help companies? A company that stays in business is one that can pay its debts to other companies. In a crisis, a number of companies may go out of business. The temporary provisions could well provide a structure that would enable many businesses to remain in the industry.

Mrs. May: My hon. Friend's point is extremely well made. Given the Minister's interest in payment of debt, I trust that the Government have listened to that point and will take it on board.

It is absolutely clear from the Minister's response that he simply does not understand the impact of his own legislation. I repeat—it bears repeating, because I fear that the Minister has not understood the point—that, in extreme economic circumstances, where it is necessary to relieve pressure placed on firms as a result of the national minimum wage, the choice will be between unemployment and employment at a reduced wage. If there has been economic illiteracy in the debate, it has been the Minister's response, "Oh, well: only the poor will have their wages reduced".

As my right hon. Friend the Member for Penrith and The Border (Mr. Maclean) said, the wages of people not on the national minimum wage could be cut easily because there is no statutory backing for the level of their wage. If circumstances made it necessary to cut the wages of those on a national minimum wage, but it could not be done because of statutory provisions, those people would lose their jobs.

Mr. Bercow: I am following the logic of hon. Friend's argument closely. Does she agree that the Government's rejection of new clause 8 is not only wrong but illogical? It is illogical for Ministers to argue that, in economic good times, it is prudent to raise the level of the national

minimum wage, but to reject the notion that, in economic bad times, it is somehow not prudent to suspend, disapply or lower the national minimum wage.

Mrs. May: My hon. Friend is entirely right. The illogicality is more evidence of the fact that, although the Government consistently talk these days about flexibility of labour markets, they do not understand what that means.

Mr. McCartney: The hon. Lady has almost made my point for me, so perhaps she will confirm it. Does the Conservative party advocate general wage cuts in all economic circumstances? Is that what the hon. Lady is advocating? Is it true that the Conservative party stands for general wage cuts throughout the economy?

Mrs. May: No, that is not what I am advocating, and that was not what I said. Perhaps the Minister would care to listen more carefully to what I say in future.

I said that I would speak briefly on this matter, but the Minister has proved, by his response and his continual interventions, that he has completely failed to understand the impact of the Bill or the necessity for the provisions in new clause 8.

The Government fail to take on board the reserve power that is proposed in new clause 8. I find that illogical in another sense. I sat through the Committee that considered the School Standards and Framework Bill, in which the Government were constantly incorporating provisions for reserve powers, saying, "Trust us; don't worry; they are there in case of emergency circumstances." Yet now, suddenly, the Government are completely unwilling to incorporate in this Bill powers that would enable them to cope with emergencies.

We are not suggesting that new clause 8 is about a general wage cut. We are saying that, in certain economic circumstances, in certain areas, if people are to keep their jobs, the national minimum wage provisions must be set aside. As my right hon. Friend the Member for Penrith and The Border said in his excellent contribution, one can only assume that the Government are driven purely by dogma rather than by concern for the low-paid or for those on low pay scales whose jobs may be affected in difficult economic circumstances. The Government are only interested in their own dogma.

Mr. Oliver Letwin (West Dorset): I have listened with great interest to the illuminating contributions of my right hon. and hon. Friends and the Minister. I believe that my hon. Friend the Member for Daventry (Mr. Boswell) and my right hon. and hon. Friends who spoke subsequently have significantly undersold the merits of new clause 8, for two reasons in particular. I hope that the Minister finds my argument sympathetic; I believe that it accords with the logic of the Bill.

First, I believe that, in Opposition contributions to the debate, a somewhat loose use has been made of the very precise wording of new clause 8, which refers not to economic crisis—which might be regarded as unlikely to occur frequently—but to "extreme economic circumstances". This takes us to the heart of the issue of the minimum wage and its effects on employment.

As the Minister will no doubt agree, the principal feature of the minimum wage is that it works if it is set at a level where the marginal utility of labour exceeds the minimum wage—where the employer finds that an extra employee earns more for the firm than the minimum wage that must be paid, taking account of the social costs of labour, national insurance contributions and so on. Therefore, the phrase "extreme economic circumstances" has a specific meaning in the context of the Bill, because it does not necessarily refer to a generalised catastrophe in the economy. It could also refer to any set of circumstances that alters the marginal utility of labour.

In some circumstances, companies could survive quite nicely using capital assets, perhaps making large profits, but those same circumstances might mean that the additional employee, who was well able to find a job a little earlier in the economic cycle because he was able to earn for his employer, as an extra employee, slightly more than the minimum wage, finds, later in the cycle, that, governed by the same minimum wage, set, perfectly reasonably, by the Low Pay Commission or the Minister on its advice, he can no longer earn enough for the firm to justify that minimum wage.

Currently, such extreme economic circumstances are easy to imagine. My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) mentioned economic and monetary union. In all probability, the Minister and the Labour party are determined to take this country into that mechanism at a certain point. In those circumstances, it is easy to imagine a concatenation of interest rates and fiscal policies which for this element of the European Union would result in a significant adjustment of the marginal utility of labour.

The policies may provide for perfectly reasonable distribution of labour costs and profits around the continent as a whole, but leave us and perhaps one or two other countries in a position where the additional employee no longer earns as much for the firm as the minimum wage would force the employer to pay. Under those circumstances, only powers of the sort that new clause 8 provides could allow a Government to adjust without disrupting the entirety of the minimum wage legislation.

My hon. Friend the Member for Maidenhead (Mrs. May) clearly spoke the truth, which is that new clause 8 would help the Government to save themselves from themselves; or, to put it more generously, it would assist the Government to make the Bill workable.

A second reason for the Government to accept new clause 8, which is even more important to the Government's case and their logic, springs from the first reason. Hon. Members on both sides of the House will agree that circumstances may arise in which the minimum wage is set at a level in a given year or set of years that is in practice acceptable to employers in the sense that they would want to employ additional labourers. However, they may fear that there might come a time thereafter when those circumstances will no longer obtain and so, in advance of extreme economic circumstances, they might be unwilling to take on additional labour simply because of the fear of the inflexibility of the legislation that would obtain in the absence of new clause 8. The presence of the new clause would act as a signal to those employers that under such circumstances the Government could alleviate the situation by using the reserve powers.

Mr. Ian Bruce: Has my hon. Friend read into the clause the intention that I would attribute to my hon.

[Mr. Ian Bruce]

Friend the Member for Daventry (Mr. Boswell)? For instance, if there were a natural disaster, local low-paid workers might volunteer to do additional work—they are usually the first to do so—for their employers, for the public good or whatever. The employer might suddenly say, "Hang on. I can't pay you." The worker might say, "It's all right." However, the employer would answer, "No, I'll get prosecuted under the minimum wage legislation." Surely then the Government could say that, given the snow or the floods—whatever the catastrophe—they would temporarily suspend the minimum wage order.

Mr. Letwin: Such circumstances are a possibility, but I was trying to point out that the new clause would rescue the Government and the Bill from a wider danger—the danger that, across the economy as a whole, employers would be reluctant to take on additional labour that might be justified even with the minimum wage set at whatever level it had been set at simply because they feared that at some later stage in the economic cycle some relatively unforeseen and extreme economic circumstance—extreme only in the sense of adjusting the margiral utility of labour—might make that the wrong decision.

I am not speculating—that has happened. Under previous Administrations, before certain reforms of the labour market and of employment law, employers were more willing to take on additional labour. There was a time when employment protection—the legislation was well intentioned—was so restrictive and made dismissing an employee so costly that employers were unwilling to take on people. The loosening of those employment laws was heavily responsible for the change in our labour market and the difference between unemployment in this country and in our European counterparts at every stage of the economic cycle.

The same structure of argument applies to the new clause. *[Interruption.]* If the Minister wants to intervene, I am more than willing to give way. The new clause would permit the Government to make an exception and therefore would enable employers to employ people without worrying that they would later face the twin constraints of a decrease in the marginal utility of labour and the minimum wage.

12 midnight

Mr. Swayne: Will my hon. Friend answer two questions? First, to what extent would such a power have to be used to create the environment of reassurance that employers would require to continue to take on employees rather than to replace them with capital? Secondly, in what ways does he envisage the power in new clause 8 being used? As I understood his remarks, it is likely that the power would regularly be appropriate during a particular phase of the economic cycle and that it would not be a severe shock.

Mr. Letwin: My hon. Friend asks characteristically acute questions. I do not envisage—this is made clear in the new clause—that the power would be invoked regularly at a particular point in the economic cycle. My argument is that the fact that it could be invoked at a given point in the cycle would have an effect—I think that this is undeniable—on the behaviour of employers before that point. There is an asymmetry between likely reality and fear, which the Government ignore at their peril and, more important, at the peril of those who are employed or would like to be employed.

On my hon. Friend's other point, the powers in the new clause would typically be used only in "extreme economic circumstances". The definition of extremity relates to the marginal utility of labour. If the Government took that argument seriously—manifestly, from the Minister's guffaws and amused expression, that is far from likely—it would be to the benefit of the Bill.

I offer a mild prophecy: a year or two from now, the Government will return to the House seeking precisely such an order-making power because some minute and unforeseen circumstance will have arisen in which such a power is required to prevent what would be, from the Government's point of view, although not from that of Conservative Members, a much greater calamity—the need substantially to revise the whole Bill in order simply to avoid a particular, local problem.

Mr. Boswell: This has been an interesting, lively and well-attended debate. I do not intend to speak at length. It is good to see at this late—or early—hour the attendance of so many hon. Members, although there has been a deficiency, now modestly repaired, on the Liberal Democrat Benches.

I shall respond first to the remarks of the Minister, whose metier may lie outside the House as a fairground barker or something similar. He made some unwarranted comments about my right hon. Friend the Member for Penrith and The Border (Mr. Maclean) in respect of BSE. It is rather silly and injudicious to set up an inquiry under Lord Justice Phillips and not to wait for its conclusions, which will be of more interest than the Minister's remarks tonight.

The Minister asked why no other European country among the 11 who are likely to join the first stage of economic and monetary union had a suspensory power. First, those countries are unwise not to have such a power. Secondly, I think that their unemployment record would suggest that, in general, their labour market policies are not of the wisest.

The Minister asked why I had not tabled any amendments concerning the Agricultural Wages Board. That is not the subject of the Bill, and Ministers have been, at pains to say that any changes that they are proposing to the operation of agricultural wages legislation are confined solely to matters relating to the implementation of the national minimum wage. Had I tabled any such amendments, they would have gone wider and would probably have been outside the long title of the Bill.

If the Government were to accept the new clause, which is modest and well intentioned, they would effectively be letting their cat out of the bag, because they would be giving themselves powers to do something about the consequences that will inevitably follow from their decision to implement the minimum wage broadly universally and at a single rate. There will be industrial consequences, and the economy may not be able to respond competitively to international shocks.

There is an essential ambiguity in the Government's attitude. The Bank of England Bill implements one of their treasured policies, about which I have grave reservations: to introduce a Monetary Policy Committee,

independent of the Chancellor, to run our monetary policy. In that Bill, they provided for a way out in cases of external economic shocks.

We have copied that provision into our new clause, but because of their political commitment, given regardless of the economic consequences, the Government are not prepared to provide for themselves the powers to take action to meet any such shocks. What is sauce for the goose should be sauce for the gander. A clause in one Government Bill should be a new clause added to this Bill.

Question put and negatived.

New clause 12

OPERATION OF AGRICULTURAL WAGES ORDERS

'. Within twelve months of the laying of the first regulations under section 1 or 2 of this Act, the Low Pay Commission and the Agricultural Wages Boards acting jointly shall make a report to the Secretary of State and to the Minister for Agriculture, Fisheries and Food on the operation of section 44 of this Act and the enactments mentioned in section 45(1) and (2) of this Act, and may make recommendations for such amendment of that section and those enactments as, in the opinion of the Commission, may ensure the more effective application of this Act to agricultural workers.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss Government amendments Nos. 29, 31, 36, 37, 30, 32 and 38.

Mr. Boswell: The strongest single case for the new clause is the list that you, Mr. Deputy Speaker, read out of no fewer than seven Government amendments that have attached themselves to the new clause. They form part of no fewer than 11 Government amendments to schedule 2, the agricultural wages schedule, not to mention the many Government amendments that were tabled in Committee. If those provisions are meant to achieve a blending of the conceptual streams of the National Minimum Wage Bill and the agricultural wages legislation, it is an untidy blending indeed.

When I was in Germany in the autumn, I visited Koblenz—the name stems from the Latin word confluencia—where the Rhine and the Moselle join. There is a visible difference in the colour of the water, one being greener and the other blacker. Despite the Government's best efforts, they have not achieved an imperceptible blending of the agricultural wages legislation and the Bill. That is not surprising; they are different concepts and they were written in different generations.

I was the tender age of five and a half, and just about to start primary school, when the Agricultural Wages Act 1948 was introduced. Some 50 years later, we are introducing national minimum wage legislation. I do not scoff at the Government for doing so, because it is a difficult task. They have decided to have a national minimum wage, and they want it to fit with the agricultural wages legislation.

As Ministers will know, we have already had a debate about the permit system under the agricultural wages legislation. I regret its passing—at least up to the level of the national minimum wage—and wish that it could have been extended to make wider provision for those who are so disabled as to be unable to earn the national minimum wage. The Government will come to regret that that has not been done. More immediately, the 102 persons who currently avail themselves of a permit under the Agricultural Wages Act 1948—which I remind the House was introduced by a Labour Government—will regret the consequences of the imposition of the national minimum wage.

The need for harmonisation—the Bill provides powers to make further changes to the agricultural wages legislation so that it fits better with the national minimum wage—argues strongly for a joint approach by the Low Pay Commission and the Agricultural Wages Board to report to Ministers before any changes are made. The Minister will recall that, when we discussed the issue in Committee, she explained that this year's review by the Agricultural Wages Board would be deferred for some 12 months so that those involved could see how the legislation fitted together. New clause 12 is a logical extension of the Minister's proposals.

The raft of Government amendments that have been tagged on to new clause 12 need a more precise explanation from the Minister than we have had so far. We need to see the colour of her money. The concepts in the Government amendments do not leap easily off the page, the hour is already late and I find it difficult to disentangle what is going on. The broad concepts behind the amendments are intelligible. Government amendments Nos. 31 and 37 are intended to prevent overlapping powers, or double jeopardy. That may be sensible.

Government amendments Nos. 36 and 30 deal with the dog rate. The Minister may remember that, in Committee, I referred to the intriguing concept of the dogs' national minimum wage. Under the agricultural wages legislation, agricultural workers may obtain an allowance for keeping a dog. For example, a shepherd might be required to keep a dog by his employer. Such arrangements are set out in the legislation, although I suspect that not many people make use of it. It is an interesting relic that some people may still find useful. I understand why that should be excluded from the national minimum wage because we are not extending the payment to dogs, even if we like dogs as a class of animal.

I am more concerned about Government amendment No. 29 and, in particular, about the component rate. It seems that the Government are playing both ends against the middle because they seek to exclude the top component, the night work rate. As it is now 12.14 am, it is appropriate to discuss night work rates because they apply at night after the first two hours and are a modest but appreciated supplement to the agricultural wages basic rate. If that is the normal pattern in which someone works, it is not self-evident a priori why they should be excluded, certainly not without a recommendation from the Low Pay Commission to explain it. After all, such rates are paid by employers and may reflect a regular pattern of payment. It is for the Minister to make her case on that.

12.15 am

I am conscious of the time, but I want to say a word or two about the overall implications of the agricultural wages orders, which I should have thought a joint study

[Mr. Boswell]

by the Low Pay Commission and the wages boards should cover, as proposed by new clause 12. Agriculture is an interesting industry.

Mr. John Home Robertson (East Lothian): Hear, hear.

Mr. Boswell: It is nice to have the support of the hon. Member for East Lothian (Mr. Home Robertson), who has a considerable knowledge of the industry and is influential in high places. As a bigger, and perhaps even better, farmer than me he knows that the industry is not doing too well. There was a decline in farm incomes of 45 per cent. last year. No commodity or group of commodities is flourishing. That is putting severe pressure, both economic and psychological, on farmers and their employees. The number of employees has been diminishing for years. Only about 170,000 farm workers are now covered by the agricultural wages orders, but within that are several interesting and different cases.

I said in Committee, so I shall not dilate on it tonight, that in the arable sector and stock keeping there is a significant number of highly skilled craftspeople who are paid substantial rates. The Agricultural Wages Board by no means any longer, whatever it may have done initially in 1948, prescribes only for those at the bottom of the pile. It provides a ladder related to craft, permanence of employment and the attaining of certain responsibilities and qualifications. It is possible to find from that an average or standard rate, as it were, of about £4.17, which is substantially above what we now hear from the Government about the likely rate of the national minimum wage. The figure goes up to about £8 an hour for some of the appointment grades. Those people are in no sense unskilled or particularly underpaid. Some have salary arrangements, and are valued employees.

That part of the agricultural economy exists alongside other people, often in casual employments, who are paid at lower rates, which can drop as low as £3.06 an hour but still comply with the order. That is particularly true of horticulture, which employs a significant proportion of the total labour force—some 50,000 out of the 170,000. Not all those people are paid for; some are partners in the business. Horticulture is a significant component.

Then there is seasonal work; for example, fruit picking or planting, which are jobs that do not necessarily involve a high level of skill, although they may involve an increasing level of skill—I hope they do. Some such workers will be paid at a relatively low rate, but if labour is not supplied at that rate, or if the rate rises, it is uneconomic to pick. I find that rather sad, because it could lead to the demise of the British apple. If my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) were still here, I am sure that he would talk on that subject. In the evidence of the National Farmers Union, horticulture is singled out as an area of particular stress.

We do not know what will happen in the next 12 months. We know now that agriculture across the piece—from arable farming, which is often highly capitalised, through livestock farming, which is organised extensively throughout the United Kingdom, to horticulture, some of which is intensive and highly capitalised and some of which is reliant on seasonal or casual labour—currently faces difficulties.

It would be sensible to look at the technical aspects of agriculture and its interaction with the national minimum wage in, say, 12 months' time and to consider some of the wider economic implications, because no one can look at the industry at the moment and feel happy with how things stand. Nor can anyone regard with complete confidence the introduction to the industry of a national minimum wage—albeit not all workers in the industry will be affected because the statutory rates may exceed the minimum wage rate.

Mr. Ian Bruce: I wonder, because I did not serve on the Standing Committee, whether the Government gave any indication that they were considering extending wages boards back into other industries once they got the minimum wage set. They have been keen on wages councils and boards in the past, but have they given any indication of their plans for the future? It is important to our consideration of this group of amendments to consider what report we may get on how the Agricultural Wages Board works alongside a national minimum wage.

Mr. Boswell: My immediate reaction to my hon. Friend's perceptive intervention is to say, perish the thought. In fairness to the Government, I do not think that they have it in mind to impose, on top of the national minimum wage structure, a superstructure of wages boards. Indeed, if we are to have one or the other, generally speaking it may be worth considering a national minimum wage because of the anomalies in the various wages councils.

However, I should say quickly that the Agricultural Wages Board provides a not individually, but nationally, negotiated framework for minimum remuneration which goes far beyond the lowest possible rates and extends up to quite significant levels of remuneration. That is not the same as a national minimum wage and, in considering the long-term future of the Agricultural Wages Board, I am sure Ministers ought to want to look at that on its merits in due course. The purpose of the new clause is largely to steer them toward doing so.

There is no doubt that agriculture is currently experiencing difficulties. There is little doubt that the national minimum wage would add to those difficulties. We do not necessarily ask for special treatment—exempting agriculture just like that—but we do ask the Government to be sensitive to the sector's difficulties. We invite them to explain their amendments in greater detail and to consider the suggestion in new clause 12, which would provide for a review in 12 months' time to see whether the situation is capable of improvement—as I suspect it will be—after that time.

Mr. Ian Bruce: I am somewhat perplexed by the Bill. I came to it late, because I thought that the Labour party had made a clear commitment in its manifesto, and that the legislation would sail through, given the Government's majority. I thought that it would be a simple Bill that everyone would understand, and that we would know what hazards were involved. I did not pay a great deal of attention to the Bill until recently. *[Interruption.]* If hon. Members want to intervene, I am happy to take interventions at any time. I have tried to get a grip of what is happening. Perhaps I am wrong to assume that a wages council that currently has a basic rate of £1.84 for a 16-year-old would have difficulty with the Government's proposals.

The Government have gone down a complex and foolish route by trying to combine a minimum wage scheme with the Agricultural Wages Board. They should be given the opportunity in 12 months' time to review what has happened. The Bill and the amendments that the Government have been forced to table leave me perplexed.

I heard an apocryphal story about an inspector sent by the Agricultural Wages Board to see a small farmer. He questioned the farmer about the rates of pay on the farm. The farmer said, "My stockman has been with me a long time and does all the milking. He is paid £5.50 an hour. The woman who deals with the chickens is on £4.80." The inspector said, "That's fine, but I've heard rumours that you are underpaying your workers. Is there no one else?" The farmer said, "Well there's the halfwit who works 80 hours a week and gets £1.20 an hour." The inspector said, "That's ridiculous. I must meet him." The farmer said, "You're talking to him. I earn £1.20 an hour and I work 80 hours a week." That is one of the problems we shall face. The farmer is not currently covered by a minimum wage because he is probably a director or a limited company, whereas he will be covered by the Bill.

I tried to help the Government earlier by pointing out that they would have problems if they did not exclude directors, who are, in effect, self-employed. A director is different from a limited company: hon. Members often do not understand the difference. Running an Agricultural Wages Board and a minimum wage scheme will cause complications. If a report were produced, we would know what was happening and directors could be excluded.

I asked my hon. Friend the Member for Daventry (Mr. Boswell) whether the Government intended to introduce wages boards to decide the differentials for people on the minimum wage upwards. When in opposition, the Labour party fought tooth and nail to maintain wages boards. That was foolish, because wages boards did not uplift but institutionalised the pay of low-paid workers. The record that shows what happened from the time wages councils were set up until they were abolished, and even afterwards, provides no evidence of the councils helping people to get out of low pay. In many cases, they had the opposite effect, and groups of workers were kept down.

12.30 am

I repeat the minimum wage rates that were set by the Agricultural Wages Board. They are: £1.84 for a 16-year-old; £2.14 for a 17-year-old; £2.60 for an 18-year-old; and £3.06 for those aged 19 to 65. The briefing supplied to Labour Members states that people who are employed full time all year in agriculture get £4.12 and not £3.06, but that does not apply to low-paid agricultural workers. They have to get work where they can find it, and the wages board does nothing to protect them. Anyone who suggests that the rates that I have described protect people is talking nonsense.

The rates allow low-paying employers to offer £3.30 an hour, and the response to the complaint, "That is a terrible rate," is, "It is 24p an hour more than the minimum. I am a generous employer." That was my experience when I worked in an employment agency for industrial workers. The first time I came across one of the terrible wages councils was when I encountered the Aerated Waters Wages Council. *Hansard* did not believe that there was such a body. It set the wages for those who put the fizz into pop. I suspect that my right hon. Friend the Leader of the Opposition could probably give us a more complete treatise on the fizzy pop industry than I could, although I was working in Yorkshire at the time. I cannot give a treatise because you, Mr. Deputy Speaker, would rule me out of order. You are my hon. Friend, but you are keen to keep us on the right route.

The Minister is one of my favourite Minister and I hope that she will explain how she intends to escape from the complications that she has got into as a result of trying to get the Agricultural Wages Board working with the national minimum wage. She is weaving a complex web, and I suspect that it will get the Government into even more difficulties.

We must examine the dilemma of a worker saying to himself, "Under human rights regulations and so on, am I getting the same deal as everybody else?" Everybody may be eligible for the minimum wage, but a small specialist group of workers may be given additional rights. I hope that the Minister will explain how the rates will operate. If the minimum wage is set at £4 an hour, will the time-and-a-half rate be calculated on that amount? What about the additions? Would we return to the agricultural rates to calculate the overtime rate and be satisfied with that as long as it was over the minimum wage rate? That is an important issue.

Agricultural wages orders not only deal with the rate for the job at a specific age, but state what the overtime rate shall be and the percentage of pay that may be taken for a cottage. They may state the allowances for a dog and for the provision of food, lodgings and so on. It is a complex web. Do we assume that the basic rate will be used in the calculations and that amounts thereafter will be based on that?

Are we saying that we trusted the Agricultural Wages Board? The Conservative Government said that they would continue to have the Agricultural Wages Board, but the Labour party never did. The Conservative Government never proposed to do away with the board, although I did not agree with that. Will all the grades just be amalgamated? Will the board be told to say that the minimum rate is now £3.50 or £4 an hour, that that has to apply to the 16-year-old and that everything from there will be ratcheted up?

One of Conservative Members' fears is that people who know that they are more skilled, more experienced—they may have worked on the farm for 10 years—and better workers than someone below them who receives the same minimum rate will ask, "What about my differentials?", even if the minimum wage is more than they currently earn. If they consider what has happened with the Agricultural Wages Board, which is affected by the national minimum wage legislation, they are entitled to ask what the situation is and how the system will operate.

We do not deal with these issues in isolation, but in terms of the real experience of the agricultural sector. Most of the farmers in my constituency tell me that they are not fearful of a minimum wage because most of them already pay all their workers above the minimum rates that were set by the Agricultural Wages Board. They assume, perhaps incorrectly, that any minimum wage will be below those.

[Mr. Ian Bruce]

I think that those farmers are making a mistake, but what is important is that, as we all know, a small—perhaps a 10 per cent.—difference in the value of the pound can have a dramatic effect on farmers' earnings. In the first year of this Labour Government, farm incomes have gone down by 40 per cent. The Minister of Agriculture, Fisheries and Food has said that they will go down further. He cannot promise that they will improve, and I think that he is right.

We do not know how far incomes will go down and we all know the situation for the farmer. He is all right as long as the banks are with him and he still has some cattle to sell off to keep the farm going. Farmers are fantastic at keeping going. The last people whose wages they will try to cut are their agricultural workers.

Farms are small businesses. Farmers live cheek by jowl with their work force, not hundreds of miles away. They do not, at the stroke of an accountant's pen, cut everyone's wages. They work closely with their work force. The work force continue to be paid, even when farm incomes are low, but we shall be in the strange position whereby many farmers—and most of them are in limited companies and earn wages—will have to say to their workers, "We are all going to have to work for a minimum wage. I am going to have to put my wages up because I was willing to work for nothing. I shall have to use my savings and to send the wife out to work."

Many farmers' wives work to support their husband and to keep income coming in. Farmers will have to negotiate with people who earn considerably more than any minimum wage that might be introduced and who will have to take a pay cut, perhaps down to the minimum wage—not up to it, as Labour Members believe will happen. The farmer will put his income up, not because he wants to or thinks it fair, but basically because the new Labour Government, the new people's Government, are telling him to do so.

I am extremely upset and concerned—[Hon. Members: "Ah."] I am grateful for that fellow feeling; we in Dorset need that. I wish that I had seen the many smiling faces here tonight on the countryside march the other Sunday. They would have been welcomed with open arms and would have come to understand the issues that we are talking about.

I am concerned and I think that my hon. Friends are concerned. I see avid looks on all their faces as they keenly wait to find out what the Minister is going to say. I am sure that many of them will want to comment on the Government amendments, and I will not detain the House further at this time.

Mr. Hammond: I am not a farmer, like my hon. Friend the Member for Daventry (Mr. Boswell); nor do I represent a rural constituency, like my hon. Friend the Member for South Dorset (Mr. Bruce). However, in my constituency there are a number of horticultural enterprises, and over the months, I have become aware of some of the problems facing the agricultural sector in general and the horticultural sub-sector in particular. It is common ground that in so far as the minimum wage will have an impact on the agricultural sector, it is the labour-intensive part that will be most seriously affected, and horticulture represents a significant part of that labour-intensive sub-sector.

In a sense, it is special pleading to propose a new clause that makes provision for a report on the impact of the Bill on one particular sector—in this case, agriculture. However, a certain amount of special pleading is justified, not merely because of the extreme pressure that the sector is under—an issue frequently discussed in the House, and of which all hon. Members are aware—but because, in the legislation governing wages, agriculture has a unique position compared with other sectors of industry.

The pressure that agriculture is under is well rehearsed and I do not need to recite the litany of problems that it faces, which we hear about regularly during Question Time and in debates. Suffice it to say that the National Farmers Union has calculated that a minimum wage introduced at the level of £4.61—or half male median earnings, which is the level sought by the trades unions—would cost the agricultural sector some £250 million per annum. Even if the rate were introduced at a rather more modest £3.50—a level that would disappoint many of the Minister's hon. Friends—according to NFU estimates, it would still cost the agricultural sector £43 million per annum. That is without any account being taken of the cost of restoration of differentials. I will discuss differentials later in my speech, as it is an important issue in agriculture.

Mr. Ian Bruce: Does my hon. Friend remember that literature from the old Labour party said that half male median earnings was not the end point, but the start? The Labour party made a commitment that it would start with that and then move to two thirds of male median earnings as a medium-term strategy. Has my hon. Friend, knowing that the Government are a little chary about coming in too high, made any assessment of what figure they are likely to move to and how many jobs it will affect?

Mr. Hammond: It is curious that we have not heard much about two thirds of male median earnings for a long time. In Committee, it became apparent that the Minister was not keen to talk about even half male median earnings. On my hon. Friend's question about whether I have made any assessment of where the minimum wage level might be set, I assure him that, throughout the Committee's deliberations, I and my hon. Friends did nothing but repeatedly inquire of Ministers about what level the minimum wage might be set at—but, alas, to no avail.

Mr. Boswell: Does my hon. Friend recall that the Minister expressed a certain enthusiasm for the beneficial consequences, as he saw them, of a minimum wage for jobs and growth? Was not the logic of his position the higher, the better? Is it not, therefore, strange that there seems to be a certain reticence among Ministers about introducing a high rate?

Mr. Hammond: My hon. Friend reminds me of the important contribution to economics made by the Minister in developing the upward-sloping demand curve for labour—the McCartney curve, as future generations of student will come to know it. That economic theory posits that, as the cost for labour rises, so will the demand for

it. The logical conclusion of the theory is that a minimum wage set at an infinitely high level in the United Kingdom will ensure full employment for ever more.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I hope that the hon. Gentleman will be reminded also of the strict terms of the new clause that we are discussing.

12.45 am

Mr. Bercow: I am most grateful to my hon. Friend for giving way. I also note your strictures, Mr. Deputy Speaker, and shall ensure that my intervention is in conformity with them. Does my hon. Friend agree that, if the Minister has not abandoned the curve but simply hidden it, and if the Government intend, over time, to increase the national minimum wage for agricultural workers, that might well explain the Government's unwillingness to accede to new clause 12, which would require publication of a report commenting on the effect of the national minimum wage on the agricultural sector? If the Government were planning such an increase, that might well explain their reluctance—

Mr. Deputy Speaker: Order. The hon. Gentleman may have kept his remarks in order, but they were far too long.

Mr. Hammond: I thank my hon. Friend for his intervention. As he said, there may be various reasons why the Government are reluctant to have any formalised report on the agricultural sector. The direct impact of the minimum wage will be only one of those reasons.

I apologise, Mr. Deputy Speaker, for having strayed a little in my earlier remarks, having been tempted by my hon. Friend the Member for Daventry to recount to the House the economic theory proposed in Standing Committee by the Minister of State. I shall move on.

I have suggested that there is indeed a case for treating agriculture as a special case. The very existence of the Agricultural Wages Board underlines that case. Agriculture is now the only sector that has any form of statutory wage-setting arrangement. It is therefore relevant for us to examine the experience in that sector and how those arrangements have worked.

The most important factor in the wages council regime was that it was a sectoral approach, as it still is in the Agricultural Wages Board. The Government, in introducing their national minimum wage legislation, have set their face firmly against any type of sectoral approach—as they have against any regional approach or any other type of flexibility, which many people might think was necessary to ensure that a workable regime of statutory minimum wages was introduced.

The Bill's proposal to graft the national minimum wage on to current agricultural wages legislation, rather than completely to replace that legislation, is already a significant breach of the universality principle which so exercises Ministers. Alone among the sectors of the economy, agriculture will enjoy a different and distinctive regime of minimum wages—which will give rise to a problem that would be very difficult for any industry or sector to deal with, but which is particularly dangerous in a sector that is currently as fragile as the agricultural sector. I am referring to the differential restoration problem which will arise if the minimum wage introduced by the Bill is set at a level that falls between the casual rate currently payable under the Agricultural Wages Board legislation of £3.06 per hour and the permanent full-time rate currently set by that legislation, which is £4.12 per hour.

For a fairly long time, an established and well-understood system has defined the relationship between the pay of full-time, permanent workers and that of casual seasonal workers. That is particularly important in the horticultural sector, in which a large percentage of workers are seasonal. Once the minimum wage intervenes, the higher rate will remain unchanged, but the lower rate will be brought up to whatever level is set in the legislation. Surely it stretches credulity to suggest that permanent, full-time workers in an agricultural enterprise, who have been used to earning £1.06 per hour more than the casual workers whom they are frequently supervising and controlling, will not demand restoration of the differential that they have hitherto enjoyed.

Mr. Ian Bruce: I did not mention this in my brief contribution, but—having run an employment agency and provided temporary workers for about 12 years on a very intensive level—I recall that what upset trade unions most was the fact that temporary industrial workers, in particular, were sent in at a higher rate of pay than anyone on the shop floor. Indeed, we made sure that there was a big differential between temporary and permanent workers. My hon. Friend is making an extraordinarily important point.

Mr. Hammond: I thank my hon. Friend for his intervention. As I have said, differential restoration—as a result of the cutting in of the national minimum wage between two levels of pay that already exist within an enterprise—will be a problem across all sectors of industry, but there is no other sector in which there is currently a statutory arrangement for fixing wages, and I think that it will have a particularly important effect on agriculture.

As I said, I do not represent an agricultural constituency. I hope that Conservative Members who represent rural and agricultural constituencies will be able to speak more fully than I can from my limited perspective, but let me emphasise again the problems that exist in the horticultural sector—alas, the only agricultural sector of which I have any significant constituency experience. In that sector, the minimum wage will have a significant impact.

I understand that, in horticultural establishments in my constituency, wages set by the Agricultural Wages Board are almost always the wages actually paid, according to current practice. According to my observation, there appears to be no process by which those wage rates form a floor. They are the accepted going rate for the job and, when they are uprated annually, wages are uprated accordingly. This is not some theoretical construct according to which—as may obtain in many other sectors—wages are paid at higher levels. In the case of the horticultural sector and, I suspect, more widely in agriculture, the rates of pay laid down by the Agricultural Wages Board are the rates currently paid.

The arrival of the minimum wage will provide a dislocation and a shift in those arrangements. It will provoke not only a burst of differential restoration, but some industrial relations difficulties, as it will upset a very

[Mr. Hammond]

well-established and widely accepted regime of wage rates at a time when many producers, particularly in the horticultural sector, are suffering the effect of the strong pound sterling. Many of the products that are produced in my constituency for supermarkets in the United Kingdom are forced to compete with products grown abroad—particularly in the Netherlands, which has seen the value of its currency depreciate significantly against the pound in the past 18 months.

Producers of specialised horticultural products are price-takers, unable to affect the market price. Horticultural products are often grown to a specific picking date and have to be sold on that date. They are planted and harvested according to a strict rotation. On the date when they are delivered to market, the producer is, effectively, a price-taker and has to accept whatever price the market sets. Horticultural producers have seen prices in sterling decline by about 25 or 30 per cent. over the past 18 months.

Mr. Ian Bruce: My hon. Friend is modest in saying that he knows little about these issues as he clearly knows a great deal. Almost all hon. Members have a big interest in agriculture because their constituents are consumers. Does my hon. Friend recall the McCartney curve, whereby as people get more money, they can go out and buy more goods? Will not an increase in agricultural wages almost certainly put many people out of work? They will then have no money to put into the local economy, and everyone will suffer the effects.

Mr. Hammond: I thank my hon. Friend for that intervention. I shall not risk your wrath, Mr. Deputy Speaker, by being tempted into an analysis of the finer points of the theory of the McCartney curve. I agree, however, that people with no jobs are unlikely to be effective consumers.

The impact of the minimum wage legislation will be felt most seriously in sectors of industry and business where the United Kingdom is vulnerable to imported competition. We debated the matter extensively in Committee, and we all understand that in certain sectors where low wages are paid, such as the service industry, the economic impact of imposing a statutory minimum wage is not as serious as it might be in a sector that is vulnerable to imports for the simple reason that, in most cases, there can be no substitution by imported services. The agricultural sector, however, and the horticultural sector specifically, are significantly vulnerable to imports.

The fact that British agriculture is under extreme pressure—for a variety of reasons that we all know—coupled with the strength of the pound makes this absolutely the worst moment to impose a double-jeopardy burden on the industry. Unlike the rest of British business, people engaged in agriculture will be faced not merely with the national minimum wage as a statutory requirement, but with the national minimum wage plus the higher levels of Agricultural Wages Board rates that have been set and will continue. In addition to that panoply of regulation, they will have to deal with the upward pressure on those higher rates of wages caused by the inevitable clamour for differential restoration as the minimum wage rate cuts in and subsumes the lower parts of the structure within the existing Agricultural Wages Board system.

I support the new clause. By drawing attention to the specific concerns of agriculture and its special position, it does a great service, and would greatly enhance the Bill.

Mr. Letwin: I cannot match the sustained eloquence of my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) and the wide scope of his inquiries into the effects on agricultural wages. I should like to raise with the Minister a particular set of problems that arise in connection with the Agricultural Wages Order 1997. The new clause would permit the Government and the various agencies to investigate those circumstances 12 months ex post. Perhaps the Minister could explain in advance how the circumstances have been approached and thus remove at least one reason why the new clause is necessary.

1 am

I draw the Minister's attention to paragraph 6(9) of the Agricultural Wages Order 1997—with which she is no doubt familiar—which deals with standby duty rates, an important feature of agricultural wages in my constituency. The workers are not standing by in the sense in which dockers were paid to stand by when they watched ships being loaded under the dock labour scheme. That was a form of diseconomy institutionalised by the dock labour scheme and the Jones-Aldington arrangement.

Standby duty rates have a great economic significance in agriculture. The flexibility of farm labour depends in some circumstances on having individuals available for duty but not present on the farm and working at a given moment, as hon. Members on both sides of the House who are familiar with the issues know. The Agricultural Wages Board has taken that into account for many years and has established specific standby duty rates.

That makes the new clause necessary and provides an interesting test of the principle of minimum wage legislation. Paragraph 6(9) of the order gives the minimum standby duty rates. The rates increase for those between the ages of 15 and 18, with the top rate applying to those aged 19 and over. I shall not refer to the rates that cover those between the ages of 15 and 18. The Minister has no doubt considered the issue and would argue that the possible exemption of those under 26 could apply.

Mr. Hammond: Does my hon. Friend agree that it is not clear how the agricultural wages legislation will interact with the minimum wage legislation on that? It is not yet clear how waiting time and standby time will be treated in calculations of whether the minimum wage has been paid.

Mr. Letwin: I am grateful to my hon. Friend. That is my point.

The category of those who are 19 and over includes those between the age of 26 and retirement age. The standby duty rate per whole standby duty day is £16.50. The number of hours implied is in doubt. It would be reasonable to assume that we are talking about an eight-hour day. It does not take any elevated mathematics to divide eight into £16.50 and find that the implied hourly rate for standby duty is just above £2—presumably well below any minimum wage.

That is a vivid example—not unique, but nevertheless most striking—of the conflict between the minimum wage provision and the structure of the Agricultural Wages Order, which we must remember has been developed not by accident but in response to the very particular circumstances of agricultural labour.

Mr. Boswell: My hon. Friend is making a perceptive speech. Does he agree that, for the time being, the Agricultural Wages Order is the responsibility of a board which has a very high proportion of representatives from both sides of the industry, together with a significant number of independent members? They should know what they are talking about.

Mr. Letwin: I am grateful to my hon. Friend, who is absolutely right. I can go further. I have taken the trouble in the past few days to talk to a number of my constituents—[HON. MEMBERS: "For a change."] I am grateful to hon. Members for their confidence in my constituency activities. I have talked to constituents who are on both sides of the fence: employers, who depend on the level of flexibility of standby duty, and those who benefit from the possibility. I asked them quite specifically how they would feel if the minimum wage legislation rendered it impossible to continue with standby duty at the rate specified by the Agricultural Wages Order. The response has not been favourable. I expect that it would not be favourable in many rural constituencies.

I hope that the Minister will be able to give the House a specific solution to this problem that shows that she and her officials have properly considered and have accommodated in the minimum wage legislation what is, after all, a major element of the Agricultural Wages Order, which has been much debated in the past. We could then rest easy: the Minister would have passed the test. I fear, however, that we shall not hear such an explanation.

I have to admit that, unfortunately, I was not a member of the Standing Committee. I have however read very carefully the entire lengthy debate in Committee on the relevant clauses—clauses 43 and 44 as they were; clauses 44 and 45 as they are—and found not the slightest reference to the issue to which I have referred. I find that surprising. I would have expected the Minister to vouchsafe such an explanation if it existed. That makes me think that this is a lurking problem that has not been properly explored.

I draw the House's attention to the fact that the new clause does not seek specifically to remedy the defects. That would be misguided because there are too many such possible defects in the Agricultural Wages Order from the point of view of its interaction with the minimum wage legislation. On the contrary, we are seeking, as we did in the previous debate, to protect the Government from themselves, and to protect the Bill from its latent defect.

Mr. Ian Bruce: I have had the honour and the privilege of listening to my hon. Friend talking to farmers in his

[Mr. Ian Bruce]

constituency and I know how appreciative they are of his perception on the issue. *[Interruption.]* The Liberal Democrats are heckling, trying to—

Mr. Deputy Speaker: Order. May I remind the hon. Gentleman that he should be addressing the Chair, not simply turning to his hon. Friend?

Mr. Bruce: I was reluctant to say that the Liberal Democrats were heckling because I knew that you, Mr. Deputy Speaker, were being very attentive. Has my hon. Friend the Member for West Dorset (Mr. Letwin) ever—

Mr. Deputy Speaker: Order. I am trying to persuade the hon. Member that he should be addressing me.

Mr. Bruce: I thought that I was. Perhaps I was looking in the wrong direction at the same time. Perhaps, looking you directly in the eye, Mr. Deputy Speaker, I may ask my hon. Friend whether he has ever found a group of workers who were not overwhelmed and overjoyed to be given money in their hands to sit at home on standby, waiting to be called in to work. That happens not only in agriculture but in many industries, and we need to know what the Minister is doing about it.

Mr. Letwin: My hon. Friend makes a correct and helpful point. *[Interruption.]* It is helpful indeed, as hon. Members below the Gangway are helpfully adding, because it draws attention to the importance that individuals attach to that. However, I go further, because the important issue here, as in relation to many aspects of the Bill, is flexibility, which enables some of those workers in my constituency to be employed.

That is the point at which we cease to deal with a laughing matter and start to deal with something of the utmost seriousness. The need for flexibility is obvious in other parts of the Bill, but we are discussing new clause 12, which does not mandate a specific solution to the problem. It specifically makes it possible for the admitted experts, chosen by the Government, to review the situation at a decent interval, 12 months hence, and to ask themselves whether the interactions between the minimum wage legislation, the Agricultural Wages Board and the Agricultural Wages Order are such as to avoid any inconvenience.

I am sure that the omission in the Bill is an oversight on the Government's part. I am sure that the Government have no intention of throwing people on the dole heap because of a mistake in the implementation of the Bill in relation to the Agricultural Wages Order. I am sure that, if the Government carefully consider the matter—if they are unwilling to do so tonight, perhaps they will do so in another place—they will wish to reinstate something very similar to new clause 12, but slightly differently worded.

My hon. Friend the Member for Daventry (Mr. Boswell) tabled new clause 12 in all seriousness. I beg the Minister to take it in the spirit in which it is intended, and to look carefully at the Agricultural Wages Order, especially at paragraph 6(9), which has unfortunate consequences in the absence of a new clause along the lines of new clause 12.

Mrs. Roche: Once again, we have had a wide-ranging debate. That may be the kindest thing that I can say about the contributions. None the less, I shall do my best to keep in order, and to speak to new clause 12 and to the Government amendments in the group.

New clause 12 seems to bear a fair degree of similarity to a new clause that was proposed in Committee by Conservative Members. Once again, we are in the territory of the interface between the national minimum wage and the agricultural minimum rates; the relationship between the Low Pay Commission and the Agricultural Wages Board; and the forthcoming review of the Agricultural Wages Board.

In Committee, I explained in general terms the key principles that we are seeking to follow in applying the national minimum wage to the agricultural sector: first, that the minimum wage should apply in the agricultural sector as elsewhere; and, secondly, that we should not seek to make wholesale changes to the existing agricultural wages regimes in England and Wales, Scotland and Northern Ireland.

New clause 12 would require the Low Pay Commission and the Agricultural Wages Board to report to the Secretary of State and the Minister of Agriculture, Fisheries and Food within 12 months of the national minimum wage being set. The report would cover the operation of the clauses in the Bill that govern the interface between the national minimum wage regime and the agricultural wages regime.

In effect, the new clause would pre-empt the discretion of the Secretary of State to determine the timing and the nature of any future referral to the statutory Low Pay Commission. Of course, the Secretary of State might wish the Low Pay Commission to consider agricultural issues at some time. As the House knows, the Government's evidence to the commission includes a discussion of the agricultural sector. However, new clause 12 requires a joint report to be prepared within a year of the minimum wage being set. We feel that that is quite arbitrary.

Mr. Boswell: I would not necessarily want the Minister to commit herself to having a joint report, but does she agree that it would at least be worth considering whether it might be to the benefit of both the Low Pay Commission and the Agricultural Wages Board if they considered the matter together rather than separately? They are more likely to get it right if they do.

Mrs. Roche: I understand the hon. Gentleman's point. He has made it before and I understand the way in which he puts it. However, at this stage I would not want in any way to pre-empt what the Secretary of State might want to do on some future occasion.

Mr. Hammond *rose—*

1.15 am

Mrs. Roche: I will not give way as I want to make some progress, if I may. New clause 12 seems to suggest that the Low Pay Commission should inevitably be involved in the forthcoming review of the Agricultural Wages Board, which is planned by the end of 1999. Such a review was last carried out in 1993 under the previous Conservative Government. I cannot resist pointing out a fundamental inconsistency that the Opposition display time and again. The previous Government decided that they would retain a statutory minimum pay regime for

agriculture alone. So, Conservative Members have already conceded the principle that there should be a minimum pay rate, although one would not know that from some of the contributions made this evening. For various reasons, which seem unclear, they want to confine it to one sector—agriculture—but low pay is low pay wherever it occurs. That is why the Bill will apply in every sector. The Opposition seem determined to let low pay continue and that is why they have consistently opposed the Bill.

For the 1999 review, there will be a full consultation and views will be requested on the way in which the two systems are operating together. Of course, the Low Pay Commission could be asked to contribute to the 1999 review, but we are not saying now that it must take part. The essential difference between the Government position and that outlined in new clause 12 concerns flexibility. The Secretary of State can refer any matters to a statutory commission, if such a commission is appointed. No doubt, we will consider that possibility nearer the time of the general review. Therefore, the new clause is unnecessary and, if Opposition Members persist with it, I must ask the House to reject it.

Mr. Hammond: I thank the Minister for giving way just before she concludes. Does she agree that one of the benefits of the new clause would be that it would send a clear signal to the agricultural community that there is a recognition of the special problems under which it is labouring and that the Government recognise that up front and are prepared to say that there will be a review at a fixed point in time?

Mrs. Roche: The Government are doing that already, as is shown by the amendments. We have argued that the two regimes should exist side by side, and there is to be that review in 1999. As I said, it will be a full consultation.

Mr. Ian Bruce: The hon. Lady is always most courteous. If the report is simply from the Agricultural Wages Board, the Government will know what is happening only as regards minimum wages within agriculture. The Low Pay Commission may well want to make recommendations. The old Labour party wanted all industries to have some form of wages board. With a majority of 77, I acknowledge that many of my constituents voted for a Labour party that was going to bring back wages councils, and we believe that new clause 12 would allow the Government to do that. Does the Minister intend to bring back wages boards throughout industry?

Mrs. Roche: The next review of the Agricultural Wages Board would have been this year, but the Government decided to postpone it until late 1999 to take account of the introduction of the national minimum wage. That is a clear, sensible and coherent way of moving the system forward.

The Government amendments make further changes to the Agricultural Wages Act 1948 and the equivalent legislation in Scotland and Northern Ireland. They are intended to clarify and remove possible ambiguities in the application of the Bill to the agricultural regime. They fall naturally into two subgroups: amendments Nos. 29, 36 and 30, which deal with supplemental agricultural minimum rates—such as the night-work premium, to which the hon. Member for Daventry (Mr. Boswell) referred—and amendments Nos. 31, 32, 37 and 38, which deal with the overlap between enforcement powers.

Amendments Nos. 29, 36 and 30 were designed to deal with a technical problem in the Bill's drafting, arising from the fact that where the Bill changes the agricultural wages legislation—for example, in schedule 2, paragraph 2(2), which incorporates a new subsection (2B) into the Agricultural Wages Act 1948—it sets out the requirement that

> "No minimum rate . . . shall be less than the national minimum wage."

That is fine for the basic agricultural minimum rate, as the intention has always been that agricultural workers should receive no less than the national minimum wage.

The drafting leaves a question mark over the various other agricultural rates and supplementary allowances, of which mention has been made. It could be read as meaning that the other supplementary rates should also be at least at the same level as the national minimum wage. Amendments Nos. 29, 36 and 30 make it absolutely clear that the requirement that an agricultural minimum rate must be no less than the national minimum wage applies only to standard time, or piece-work rates of pay. They explicitly disapply that requirement in respect of supplemental or additional agricultural minimum rates.

Mr. Letwin: Will the hon. Lady give way?

Mrs. Roche: No. I want to make some progress, if I may.

Holiday pay and sick pay are in a slightly different category, as they could be viewed as substitute pay rather than supplemental allowances. The amendments confirm that the requirement that an agricultural minimum rate must not be less than the national minimum wage will not automatically apply to holiday pay and sick pay for agricultural workers, unless the national minimum wage is determined, under regulations made under clause 2, as being payable generally in respect of time when a person is on holiday or sick.

Mr. Boswell: I am not sure that I have the matter clear, so I should be grateful for a further explanation. Bearing in mind the helpful comments of my hon. Friend the Member for West Dorset (Mr. Letwin) on standby rates, I think the hon. Lady is saying that the national minimum wage should apply to the basic rates. I have been critical of that, as I have objected to the exclusion of any additional component from the equation. Is she now saying that each of the additional components will not have to apply to the separate national minimum rates? If so, is that also the case for standby rates?

Mrs. Roche: The change is set out in the amendments. The national minimum wage will apply only to standard time or piece-work rates of pay. I give an example. The hon. Gentleman has already mentioned the "dog allowance", as it is sometimes known. No one is suggesting that the shepherd must be paid at least the rate of the national minimum wage for his dog over and above the standard rate of pay, which must be at least the level of the national minimum wage. We want to clarify some of the points that were discussed in Committee.

[Mrs. Roche]

Amendment No. 29 deals with the situation in England and Wales, and amendments Nos. 30 and 36 make parallel changes in Northern Ireland and Scotland.

By contrast, all agricultural pay rate entitlements will be enforceable under the national minimum wage enforcement provisions as applied to agriculture. The amendments make that clear. Amendment No. 31 deals with the situation in England and Wales, and amendment No. 32 is a consequential amendment to schedule 3. Amendments Nos. 37 and 38 make parallel changes in Scotland.

The amendments may appear complicated, but they all contain commonsense measures that will remove possible doubts as to the Bill's effects in agriculture. We have always been aware of the need to ensure that the interface works effectively and without difficulties, and that is what the amendments are designed to do. I commend them to the House.

If Opposition Members press the new clause to the vote, I urge the House to reject it.

Mr. Edward Leigh (Gainsborough): It struck me that much of what the Minister said was irrelevant to the real problems of the countryside. I am acutely aware of those problems, as I represent a large arable constituency.

I made the effort to obtain the latest documents from the Agricultural Wages Board. To read them, one would think that, if the lot of the agricultural labourer was not exactly rosy, the board was at least maintaining his position in society. That is true at one level. For instance, we know that the average weekly earnings of whole-time hired men aged 20 and over increased by approximately 2.5 per cent. in 1996, from £237 to £243. That is hardly a king's ransom, but at least, as the report makes clear, it

"represents a maintaining of earnings in real terms, when deflated by the RPI."

It is simply not the case that agricultural labourers are maintaining their position. That is why the new clause should be carefully considered. Agriculture in general is in crisis. On arable farms in my constituency the work force has been cut in recent years by a quarter.

Whole areas of our countryside are being depopulated of workers. That has nothing to do with wages and everything to do with the new forms of agricultural production. The city dweller—[HON. MEMBERS: "What about the new clause?"] What I am saying has everything to do with the new clause, which is designed to bring to the Government's attention the problems of agriculture and the fact that there should be a proper review.

The Minister did not address the crisis facing agriculture. The Government need to take the crisis seriously and to understand that it goes wider than the question of wages. The city dweller has a rosy view of agriculture.

The agricultural labourer is effectively being deskilled. He used to be held in high regard because of his awareness of the local subtleties of the soil and so forth. Now so much of agriculture is related to agribusiness and the ethos of his life and his skills are held in far lower regard. The Government must take action. They cannot consider the crisis simply in terms of wages: they must consider the wider problem and try to bring back to the agricultural labourer real pride in his work.

Mr. Deputy Speaker: Order. I remind the hon. Gentleman that it is not sufficient to make occasional reference to the new clause. He must address his remarks directly to the new clause and not make a Second Reading speech.

Mr. Leigh: I am grateful to you for your guidance, Mr. Deputy Speaker. I have made my point and, although the hour is late, it is a point that will be made again and again by my hon. Friends and myself who hold the countryside in real regard and are deeply concerned about what this Government are doing to it.

1.30 am

Mr. Boswell: This has been an interesting debate, which has ranged from dogs and night rates—as opposed to nitrates—to the overall state of agriculture. My hon. Friend the Member for Gainsborough (Mr. Leigh), who has just made his first contribution to our deliberations, has performed a service by reminding us that man does not live by bread alone, and that the countryside has spiritual as well as economic problems. However, it may be difficult to solve them by the introduction of a new clause, even one as modest and as ingeniously drafted as new clause 12.

I thank the Minister for her explanation of the Government amendments. I find it a little difficult—not wholly because of the hour—to unpick the finer meaning of her speech, because the subject is so complex. Her clear explanation merely reinforces my support for new clause 12, because the impact of the interaction of main and additional rates should be considered alongside the issue, which we discussed in Committee, of the impact of pay reference periods—a doctrine from the National Minimum Wage Bill—compared with the non-existence of such periods in the agricultural wages legislation. The issues are complicated, and that fact itself makes the case for a joint review some 12 months from now to examine the way in which the legislation is working.

I look the Minister straight in the eye and invite her to reflect on whether she can search her conscience and assure us that no further amendments will be introduced to make the two pieces of legislation work more closely together. We have already seen more than a dozen such amendments, and, if one is a buff of the agricultural wages legislation, one begins to doubt whether the cascading process of change has yet come to an end.

Mr. Ian Bruce: I listened carefully to the Minister, and I am concerned to hear my hon. Friend suggest that the Government should not reconsider their position. I did not hear the Minister say anything about the standby rates. The Bill is defective, so we want the Government to table additional amendments when it is considered in the House of Lords.

Mr. Boswell: I was, I hope, suggesting to the Minister that she might consider that point. If the choice is between leaving the Bill in an unsatisfactory or unclear condition or amending it to make it clearer, I would settle for one

or two more amendments if they improved the Bill, despite the fact that I have castigated the Government on their cascade of new amendments.

The Government should reconsider the situation, and the Low Pay Commission and the Agricultural Wages Board should also be asked to examine the issues. We have all been studying the Agricultural Wages Order 1997—my hon. Friend the Member for West Dorset (Mr. Letwin) more assiduously than anyone—but we can all make mistakes on the details, and I wish to correct the record on a point that I made. I said that the standard rate for farm workers was £4.17 an hour when it is £4.12. That is one of those King Charles's heads that I have had throughout our proceedings. I think that I saw the figure mistyped in something such as my *NFU Journal*. It has stuck in my mind, and if one can consistently waver, I have done so between the two figures. It is £4.12; I checked the order.

It is a serious point: the orders are complex, and it is important that they work properly. To use a phrase that we have not used tonight but that the Minister of State used extensively in Committee, it is important that the Bill is not discredited. We urge the Under-Secretary to continue to reflect and analyse and to make any appropriate changes.

I would not like to close without passing reference to the concerns expressed by my hon. Friend the Member for Gainsborough and others about the state of agriculture. The Minister knows that this is a difficult time to introduce a national minimum wage. That reinforces the argument for a proper review in about 12 months. Opposition Members know that, every time the Government reach a difficulty, and sometimes when they have not reached one, they review the situation. They are doing so to the tune of more than 100 reviews. One more in a good cause would not be inappropriate.

Question put and negatived.

New clause 14

FINANCIAL STATEMENT AND BUDGET REPORT

'. The Chancellor of the Exchequer, acting in consultation with the Secretary of State, shall include in the Financial Statement and Budget Report an assessment of the cost of the national minimum wage to Her Majesty's Government in respect of employment costs in the public sector.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

It is interesting that we are now making excellent progress, and coming to the end of the new clauses. It is always right to end with a bang not a whimper, and this is an important new clause.

The concerns expressed in new clause 14 may seem some way from those that have just been expressed about agriculture, because the clause provides for something different. It provides for something topical, which I would loosely call seasonal. It imposes a duty on the Chancellor of the Exchequer. Some of us like the idea of imposing a duty on him slightly more than that of his doing so on us, as I fear he may do shortly.

The Minister need not feel left out, because the duty is to be performed in consultation with the Secretary of State. It is to include in the "Financial Statement and Budget Report", or Red Book, as we used to call it before it unaccountably changed colour,

"an assessment of the cost of the national minimum wage to Her Majesty's Government in respect of employment costs in the public sector."

That is obviously important for the overall implications of the minimum wage.

It was clear when we at last sighted the Government's evidence to the Low Pay Commission, two thirds of the way through the Committee, that they were also somewhat exercised about the matter. The extent of their concern is the only logical explanation for the fact that, while 600 other organisations had got round to doing their submissions to the commission in the six months after its establishment last July, the Government were unable to. Like the apostle Paul, the Government regarded themselves as born out of due time, but in the end they got their submission in.

I defer to my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), in his detailed knowledge of Whitehall-speak, of which he has even more experience than me, but it is possible by looking at the Low Pay Commission to see storm cones being hoisted, expressions of distress being rehearsed and very clear messages being transmitted in the most opaque Whitehall language.

If I were the chairman of the Low Pay Commission, who is no doubt doing an excellent job—and, even at this hour of the morning, I am glad that it is he and not I who has that task—I should be able to pick up those signals which say, "Whatever the Low Pay Commission recommends, please do not set a rate too high." The whole thing depends on a moderate rate being set for the national minimum wage. That will, of course, disappoint some Labour Members, but too bad—the interests of the economy demand that the rate should not go too high.

Mr. Hammond: May I remind my hon. Friend that, with the financial memorandum that appeared with the original draft of the Bill that was considered in Standing Committee, the Government spoke of setting a sensible rate, which would have no effect on the level of employment? Would he care to comment on that?

Mr. Boswell: Yes—the short answer is, I do not think that that was a starter then, and it certainly is not now. It is virtually impossible for the national minimum wage legislation to do something without doing some harm.

That fact emerges clearly from the Government's evidence to the commission in relation to what is described as the "Exchequer implications". That category is a wide one, and the implications are set out extensively on pages 19 and following of the Government's evidence, but I shall start by quoting the reference at the beginning to their concern. Their evidence states:

"However, for a given inflation target and assuming the underlying productive potential of the economy remains unchanged, then there will be an offset from reductions in the tax take elsewhere."

That is understandable.

"If the minimum wage were set at a level which resulted in a fall in productive potential, then we would expect an adverse effect on net tax revenues."

That is a storm cone—one that is hoisted even more explicitly in paragraph 97, which is the final paragraph dealing with the impact on the Exchequer. It states:

"If the national minimum wage is sensibly set at a level where real GDP and employment are left unchanged, then the net effect on the public sector borrowing requirement is likely to be

relatively small. At higher levels of the minimum wage, the potential for adverse effects on tax revenues and public expenditure increases, with the risk of an adverse effect on the PSBR."

Mr. Ian Bruce: I have been lent a copy of the financial memorandum, which is apparently not reprinted for debate on Report. One reading suggests to me that the Government have decided to set the minimum wage at the lowest rate paid to anybody they currently employ, which is an extraordinarily low rate in comparison with what was talked about previously. Have the Government indicated that that is precisely what they are trying to do?

Mr. Boswell: If there were to have been such indications, they would have been suppressed, because that would not meet the political objectives of Labour Members. As an ex-Education Minister, I know that, whereas the Department for Education and Employment pays £4.91 in London, the lowest rate paid in the provinces—probably in Darlington or Sheffield, where it has major establishments—is £3.59. That shows the differential between London and the provinces, and I leave the House to speculate which of those two rates is likely to be nearer the rate set for the national minimum wage.

It is clear that any upward movement is likely to have an effect, both directly on the costs to the Exchequer of employment, and indirectly through its effects on differentials.

Mr. Lansley: Before my hon. Friend moves on from that point, has he observed that the Government present in their evidence to the Low Pay Commission a graph illustrating the cost impact?

Mr. Boswell *indicated assent.*

Mr. Lansley: My hon. Friend indicates that he has seen it. Although it takes no account of differential implications, is it not significant that the gradient on that graph begins to sharpen substantially at £3.60? That is precisely the rate that the Government are trying to spin should be the appropriate rate, which would presumably serve their own purposes in respect of public sector and Exchequer implications.

1.45 am

Mr. Boswell: I am sure that my hon. Friend would not be so unworthy as to suggest that the Government would put a spin on anything, or would seek improperly to influence opinion. I was about to refer to that graph, because it is germane to our discussion.

I commend the Government on their record on public sector pay. Perhaps I should commend the previous Government, as the regime was set by them. A comparatively small proportion of the public sector is paid at a rate below £3.50 an hour. Only one in 10 of the labour force at that lower level are employed in the public sector.

The legislation will have an impact in various ways. There will be a direct tax impact, and there will be savings on in-work or out-of-work benefits, which is a sensitive subject. Differentials must also be considered. There are consequences for the Government's activities, which centre on the national health service. The Government say in their evidence that the Department of Health is undertaking a survey of NHS earnings, and will submit cost estimates. Those estimates have not yet been sighted, and I dare say that the Chancellor will not find them very congenial.

There will also be indirect effects. Charities and other not-for-profit organisations carry out important social care activities on behalf of Government. The residential care sector is one of the low-paying sectors of the economy. The Government's evidence shows that 142,000 cases in the United Kingdom have preserved rights to specific help with charges, and the median wage for care assistants was £4.29 an hour in 1996. Apart from those specific preserved rights, other elderly residents of care homes will expect to face higher charges as private sector homes have to meet the costs of the national minimum wage. That will in turn generate demand for further benefits.

There will be a knock-on effect on benefits if the Government are minded to improve benefits for child care. That is also referred to in the Government's evidence. It is suggested that over 30,000 cases already receive extra benefit to help with child care charges. The average wage in the child care industry, excluding nursery nurses, was £3.85 an hour in 1997.

The appendices to the Government's evidence give an overall figure of two thirds of a million people employed in various aspects of the care industry. Not all are low paid, but one would expect wages in that industry to rise. Given that it is largely publicly financed, directly or indirectly, there will be a significant impact on public revenues.

Mr. Ian Bruce: Is my hon. Friend as confused as I am by the way in which the Government give out statistics? When they want to show that any rise will cost industry and the Government very little, they say that hardly anybody is being paid below the figure they are considering for a minimum wage. However, in the rest of their rhetoric, they tell people that the greatest scourge of British industry and commerce is that literally millions of people are rushing about for £1 or £1.50 an hour. Has my hon. Friend been able to get to the bottom of why the Government are so schizophrenic, so Jekyll and Hyde, on this issue?

Mr. Boswell: Up to a point. I have not been able to get to the bottom of that. Perhaps the Low Pay Commission will do that for us. The facts that I am setting before the House are incontestable. The general impact on tax revenues will depend on what happens in the economy generally. We think that the legislation will make the economy less competitive and will have a long-term effect on the gross domestic product. That will tend to increase the net cost of the operation.

I acknowledge that the changes are speculative, and I shall return to the table to which my hon. Friend the Member for South Cambridgeshire referred. It shows potential national minimum wage rates of between £2.50 and £4.75 an hour plotted against the increase in total labour costs and the number of workers who will be affected. It would not be feasible, and would probably be out of order to display the chart in the House, so I shall do no more than say that the two curves tend to move more or less in step: they are not widely divergent.

I shall concentrate on the cost curve rather than the number curve. The impact starts to accelerate at a minimum wage of about £3.50 to £3.75 an hour. An interpolation from the table shows that a hypothetical minimum wage of £3.75 will cost £220 million a year in direct labour costs alone. However, if the minimum wage were edged up by only 25p an hour to £4, that cost would almost double, to more than £400 million. There is a huge escalator effect, or, as it was elegantly put earlier, the steep gradient on the economic curve kicks in at that minimum wage range.

The calculation makes no significant allowance for pay differentials. When we add those, the figures become even more horrendous. One can thoroughly understand why, according to the bits of the Whitehall debate that are revealed one way or another in the newspapers, the Chancellor has been campaigning for a modest rate, and is very concerned at the suggestion by what might be termed the traditional wing for £4, or a half-male median earnings rate, which is interpreted most accurately as about £4.61. The Chancellor is dead worried about that.

Evidence from the Department of Trade and Industry, no doubt influenced or sanitised by the Chancellor, shows that it is saying, "Please do not set a rate that is too high, because, if you do, the escalator, the cost impact, will rise dramatically." It is also expressing grave reservations about a substantial rate for those under the age of 26. We shall come to that later.

Mr. Syms: So far, the Government have not said what the rate will be, or whether there will be annual rises or rises every two, three, four or five years. The legislation will have a major impact on the public sector, which is why the amendment is well judged.

Mr. Boswell: I am grateful to my hon. Friend for his intervention.

What is becoming clear, even from my limited researches into the matter, is that we cannot have the final answer, because we do not have the rate. The commission will not be able to estimate the results until it has considered the evidence, and produced its estimate and then its recommendation. However, matters will change over time. They will change with the course of the economy, with the interaction between the various effects that I have mentioned, and as a result of tax changes.

For example, if the Chancellor introduced a somewhat different regime for child care in his forthcoming Budget, it would have an immediate repercussive effect if it cost much more than it was thought to. Conversely, any concession might be worth much less than was claimed, because the whole cost of child care would be influenced by whatever rate was chosen.

The new clause says that this should be run by the House and by the electors, annually, as part of the Budget process. The "Financial Statement and Budget Report" has been refined over the years. It is a useful working document, explaining much statistical information about the conduct of the economy. The Government influence their figures directly. It is, as it were, an internal loop, where Government decisions about the national minimum wage, albeit based on advice, feed directly into some of their costs, which then have to be catered for and met.

We think that it is entirely appropriate that the calculations that Whitehall will carry out for itself internally as part of the discussion on the rate to be chosen, should be made explicit and public, so that we can all understand, both this year and in coming years, what is going on and what the Government have done for themselves and their finances.

Mr. Collins: New clause 14 has particular importance in the light of an important story relating to the Chancellor of the Exchequer and his responsibilities, which is to appear on the front page of *The Guardian* this morning, which will inform a no doubt startled world that the Chancellor has been in the habit of sending four-page glossy leaflets to senior Labour party figures throughout the country, and which quotes a friend of the Chancellor as saying that of course he does not expect the Prime Minister to resign, but thinks that, at some point, he may decide to step down in his favour.

That is why new clause 14 is so important. It would help to focus the Chancellor's attention on the role that he is supposed to be discharging: propagating not his career at the expense of his erstwhile Cabinet chum the Prime Minister, but the future of the British economy and, in particular, employment prospects in that economy. New clause 14 will serve an important purpose in not just focusing his attention on those things, but requiring the whole Government machine to assess each year the Bill's implications.

We all know how important the Treasury is to the running of central Government. It is the focus, the hub and the humming machine at the centre of the British Administration, and it is important that it should be able to have the locus, whether it be through the annual public expenditure round or the Budget process, as required in new clause 14, to assess every 12 months the impact of the national minimum wage. There are several ways in which the national minimum wage can impact substantially on Budget assessments.

Mr. Hammond: Does my hon. Friend agree that, in view of speculation that the annual spending round may be consigned to history, it would be infinitely preferable for the assessment to be done by means of the Budget report, as proposed in new clause 14?

2 am

Mr. Collins: I am most grateful to my hon. Friend, who has made a helpful point. Indeed, I was intending to deal with the impact of some of the stories in the Sunday newspapers, which underline the importance of new clause 14.

Clearly the newspapers were heavily briefed by people high up in the Treasury and close to the Chancellor. One imagines that Mr. Charlie Whelan was once again on his mobile phone in the Red Lion. The relevance of this to new clause 14 is that the stories said that the Chancellor was likely to announce in his Budget not only the abolition of the public spending round, but that there would be below-inflation increases in public expenditure across all Departments for the entirety of this Parliament.

The point about new clause 14 is that, in the light of that commitment, the Chancellor would have to assess how he could possibly reconcile the commitment to a national minimum wage—with pressure from the Low Pay Commission for it to be uprated year in, year out—with a policy announcement to keep to below-inflation increases in public expenditure in every Department.

[Mr. Collins]

There are only two ways in which the Chancellor could do that. The first is to decide to keep the minimum wage up, but public expenditure as a whole down by sacking people in the public sector. Many of the people we are used to being advertised in Labour party propaganda as the principal beneficiaries of the Bill—cleaners in hospitals and other people doing important and valuable, but low-paid, work in the public sector—would find the immediate effect of the Bill to be the loss of their jobs.

Mr. Lansley: Does my hon. Friend agree that, without new clause 14, there is a danger that the Treasury would simply treat additional sums of money spent in the health service to meet compliance costs associated with the national minimum wage as additional spending on health services? It would be much to the advantage of the health service and those affected by it to be able to isolate the costs of meeting the national minimum wage from the genuine increases in resources available to provide additional treatments for patients.

Mr. Collins: My hon. Friend makes an excellent point, and all the more excellent because it was to be my very next point.

As I said, there are two ways in which the Chancellor could try to reconcile the two differing elements. The second is, as my hon. Friend suggested, that the same number of staff are paid at the level of the minimum wage, but the Chancellor merely takes out of service provision funds that would otherwise have been available for that purpose. New clause 14 is important, because, if that is what the Chancellor intends to do, he should be required to say so, on the record, in his Budget statement.

Mr. Hammond: Has it occurred to my hon. Friend that there may be a third route? The Secretary of State for Health may be encouraged to follow the Secretary of State for Defence in seeking an opt-out from the Bill for the national health service.

Mr. Collins: My hon. Friend's ingenuity has exceeded mine. I admit that that route had not occurred to me. Of course, he is quite right. Given the importance that both sides of the House attach to staff in the NHS—as we do to staff in the armed forces—there is some logic and force in his point.

New clause 14 would require all Departments—not just the Chancellor of the Exchequer, because, as he assembles the material for the Budget statement, he is acting on behalf of the Government collectively, and he collects information from all Departments—to focus on the serious impact of the minimum wage on their public spending plans.

Mr. Bercow: Does my hon. Friend agree that, if the Chancellor chooses to allow an increase—perhaps an annual increase—in the minimum wage, and then sacks people in the public sector in order to meet his other objective of containing overall public expenditure, he will not even succeed in that latter objective, for the simple reason that the increase in unemployment and the loss of tax revenue will mean that he overshoots his public expenditure and public borrowing targets anyway? He will have failed on all fronts.

Mr. Collins: My hon. Friend puts that point extremely well, as I would expect of him. The minimum wage is a naturally self-defeating system. It has an inbuilt vicious circle, and can act only to increase poverty and reduce job prospects. That is why new clause 14 is so important.

The Chancellor of the Exchequer should be required in the Budget statement to link the implications and impact of the national minimum wage to what the Government have said is at the centre of their economic strategy: the welfare-into-work idea. The minimum wage is a work-into-welfare engine, in some circumstances making it a criminal offence for an employer to give someone a job. That is a quite extraordinary proposition to be made by a Government who are committed to shifting people from welfare into work.

Mr. Ian Bruce: I am following, I hope, my hon. Friend's argument very closely. It seems that the Government are saying that they have a wonderful strategy, and will get people back into work if they can only implement those economic drivers, whereas the Bill's financial memorandum states that they really do not have a clue about the Bill's effects. Even if Ministers knew what the minimum wage rate will be, they do not know how it will affect the economy. Are the Government resisting new clause 14 because they do not have a clue about its consequences, or because, if it were included in the Bill, the truth will be out, especially among Labour Back Benchers?

Mr. Collins: My hon. Friend has put his finger on another interesting argument in favour of new clause 14. The Government's resistance to new clause 14, which we anticipate, may be based precisely on the new clause's annual requirement for clarification.

Many of our debates, yesterday and today, on the Bill have been based on the assumption that the Government are being opaque on the minimum wage only temporarily, and that, at some point in the future, they will clarify their views on it. At some point, they will have to set its introductory level. However, in successive months—as the debate continues on setting and uprating its level for the following 12-month period—Ministers may demonstrate a similar opacity and lack of clarity.

Perhaps Ministers resist the idea of an annual requirement to report on the minimum wage's impact and implications because that would require them to make up their minds at least once a year, whereas Ministers may well wish to keep Labour Back Benchers, public service unions and many other affected groups in darkness about the Government's intentions for as long as possible.

One might advance a deeply cynical thought—even at this late hour—by saying that the Government might wish to leave the minimum wage at a relatively low level for most of this Parliament, thereby assuring their friends in the Confederation of British Industry that they really are a new Labour Government, but then—perhaps shortly before the next general election—dramatically announce that new statistics have come to their attention that lead them to uprate the national minimum wage.

The hoped-for consequence would be that the Government would attract the votes of low-paid workers, not realising that many of those low-paid workers would lose their jobs if that policy were implemented. Nevertheless, by announcing such a policy a few weeks

or months before a general election, they would hope to get the kudos for it, without having to suffer its economic consequences.

Mr. Leigh: Is not my hon. Friend doing an injustice to the Government? Surely new clause 14 is so obviously right that the Government will be bound to accept it. Although he is a young man, he will recall that the fate of previous Governments—such as the Heath and Wilson Governments—turned almost entirely on wages, and inflation on those wages. Wage levels obviously have a huge impact on the economy, as will the national minimum wage. It is therefore so obvious that the Government will have annually to review the minimum wage that they must accept the new clause, must they not?

Mr. Collins: I am most grateful to my hon. Friend. He may be right that I am being unfair to the Government—as I know that he never is. I try not to be unfair to them, and I shall take on board his admonition.

In raising the spectre of the Wilson Governments, my hon. Friend the Member for Gainsborough (Mr. Leigh) reminds me of an important point that is relevant to new clause 14. Although we have heard a great deal about the commitment to the minimum wage of the so-called modern, pro-business new Labour party, what did the old Labour party of Mr. Harold Wilson think of it when it was in charge of producing Budgets and Budget reports such as that described in new clause 14? It produced a White Paper—30 years ago, when Mrs. Barbara Castle was Secretary of State—that specifically ruled out a minimum wage, on the ground that it would have damaging consequences for employment and for the public finances. That might be another reason why Labour Members are a little reluctant to accept new clause 14. It would require them to examine the issue again and again.

The document to which I have referred was published back in 1967. Then, as now, the Labour party described itself as the natural party of government. Perhaps, once it had been in office for three years, it might find a rather large amount of information that would cause it to reassess its views. Its members are not in favour of new clause 14, because they fear that, the more facts they have, the more they will get in the way of their argument. They do not like facts getting in the way of their argument: they would much rather operate on the basis of prejudice, dogma and all the other elements that we have observed in the debate so far.

New clause 14 has so many advantages that, like my hon. Friend, I am surprised that the Government have not already indicated their willingness to accept it. Let us assume for a moment, however, that they will continue to oppose it.

We must consider what message the Government will send to public service unions that might have an interest, each year, in knowing the exact impact of the minimum wage on the public sector pay bill. What message are they sending to their great friend Mr. Rodney Bickerstaffe of Unison? Mr. Rodney Bickerstaffe of Unison is known for having forthright views about what the level of the minimum wage should be, and what it should be for his employees. We all know that what it would be for his employees would have a direct and important effect on the levels of public spending, and on the implications for the Budget assessment that the Chancellor would have to make each year.

Mr. Ian Bruce: My hon. Friend mentioned Mr. Rodney Bickerstaffe. I know that we are not allowed to refer to anyone who is in one of the Galleries, but my hon. Friend may have observed, as I did, that the spirit of Rodney Bickerstaffe was with us today. He was so disappointed by what he heard from Ministers that he left, because he knew that nothing would come from them.

Mr. Collins: I was not aware of that spiritual presence. Perhaps there will be further hauntings in times to come.

There may be another reason for the Government's resistance to new clause 14. We know that diplomatic relations between the Government and Mr. Rodney Bickerstaffe are in a slightly tricky state at the moment. Mr. Rodney Bickerstaffe, as leader of the largest trade union in the country, has warned against membership of the European single currency, and has pointed out that it would be damaging for his members.

We can imagine that the Treasury might resist new clause 14 on the basis that, at present, it does not want to do any favours to Mr. Rodney Bickerstaffe, who has dared to speak what is the unspoken and the unspeakable under the current Government, by pointing out that inclusion in a European single currency in the foreseeable future would be demonstrably against the interests of a large number of British people—not least the low-paid people represented by Mr. Bickerstaffe and his trade union.

Mr. Bercow: May I put an alternative proposition to my hon. Friend? May I suggest that, by rejecting our proposal, the Government will gladden the hearts of Mr. Rodney Bickerstaffe and others? If they are not prepared to provide an assessment of the impact of the national minimum wage on the totality of the economy, the incentive for Bickerstaffe and others of his ilk to seek continually to bid up wages in an irresponsible fashion will be that much greater than it would have been if such a discipline had been included in the Bill.

Mr. Collins: My hon. Friend directs my attention to an important factor—although, as he and I may share a platform with Mr. Bickerstaffe before too long, perhaps we should not refer to "others of his ilk" in quite the way my hon. Friend did.

The important point raised by my hon. Friend enables me to turn to the next part of my argument in support of new clause 14. I refer to the impact on the national health service. In requiring the Chancellor of the Exchequer to report to the House each year on the impact on public service expenditure of the national minimum wage, the new clause would enable us, in our Budget debate, to give proper consideration to the impact on the NHS.

We hear a great deal from Ministers—and, indeed, from the Prime Minister, on the odd occasion when he favours the House with his presence—about the figure

[Mr. Collins]

of £1.5 billion, which is the additional amount that the Government have supposedly put into the health service. We all know that that is a phoney figure, but none the less we know that, whatever the figure is—as my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) said—it will be appreciably eaten up by the introduction of a minimum wage, and could be increasingly eaten up if that minimum wage is steadily increased year in, year out.

What will be the implications for people in charge of NHS trusts who have had to cope with various changes in the way in which health service pay settlements have been reached in recent years? They have struggled with issues such as whether there should be local or national pay bargaining, and are trying to keep their budgets afloat.

Trusts throughout the country have received considerable publicity about whether they can balance their budgets. Under the provisions of new clause 14, they would be looking for guidance from the Chancellor of the Exchequer on a national pay strategy and the Government's central view on public sector pay. Without new clause 14, they may find themselves bereft of that guidance and negotiating with their staff with no clear guidance on how the Government view the implications of the minimum wage for their pay policy, if they have one, or the implications for overall public expenditure.

2.15 am

As we heard earlier, apart from the odd mention that he does not want above-inflation increases in public expenditure in any year from here to eternity, the only message from the Chancellor is an electioneering one—he would rather like to be Prime Minister. He has even dropped the part about the Prime Minister being president. That is not an argument for opposing new clause 14.

As the debate has continued, the Government have been extraordinarily reluctant to accept even the most modest amendments—including those that would give them more power than they had under the Bill and new clause 14, which would merely require them to report to the House, in which they currently have a huge parliamentary majority. Why are they afraid of reporting the implications of their policy to a parliamentary assembly that they control? Could it possibly be that, if new clause 14 were in place, they would be somewhat afraid of the reaction of their own parliamentary party to the full implications of the minimum wage and its knock-on implications for sacking people in the health service?

New clause 14 would require the Government to do no more than assess the implications of a policy that they tell us is flawless. If they are right about the absence of any imperfections in their policy, they should welcome the chance at least once a year to report to the House on its implications. If they do not, we must assume that, slowly but surely, they are beginning to think that perhaps Barbara Castle was right, and that a Labour Government should not support such legislation.

Mr. Keith Simpson (Mid-Norfolk): I am grateful to be called to speak on new clause 14, which I regard as absolutely crucial to the Bill. At the start of his speech, my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) referred to the importance of the Chancellor of the Exchequer. As I speak in the wee small hours of the morning, making certain that the national minimum wage will not go quietly into the night, we should consider that the Chancellor of the Exchequer will not be in bed. He will be working hard on all aspects of Government policy.

I am a little concerned about the phraseology of the new clause, which the Minister might consider amending slightly, if it is acceptable to her. It refers to

"The Chancellor of the Exchequer, acting in consultation with the Secretary of State".

The phrase "acting in consultation" is far too woolly. It does not define properly the responsibilities involved or the issue of leadership between the Chancellor of the Exchequer and the Secretary of State. I would prefer a phrase such as "The Chancellor of the Exchequer shall desire, request and direct the Secretary of State". My hon. Friend the Member for Westmorland and Lonsdale made it quite clear that the Treasury was the central Department in Whitehall. Indeed, the Chancellor of the Exchequer undoubtedly regards himself as the first Minister of State under the president—or rather, the Prime Minister. I should like that point firmed up.

Mr. Ian Bruce: My hon. Friend is understating the relative importance of Ministers in this Government. The importance of Ministers must relate to some extent to the amount of money spent on refurbishing their flats. As we all know—

Mr. Deputy Speaker (Mr. Michael Lord): Order.

Mr. Simpson: I take on board my hon. Friend's comment. We must ensure that the Chancellor, who is the senior member of the Cabinet apart from the Prime Minister, can extract the relevant information from the Department of Trade and Industry. Many hon. Members present have considerable experience of working in the Government. They know only too well that, time and again, Departments do not hand over the relevant information.

My second point concerns which Treasury Minister should be responsible for working with the Department of Trade and Industry to obtain the necessary information about the national minimum wage. I assume that the Chancellor of the Exchequer, who works 24 hours a day, would not want to do that. I am not even certain that it would be the responsibility of the Chief Secretary. Either the Minister of State or the Paymaster General, who have considerable experience in business worldwide, might look after the issue. However, my preference is for the Financial Secretary to the Treasury. She has a proven track record and could gain the information required for an assessment of the national minimum wage.

Mr. Hammond: Has it occurred to my hon. Friend that there is a Minister who serves in both the Department of Trade and Industry and the Treasury who could provide an apposite conduit for such a conversation between the

two Departments—the Minister for Trade and Competitiveness in Europe? As the impact of the minimum wage on our public sector finances will directly affect our competitiveness in Europe, might it not be for him to effect such liaison between Departments?

Mr. Simpson: My hon. Friend has opened up a fascinating area of debate. With deference to you, Mr. Deputy Speaker, I do not want to be drawn into it. I am almost overwhelmed by the possibilities. Perhaps it is a task for the Minister without Portfolio. If ever there was a misnamed Minister, it is the Minister without Portfolio. He seems to have too many portfolios.

Mr. Bercow: I have no desire to tempt my hon. Friend to misbehave at 2.21 in the morning. He is asking important questions about which Minister should take responsibility for the report. Does my hon. Friend think that the Financial Secretary to the Treasury might be the most appropriate person, because of the immense experience, financial acumen and taxation expertise that she brings to bear in the performance of her duties—a fact on which I am sure that most hon. Members have remarked at some time?

Mr. Simpson: I have already said that the hon. Lady is my preference for the job. I know that some of my hon. Friends want to speak in the debate so I shall try to keep my comments to under an hour. We need to establish that the issue will be an important Treasury responsibility. The Chancellor will have general oversight, but my preference would be for the Financial Secretary to be given the task. It is not enough for the Treasury to act in consultation. The Secretary of State should be desired, requested and directed to provide the information.

Another point that perturbs me on the new clause—I am sure that the Minister will be able to reply to this—is the administrative and bureaucratic nature of acquiring such information. Conservative Members believe in minimal government; we do not believe in creating ever more government. Unless we are careful, we may open up a job creation scheme in the Department of Trade and Industry, with ever more civil servants collating the information.

As my hon. Friend the Member for Westmorland and Lonsdale made clear, it is crucial that an assessment of the cost of the national minimum wage is provided so that ordinary members of the public—let alone Members of Parliament—can see, year in, year out, the consequences of it.

The new clause does not go far enough. Many of us think that there should be not only an assessment of the cost of the national minimum wage to the Government in respect of employment costs in the public sector, but an assessment in respect of employment costs in the private sector. The Bill will bear down on many of our constituents.

The new clause is admirable; I really hope that the Government accept it. My own preference would be a much more direct requirement on the Secretary of State to provide information. I would also like an assessment of the impact on employment costs in the private as well as the public sector. The new clause is crucial, and I hope that the Minister will accept it in the spirit in which it is offered.

Mrs. Eleanor Laing (Epping Forest): This new clause must surely be one of the most reasonable to be tabled in debates on this or any other Bill recently discussed. It does not even ask the Government to do anything that they are not otherwise proposing to do. All that it does is impose on the Government a duty to tell Parliament the result of their policy and how it is affecting the public sector. It is perfectly reasonable to ask the Government to do that, and hard to imagine what possible objection they could have to carrying out such a simple duty.

What has happened to open government? Have not we heard in recent weeks and months that the new Labour Government are an open Government, a people's Government, an accountable Government? However, as soon as they are asked to do something in the spirit of open government—simply to provide information—they refuse to do so. It is hard to understand why.

Let us examine the effect of the new clause. The one thing in it to which I take exception is the phrase

"the cost of the national minimum wage to Her Majesty's Government".

We all know that Her Majesty's Government do not bear the cost of anything. The taxpayer bears the cost. The taxpayer pays income tax, council tax and all the other taxes which the Government are trying to hide. The people are starting to have to pay such taxes because they voted for a new Labour Government.

Mr. Keith Simpson: And an offshore tax.

Mrs. Laing: Indeed—even more so in the past week.

I am concerned most with those who pay income tax and council tax. It is clear that the Government's objection to the new clause must be on the ground that they want to give the impression that no one has to pay for the minimum wage and that the policy is one of motherhood and apple pie—one that can be only good and not bad, and can bring only benefits and no disbenefits. [HON. MEMBERS: "Hear, hear."] That is simply not true.

Mr. Bercow: My hon. Friend is making an extremely powerful speech. Does she agree that the way in which Labour Members cheered with enthusiasm when she made that last point is proof, if there was any consistency in what passes for their brains, that they ought to be prepared to countenance—indeed, advocate—the publication of an assessment? If the effect of the Bill will be all benefit and no cost, of what exactly, in a published assessment, are they afraid?

Mrs. Laing: I could not agree more with my hon. Friend. As usual, he is absolutely right. What is it that the Government want to hide?

Mr. Jim Murphy (Eastwood): Answer the question.

Mrs. Laing: Labour Members are only too happy to make a lot of noise from a sedentary position, but for the past hour or two, it has been noticeable that no Labour Back Bencher has got up to speak on this matter. Is that because they do not care? They are certainly not asleep at 2.29 in the morning. Why are they sitting here, saying nothing? They are making a lot of noise, but no one wants to intervene to answer my questions.

2.30 am

It would not be in order, would it, Mr. Deputy Speaker, for me to answer questions asked from a sedentary position? I assume, therefore, that Labour Members are afraid of new clause 14. *[Interruption.]* There is more noise from Labour Members. I can only assume that, as my hon. Friend the Member for Buckingham (Mr. Bercow) said, they are afraid of the information that would be published and set before the House if the new clause was accepted.

Labour Members are afraid because, as I was saying before my hon. Friend the Member for Buckingham wisely made a different point, they want the people to believe that the minimum wage is a policy for which no one must pay or that, if anyone must pay, it is the fat cats, as the Minister of State said earlier.

The Government want the people to believe that the fat cats are the only people in the United Kingdom who will ever have to pay for anything. There will be precious few fat cats left when the Government have imposed all their hidden taxes on everyone and anyone they can think of.

Mr. Keith Simpson: There will be some offshore fat cats left.

Mrs. Laing: As my hon. Friend says, there will be some offshore fat cats left.

Mr. Collins: Does my hon. Friend consider that there is significance in the fact that, in recent months, the fat cat of fat cats, Mr. Ecclestone, was welcomed at 10 Downing street, whereas Humphrey was too thin a cat to stay?

Mrs. Laing: Indeed. My hon. Friend tugs at the heartstrings with the thought of poor Humphrey, that most lovable of unfat cats of the—

Mr. Deputy Speaker: Order. I should be grateful if the hon. Lady would return to the new clause.

Mrs. Laing: I beg your pardon, Mr. Deputy Speaker. I will return immediately to the new clause.

I am anxious about the effect that the Bill will have on my constituents who, in their capacity as council tax payers, already face a huge increase, compared with recent years, in the council tax burden that they will have to bear. A very large amount of that council tax will help to pay public sector pay bills.

Mr. Swayne: I have been unable to get especially excited about new clause 14, but I wonder whether my hon. Friend would help me. Will she explain how the acceptance of new clause 14 will reduce her constituents' council tax bills?

Mrs. Laing: I appreciate my hon. Friend's question. The new clause would not reduce council tax bills, but it would explain to council tax payers why their council tax has risen so much as a direct result of the decisions of the new Government, who said that they would not impose new taxes. We have yet more hidden taxes, as I am sure my hon. Friend the Member for New Forest, West (Mr. Swayne) would agree.

If the Bill is not to raise council and income taxes even further to meet the public sector wage bill, the books will have to be balanced by cuts in the public sector bill. My constituents do not want less money to be spent on schools—*[Interruption.]* I do not understand why Labour Members find that amusing. My constituents do not want less money to be spent on schools and hospitals.

This morning, I visited a hospital just outside my constituency, which is used by my constituents, to witness the Secretary of State for Health opening a special care baby unit funded by charitable donations. People are concerned to put money into hospital care, not to see money taken out of it.

The Government are afraid that, if the new clause becomes part of the Bill, they will have to come clean with the people of Britain and tell them where their money, as taxpayers and council tax payers, is going. That is why Labour Members do not even want to participate in the debate on the new clause, which is disgraceful.

Mr. Hammond: I cannot and will not attempt to match the eloquence of my hon. Friend the Member for Epping Forest (Mrs. Laing). I have one or two more prosaic points to make. The proposal in new clause 14 is important and as the debate has progressed I have become more convinced that it should stand part of the Bill.

Essentially, we should be looking at the effect of the national minimum wage on public sector employment costs. There is a considerable body of relatively low-paid employees in that sector and there is no need for this legislation for that problem—if it is perceived as such—as they are Government employees in one or other of the Government's manifestations. If the Government were so concerned about the problem of low pay and low-paid jobs, they could have made a start on 2 May 1997 by tackling the problem directly, without legislation, in those areas for which they, as the employer or ultimate paymaster, have direct responsibility.

I am moved to wonder whether the Government, despite their rhetoric about the wholly beneficial effects of the Bill, already understand the serious implications for the public finances, which have not been quantified meaningfully in the annexes to their submission to the Low Pay Commission. As my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) said, there has been no attempt to measure the impact of the restoration of differentials in presenting the expected cost to the public purse of the national minimum wage.

Mr. Ian Bruce: I wonder whether the spirit of new clause 14 would be met if the Government and the Chancellor stated how they deal with the low-paid—in other words, if they made a sweep of the public sector, through local councils and all the people who work for them through contractors, and worked out how much they would have to pay and put the money aside, which would prevent the need for additional money through the minimum wage.

Mr. Hammond: I thank my hon. Friend for that point. The important issue is that, without knowing the extent to which differential restoration will occur, it is difficult for the Government or anyone else accurately to predict the cost of the national minimum wage to the public purse or to any individual or company in the private sector.

That is why it is so important to have a mechanism for reviewing the national minimum wage and putting it into focus after the event.

Mr. Bercow: Is my hon. Friend aware that, on page 21 of the Government's submission to the Low Pay Commission, it is stated that the national minimum wage

"may increase pressures on the public sector pay bill in some departments"?

Does he agree that the use of the word "may" in that context is patently absurd? It is only a matter of time before the Government finally use the more accurate word "will".

Mr. Hammond: I thank my hon. Friend for his intervention. I suspect that the Government, if challenged on that point, would retreat behind their customary mask of saying that the Low Pay Commission has not yet recommended a rate and that it is impossible—as, indeed, it is—to estimate the impact of the national minimum wage on the public or private sector without knowing the rate at which it will be set.

I come back to the absence of any estimates of the impact of differential restoration in the Government's evidence to the Low Pay Commission. I submit that the public sector has a relatively rigid pay structure, which is perhaps unsurprising given the development over many years of a remuneration structure that is less flexible than is nowadays generally to be found in private sector companies—it is perhaps more akin to the structures that would have obtained in large private sector companies 20 or 30 years ago. That is not a criticism; it is perhaps inevitable that the extra requirements for accountability in the public sector will encourage more rigid and bureaucratic structures than can develop in private sector organisations.

Does the Minister think that the impact of differential restoration in the public sector may be more serious than in the economy as a whole? In other words, will there not be a disproportionately adverse effect on public sector finances, because of more rigidly locked rates of pay? Is it not also the case that at, or just above, the level at which the national minimum wage is widely expected to be introduced, there is a large cluster of pay rates in important public sector organisations, such as the national health service? That means that the impact of a national minimum wage that is set at a level just below the wages that a large number of employees earn will have a marked upward effect in terms of differential restoration.

Mr. Boswell: Does my hon. Friend agree that, in the public sector alone, setting the rate at £4 rather than £3.75, which seems innocuous, would in fact double the cost to the taxpayer?

Mr. Hammond: As I said, I think that it is difficult for anyone to estimate with any certainty the cost of any pay rate, because of the imponderable of differential restoration, although I am quite prepared to follow my hon. Friend's guidance that the cost would be of that order. The issue will be critical to the public sector.

The fact that the Chancellor of the Exchequer is reported to be considering long-term settlements below the level of inflation for spending Departments puts the matter into a particular context.

The minimum wage will increase cost pressures on spending Departments in a climate in which public spending—if the Chancellor's spin is borne out—is likely to be seriously constrained. I wonder whether the suggested report might give a breakdown of the cost of the minimum wage by Department, as the impact will not be uniform across Departments.

Some Departments have a higher proportion of labour costs in their total expenditure, and some have a far larger clustering of lower-paid workers who are more likely to be affected by the minimum wage.

2.45 am

Mr. Lansley: My hon. Friend will forgive me if I am unduly cynical, but would not it be an advantage if the report were to treat not April 1999 but April 1998 as its starting point? Otherwise, we may mysteriously find that Departments of their own volition settle pay at £3.60 an hour or above and subsequently say that they were planning to pay those rates through collective bargaining, regardless of the minimum wage.

Mr. Hammond: Indeed. How does one establish the base line against which to measure the cost?

Mr. Ian Bruce: I am a bit worried that my hon. Friend, in listening to the spin in the press, has missed the statements constantly made by the Minister of State, who tonight asked whether £1, £1.20, £1.40 or £1.60 an hour was too low, but did not mention the £1.80 at which minimum rates start in the agriculture sector. *[Interruption.]* The Minister of State's resistance to the new clause may stem from the fact that Ministers have decided to go that low and to abandon any idea of increasing minimum rates in the public sector.

Mr. Hammond: That is an interesting idea, but I listened to the Minister of State intently in Committee and I do not expect him to feel comfortable with any such low rates. *[Interruption.]* I accept that the decision will not ultimately be his, and that he may be leant on from much higher places—Hartlepool, perhaps.

Mr. Bercow: I suggest that my hon. Friend, although not a member of the Treasury team, might be a suitable future author of the assessment of the impact of the national minimum wage, not only because of his exceptional economic expertise, but because at 2.48 am he still looks extremely relaxed and refreshed. Nobody could accuse him of being tired and emotional, as other hon. Members clearly are.

Mr. Hammond: I assure my hon. Friend that I have had no dutiable refreshment.

The central point of the new clause concerns the impact that the national minimum wage will have on different Government Departments and the crucial question for the British people of whether those Departments will be compensated for the cost of meeting the national minimum wage. People are right to be concerned about that and their concern has been emphasised by the recent leaks that have suggested that, in the longer term, we face a public spending regime that envisages increases at or below the level of inflation. That would imply significant real cuts in spending for Departments such as the

[Mr. Hammond]

Department of Health, a significant part of whose budget is swallowed up by labour costs, including those of many lower-paid workers who will be caught by the Bill.

It is important that we remember that the Bill will not only affect those who are paid at a low rate. It may affect professional people, working in the health service or the education system, who work long hours for a salary that appears to be above any level for the national minimum wage. Because the national minimum wage will be defined in terms of earnings per hour, it is possible that people earning middle-ranking salaries could be caught by the Bill. That is not necessarily a bad thing, if those people are working very long hours.

Mr. Swayne: Is that not precisely why the Government exempted the armed forces from the Bill?

Mr. Hammond: My hon. Friend is right. We put that argument in Committee and the Government were minded to accept it. The Minister has repeatedly made the point that he accepted the exclusion of the armed forces because they have a pay review body. Is he thinking of excluding nurses and teachers because they have pay review bodies? I suspect not, but that would be one way to deal with the impact of the Bill on public sector finances.

Mrs. May: I am pleased to see that the Minister of State has returned to his place for part of this debate. From his comments on earlier new clauses, it was clear that the Government see the national minimum wage as a dogmatic policy that they will introduce regardless of the implications. New clause 14 is relevant to that point because it would ensure that the Government set out—not just to the House but to the public—the implications of a national minimum wage for public sector expenditure.

The paucity of figures for and proper analysis of the impact of the national minimum wage is telling. Whenever the subject has been raised in questions to Ministers, they have fallen back on the existence of the Low Pay Commission and the fact that they do not know the level of the national minimum wage. A Government determined to introduce a national minimum wage should have considered the cost implications for the economy, especially for public sector expenditure, for a selection of benchmark figures. We have no evidence to suggest that the Government have done that. They do not seem to care about the implications of their policy, because they will implement it as a point of dogma.

Mr. Letwin: Will my hon. Friend accept that the situation may be even worse than she describes? Page 23 of the Government's submission to the Low Pay Commission gives the estimates to which my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) referred and it states that the effect of the minimum wage would be greater if the differentials were restored above the minimum. However, it gives no estimate of the cost. Does not that suggest that the Treasury has concealed estimates that it must have calculated?

Mrs. May: I am grateful to my hon. Friend for pointing that out. That was a key point of the argument advanced by my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond). Differentials are crucial to the minimum wage's impact. The Government have failed to address that and constantly try to walk away from it. The Treasury has not been willing to estimate the impact of differentials, presumably because it is concerned about the effect on public sector expenditure, and recognises that the figures would not be palatable to the House or the public if they were made generally available. That was also clear from the Government's evidence to the Low Pay Commission.

Several hon. Members spoke about the impact of the national minimum wage on the national health service but another aspect is mentioned in the Government's evidence: their policy for welfare reform. The evidence states:

"The potential impact of a National Minimum Wage on Social Security finances could in this context be very important."

That was mentioned in passing by my hon. Friend the Member for Daventry (Mr. Boswell), who talked about the cost of residential care.

I refer hon. Members to the front page of the March edition of *Disability Now*, which has an article headed:

"Minimum wage will hit us hard, warn homes".

It states:

"The national minimum wage could lead to job losses in care homes and day centres, the National Council for Voluntary Organisations (NCVO) has warned.

Voluntary groups gave evidence to the Low Pay Commission in January which highlighted the problems facing funders and providers of community care . . . A rate above £3.40 an hour could impact on disabled people in residential accommodation and those employing carers in their own homes".

I want to concentrate on that latter point.

New clause 14 is excellent because it requires the Government to identify the public expenditure cost in respect of public sector employment costs, but there are hidden knock-on effects that should be brought to general attention. I want to focus on the knock-on effect on disabled people who employ carers by using their disability living allowance to improve their quality of life through, for example, being able to get up and go out to work in the mornings. People are concerned about what will happen because of the comprehensive spending review, welfare reform and the operation of the benefit integrity project. Disabled people are worried about the future of their benefits because the Government refuse to guarantee that there will not be significant cuts.

Mr. Deputy Speaker: Order. The hon. Lady is straying rather far. Would she please return to new clause 14?

Mrs. May: I was just about to. The cost of employing a carer could affect the quality of life of people with disabilities. It is such figures that need to be identified by the Government in considering the implications of introducing the national minimum wage. That is why new clause 14 is so important. It will require the Government to produce proper estimates of the implications of introducing a national minimum wage and set out clearly the implications for public sector expenditure.

While new clause 14 is general, the Government should produce figures that differentiate between Departments, explain the impact of reinstating differentials and identify the knock-on effects, especially in respect of social security and benefits, on the cost of employing people in

the public sector to help people with disabilities. We have not had enough information from the Government. It is essential that they own up to the implications of their policies and make them clear to the House and to the general public.

Mr. Syms: I have waited since 3.30 pm yesterday to make my speech on new clause 14, because it is important. The Government have been honest and honourable in their proposals for a minimum wage. They have made it perfectly clear that that is what they want, but I want them to be honest and honourable about its cost to the public sector.

New clause 14 would make a substantial contribution to the debate. When the rate is set, whatever it may be, I am perfectly sure that many will say it is too low and that many others will say it is too high and cannot be afforded. That debate, which will continue over the next few years—certainly beyond the next general election—ought to be informed by figures produced by the Treasury. If the Treasury does not produce figures, others have a tendency to make them up. The proposal in new clause 14 to set out the cost to the public sector in the "Financial Statement and Budget Report" will lead to a better and more informed debate on this subject, which is important to many families throughout the country.

3 am

The key point is that the minimum wage should be seen not on its own, but within the totality of the economic management of the nation. It is appropriate that the measure should be taken on Budget day and seen in the context of what the nation can afford in relation to all sorts of other areas. It is also important that, when the Government make submissions to the Low Pay Commission, the cost to the public sector is seen explicitly in the FSBR so that we know what information is being given.

I do not wish to detain the House by going on too much longer, because I know that many of us are anxious for the Adjournment debate—*[Laughter.]* We are trying to make progress as rapidly as possible and, had the Bill been better drafted, our progress might have been more rapid.

Mr. Lansley: My hon. Friend said rightly that it is important to set the cost of the minimum wage to the public sector in employment terms in the context of the FSBR. In that respect, does he share my concern that one of the implications of the national minimum wage reflected in the next FSBR may be that, in order to offset the impact on employers' costs, the Chancellor may seek to reduce national insurance contributions by the lower-paid and to compensate for that by increasing national insurance contributions by higher-paid employees? That would directly put—

Mr. Deputy Speaker: Order. That is far too long for an intervention.

Mr. Syms: My hon. Friend has made a good point, which reinforces the need for new clause 14.

Gillian Merron (Lincoln): On a point of order, Mr. Deputy Speaker. I read in the Register of Members' Interests that the hon. Member for Poole (Mr. Syms) has a number of family businesses, remunerated directorships and registrable shareholdings. Are those interests that he should have declared, given that they may influence his contribution to the debate?

Mr. Deputy Speaker: That is a matter for the hon. Member concerned, not me.

Mr. Syms: My interests are all fully declared, which is why the hon. Lady can read them. This is my first contribution to the debate.

New clause 14 would ensure that the Government made a full statement in the FSBR of the cost to the public sector. That is a clear and sensible proposal. I hope that the Government will take it on board, because that would be a sensible way of ensuring informed and transparent debate in future.

Gillian Merron: Further to my point of order, Mr. Deputy Speaker. I appreciate your point that declarations of interest are not a matter for you, but the hon. Member for Poole has not yet declared his interests and I feel it appropriate to the debate that he should do so. Given his directorships and shareholdings and his status as an employer, it is clear to me that he will have a view on how much he pays in wages—

Mr. Deputy Speaker: Order. I have already dealt with that point. Hon. Members are well aware of the rules of the House: it is for them to declare any interests that may be relevant to the debate.

Mr. Syms: I am glad that the hon. Member for Lincoln (Gillian Merron) takes an interest in my affairs.

Mr. Hammond: The new clause relates to the public finances. Like me, my hon. Friend is a taxpayer, so perhaps we should both declare an interest.

Mr. Syms: My hon. Friend makes a good point.

New clause 14 is an important proposal that would allow a more informed debate. I commend it to the House.

Mrs. Roche: We have had a fascinating hour and a half. I listened with great attention to the speeches made by Conservative Members, but it was difficult to establish what they had to do with the new clause.

As hon. Members will know, the "Financial Statement and Budget Report", as its name suggests, is primarily concerned with measures announced in the Budget. The minimum wage is not a Budget measure. The appropriate place to cover the potential costs to the Exchequer of non-Budget measures is the financial memorandum that accompanies the Bill. That is what we have done. We have also covered similar ground in the regulatory appraisal that we published with the Bill, as is quite proper.

Mr. Hammond: Will the hon. Lady give way?

Mrs. Roche: No. The hon. Gentleman knows from debates on the Floor of the House and from our detailed discussions in Committee that I give way extensively, but we have discussed the new clause for an hour and a half,

[Mrs. Roche]

and while it has amused Conservative Members, it has added nothing to the debate. It would not be right to detain the House any further.

The financial memorandum makes clear that Parliament will be given further details of the effects on the public sector when the relevant regulations are introduced in the light of the Low Pay Commission's recommendations. One of the matters that the commission has been asked to consider when formulating its recommendations is the cost to the Exchequer. That may include any impact on employment costs in the public sector. The commission is due to make its recommendations by the end of May, and the Government will respond shortly after.

Any employment costs of the minimum wage to the public sector will vary across different parts of the sector and will depend on the level at which it is set. A regular assessment as required by new clause 14 would not make sense, because such costs would be identifiable only at the introduction of or following an uprating of the national minimum wage. It would be inappropriate and unnecessary to include such costings in this or future FSBRs. If the new clause is pressed to a Division, I ask the House to oppose it.

Question put and negatived.

Clause 2

DETERMINATION OF HOURLY RATE OF REMUNERATION

Mr. Lansley: I beg to move amendment No. 43, in page 2, line 22, at end insert—

'except that payment by an employer of pension contributions to a recognised pension fund on behalf of an employee shall be treated as part of a person's remuneration for the purposes of this Act.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 44, in page 2, line 22, at end insert—

'except that expenditure made by a employer in respect of training that is wholly or partly attributable to a person shall not be treated as part of that person's remuneration for the purposes of this Act.'.

Mr. Lansley: As hon. Members will be aware from their close scrutiny of the Bill, clause 2 enables the Secretary of State to make regulations governing matters that will include, under subsection (4), provision with respect to what is to be treated as remuneration for the purposes of the national minimum wage.

In Committee, we several times tested the Government's intention on what would constitute remuneration for these purposes, and found a surprising lack of specificity. The furthest that Ministers would go was to offer us what was described as an illustrative list of the components of remuneration, which would no more than explain to a good human resources manager what would constitute a list of pay and benefits. One or two specific issues were not covered in detail by amendments, and the debate and subsequent consideration clearly show the desirability, on grounds that I hope to explain, of putting in the Bill the specific treatment of two aspects of remuneration.

I shall speak briefly to each of the amendments, because, although they are rightly linked because they relate to the same clause, they are different in their treatment of specific aspects of remuneration. *[Interruption.]*

Mr. Keith Simpson: On a point of order, Mr. Deputy Speaker. Is it in order for hon. Members who are going to or coming from bed to make such a noise while my hon. Friend is speaking?

Mr. Deputy Speaker: Such matters are entirely for the Chair.

Mr. Lansley: As I was saying, I hope to speak to each of the amendments. They deal with discrete subjects, but both relate to the same clause and specify direct treatments for aspects of remuneration.

Amendment No. 43 relates to pensions. Hon. Members will observe that it seeks to provide that, when an employer makes pension contributions on behalf of an employee into a recognised pension fund, they should be included in that person's remuneration for the purposes of the legislation.

It may be for the benefit of the House to reflect on some of the considerations in the Confederation of British Industry's evidence to the Low Pay Commission. The CBI rightly pointed to the importance of pension contributions as an aspect of remuneration.

The CBI says, for example, that pension contributions are often worth more than 10 per cent. of pay, and that both employers and, indeed, the Government regard such contributions by employers as playing an important part in the establishment in the longer term of a United Kingdom pensions framework and self-sufficiency in pensions.

I know that you, Mr. Deputy Speaker, would not expect me to comment at length on the desirability of self-provision through occupational pension schemes. For the purposes of this debate, it would be reasonable to treat that as self-evident and as a point that is agreed by hon. Members on both sides of the House. The intention of policy should be to maximise the extent to which employees undertake pension contributions that are designed to secure an adequate income in retirement, so that they do not fall back on the Exchequer or the benefit system for a reasonable income after retirement. *[Interruption.]*

Mr. Deputy Speaker: Order. Many private conversations are going on in the Chamber. Would hon. Members please listen to the hon. Member for South Cambridgeshire (Mr. Lansley)?

3.15 am

Mr. Lansley: Thank you, Mr. Deputy Speaker. I was comforted by the fact that, at that moment, at least the Minister of State was listening to me, even if other Labour Members were not. I recognise that, if it matters, the Minister should hear me, rather than other Members, who will do his bidding in this matter.

If we take it as read that the desire of policy is to reinforce rather than to undermine occupational pension provision, what is evident from the CBI evidence—rather than quoting it, I shall render simply my analysis of it—is that there is a significant potential disincentive if pension

contributions are paid outside remuneration for the purposes of the national minimum wage and if the wage is set at anything above a relatively low level. Clearly, all those concerns are predicated on a discussion of a particular rate, and the CBI's evidence is predicated on the difficulty that would arise if the rate were set "at a high level", as it expresses it.

If the rate were set high, and if, as a consequence, employers were placed under severe cost pressures and needed to consolidate what would otherwise be benefits in kind outside basic pay into basic pay to comply with the national minimum wage rate, employers would not, to the extent that we would wish, be willing to contribute to occupational pension schemes in addition to paying the basic wage rate.

That presents us with a serious problem. If we do not know at this point whether pension contributions will be included in or excluded from the national minimum wage, we cannot assure ourselves as a House as to the overall compliance of that policy with broader policies to secure greater self-sufficiency in occupational pension schemes.

Mr. Ian Bruce: My hon. Friend has an advantage over many of us in the Chamber, in that he sat on the Standing Committee. When it got to the regulations, did the Government give any indication as to exactly what they were going to include? Have we had any draft regulations yet that would help the House?

Mr. Lansley: My hon. Friend illustrates part of the difficulty that lies behind tabling an amendment of this sort. Although the Government illustrated for the benefit of the Committee—indeed, the Minister was kind enough to give us a note—the components of remuneration, and although they presented the same note to the Low Pay Commission, pensions were listed in a paragraph at the end simply as one of the items that might be included as a benefit in kind. I am sure that the Minister would not suggest that, in presenting such a note, he intended to say that all benefits in kind had to be included.

For example, tips were instanced as a component of remuneration, but the Minister has not vouchsafed his view whether gratuities and tips should or should not be included, and the circumstances under which they should or should not be included. Therefore, we know only—my hon. Friend makes a good point—that pension contributions on behalf of an employee form a benefit in kind that may be treated as part of that person's remunerative package.

Mr. Hammond: Watching the Minister's face during my hon. Friend's remarks prompts me to put on the record the fact that, in Committee, the Minister made his personal view on tips very clear. What is not clear is what the Low Pay Commission will recommend.

Mr. Lansley: I defer to my hon. Friend, who in Committee tested the Government and the Minister pretty much to destruction on the subject of tips and gratuities. However, we are not discussing that now.

I want to bring my remarks on amendment No. 43 to a conclusion—[HON. MEMBERS: "Shame."] I am surprised; I had thought that the points I was making were self-evident. For some reason, Labour Members seem to think that they are not. Perhaps they will rise and explain why they do not think that my points are self-evident—I think they are.

If the desire is to support occupational pension schemes, we must include in the Bill the provision that employers' contributions should be included in remuneration. Only by that route will we avoid the risk that employers will be under a perverse disincentive to cut pension contributions in order to meet their obligations under the national minimum wage.

Amendment No. 44 relates to training, but its intention is not to determine whether there is a national minimum wage training rate. That is something on which we await advice from the Low Pay Commission and regulations from the Government, using the powers in clause 4 to amend clause 3 by regulation.

We want to follow through the question whether there is to be a training rate, and what the implications would be for training costs incurred by employers. Is there to be a training rate? If the answer is yes, that suggests that that rate is lower than the uniform single national minimum wage rate. If, in addition to a lower rate for trainees, training costs incurred by an employer are also taken into account as part of a trainee's remuneration, the net effect overall will be further to depress the rate of pay for that trainee under national minimum wage legislation.

Unless the Minister or Labour Members suggest otherwise, that would appear to go a long way towards providing a specific disincentive to someone to take up a training post, as opposed to one which has no training but which might attract the full hourly rate for the national minimum wage.

If, however, there is not to be a training rate, what will be the consequences? Paragraph 66 of the Government's evidence to the Low Pay Commission—which I recommend to hon. Members who have not had a chance to look at it—states clearly their view that, even if they were able satisfactorily to define trainees for the Bill's purposes, there would be a risk that having a lower training rate would act as a disincentive to people, particularly young people, to enter a training post rather than a non-training post.

If there is no training rate, the logic of the Government's argument flows through into training costs. Likewise, if training costs are fully taken into account in the remuneration payable to a trainee—and we all know that training costs for relatively young and unskilled people who have a skills backlog to make up can be high in proportion to the cost of employment—that will have precisely the same impact, which is to reduce the amount that is available within the headroom of the national minimum wage to be paid as remuneration directly to that employee. That will put us right back to precisely the point that the Government, rightly or wrongly, suggest is the reason why they may not want a separate training rate.

I make the assumption—although I realise that it is not one that the Minister will confirm today—that the Government do not want a training rate. That is why they have gone to the trouble in paragraph 66 to provide so explicit a steer to the Low Pay Commission—that, instead of going to the trouble of trying to define trainees or running the risk of creating a perverse disincentive against establishing training posts, the Low Pay Commission should treat the age criterion as a proxy for training, and apply a lower rate to all those under 26.

[Mr. Lansley]

If that is the path down which the Low Pay Commission goes, and if the Government accept the commission's advice, including training costs in the national minimum wage will provide the precise disincentive to which the Government object. It would be entirely logical within the structure of the Government's own arguments—as presented to the Low Pay Commission and as will be implemented in the legislation—to exclude training costs attributable to a person from the calculation of a national minimum wage.

If for any reason I am wrong in my assumption—[HON. MEMBERS: "No."] I hear the sounds of Labour Members, who think that it is extremely unlikely that I am wrong; I am grateful for their support in the matter.

Mr. Ian Bruce: I wonder whether my hon. Friend has thought about—*[Interruption.]* I can hardly hear myself speak; I hope that my hon. Friend can hear me. A type of remuneration that could well be coming in the near future is an offer by employers to give employees a specific amount to help them pay back the very large student fees that they will have to pay. Many of them may be low-paid trainees who are just on the minimum wage, part of which may consist of training costs. I wonder whether my hon. Friend has put his mind to that specific situation—which could apply also to people attending technical colleges, who may have to pay for part of their course while they are employed?

Mr. Lansley: I am grateful to my hon. Friend. I had not specifically dealt with that point—which reminds me that, with the imposition of tuition fees and the proposed changes to maintenance grants, there has already been a significant reduction in the number of mature students applying to enter higher education. The reductions show, as one would expect, that Conservative Members understand only too well—rather better than Labour Members sometimes do—the incentive and disincentive effects of costs and charges. We may already be seeing the disincentive effects of imposing additional costs in higher education.

In tabling amendment No. 44, I hope to exclude the risk—to which the Government themselves attribute some importance—that those who are contemplating taking up a post with associated significant training costs for their employer will be discouraged from doing so because they will have to live with the consequence of a much lower wage than they would receive if they were to take a different job without training and the long-term benefits of acquiring skills, but which would deliver to them in the short term the single national minimum wage rate.

Mrs. May: Does my hon. Friend agree that it would be entirely consistent with the Government's policy of lifelong learning and expectation that people will continue throughout their lives to train and retrain in different skills if Ministers were to accept his amendment No. 44?

Mr. Lansley: I am grateful to my hon. Friend, and I entirely endorse her point—which I hope will further encourage Ministers to accept amendment No. 44. The amendment is not remotely destructive, as the Minister has suggested—it is designed to be employee-friendly, and to address the Government's own explicit reservations, as expressed in their evidence to the Low Pay Commission. In a sense, it is designed to reflect not the concerns advanced by Conservative Members—substantially in Committee—but some of those presented to the Committee by the Government, the logic of whose position has not been carried through.

The Government—understandably—have resisted many amendments, saying that they must wait for the outcome of consideration by the Low Pay Commission before making regulations. That is perfectly all right. I am trying to make it clear to Ministers that we do not need to wait for that outcome—that there is a rationale for excluding training costs from remuneration where they are attributable to a person, whether or not there is a training rate in regard to the national minimum wage. The logic applies in both cases, which is unusual.

The argument about pensions is separate. It would greatly enhance the security and comfort of industry if it were made clear now that there is no danger of the broader policy objectives in relation to promoting self-sufficiency in retirement being undermined. I am thinking particularly of low-paid and vulnerable persons who would otherwise be without occupational pension schemes in retirement, and would therefore depend solely on the whim of future Governments regarding the benefits system.

The Government have said that they want to free people from that, through stakeholder pensions and the like. If we can help the low-paid not to rely wholly on benefits when they retire, and create a structure that is not potentially inimical to the provision of occupational pensions for low-paid employees, that too will be an advantage.

On that basis, I commend the amendments.

3.30 am

Mr. Ian Bruce: I am in two minds about amendment No. 43, which was tabled by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley). Hon. Members will have noted that I have not countersigned it, although many amendments have been tabled by us jointly—by a South Cambridgeshire-South Dorset axis.

Let me first observe what the hon. Member for Lincoln (Gillian Merron) mistakenly understands to be the rules of the House, and declare an interest. The issue affects me personally, and has nothing to do with what the hon. Lady was rather foolishly engaged to do on behalf of Whips and Ministers. It is the Stepford tendency. I do not accuse Labour women so much; it is generally the men who do things without understanding the rules.

I am currently a director of a company, which pays only a small pension on my behalf. I do not take a salary, and I think that is important. I also advise the Telecommunications Managers Association. As I am going to describe something that happened to some of its directors, I thought that I should make that specific declaration.

I feel that I should draw attention to a problem with my hon. Friend's amendment, because the Minister will decide on regulations, or regulations will be decided on later. I refer to whether we want a pension contribution to signal that someone is receiving an income—whether a provision in the Bill saying that a pension is part of income can trigger a requirement for someone to do something that Ministers may not have intended.

I am simply saying that many people—particularly directors, but I am not going to repeat the arguments—do not receive a salary from a limited company, but some form of pension contributions are being made on their behalf. I shall not stray too far from amendment No. 43, which refers specifically to pensions, but clearly any other benefit in kind could trigger a situation in which someone becomes an employee according to the provision. I simply flag that up.

I wanted to tell the House about the Telecommunications Managers Association, which has a number of volunteer directors. Although they have portfolios, they work totally voluntarily. When acting on behalf of the TMA, they may be publicly liable. Therefore, quite rightly, the TMA decided to take out public liability insurance for them. The Inland Revenue then decided that they should be treated as employees of the company. It is a relevant issue, and I am sure that you, Mr. Deputy Speaker, know why I am raising it.

Any benefit in kind covered by amendment No. 43 might trigger something that the Minister does not want to trigger in respect of people who are not employed in the normal way. The Minister of State was trying to insist that someone was not an employee because they did not have a contract of service and were working voluntarily; however, they could still be caught by the regulations and by amendment No. 43.

Mr. Boswell: My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) is to be commended for introducing the amendments. They are an example of the focused approach that he and my other hon. Friends have applied consistently in Committee and on Report. The amendments do not represent a blanket solution. Having thought about the issues, my hon. Friend is proposing two different solutions—an inclusive one for pensions and an exclusive one for training. I hope that the Government will not sling the charge that we are trying to include everything in order to depress the real value of the national minimum wage that they intend to introduce.

On the pensions side, I agree with my hon. Friend that pensions are, and should be treated as, deferred pay. As he has said, they are a major cost element in the total remuneration package—one which is even greater thanks to the Government's imposition of an unwelcome pensions tax which has considerably increased employers' costs.

Mr. Ian Bruce: Before my hon. Friend leaves that point, I am sure that he knows that the European Court has already ruled that pensions are part of pay. That was the problem we had about men getting a lesser pension benefit than women. It was why the Barber judgment resulted in our having to change the retirement age for women.

Mr. Boswell: Precisely; although whether it would carry across into the context of the minimum wage is a separate issue which Ministers will no doubt be considering.

On the training side, again I agree with the proposals of my hon. Friend the Member for South Cambridgeshire. I have a rather personal reservation about what might be called the quantum approach to training—the number of hours of entitlement—as I do about counselling. I am not sure whether personal activities should be treated in such a mechanistic way. In any case, there is a real difficulty conceptually in imparting a market value to training. Should it be by reference to the cost of provision and how should that be determined? Should it be at the margin or the average cost or by a commercial counterpart bidding for the service? Would it be necessary for an internal operation to have to work at arm's length in order to establish a transparent cost of training?

I very much agree with my hon. Friend that it would generally be desirable to encourage training by disregarding it for the purposes of the national minimum wage. It is an extremely important activity for the individual worker, in terms of the acquisition of basic skills that he was implying was part of the costs—that is a subject dear to my heart—progressing through national vocational qualifications and others right up to management grades. It is important at all levels of attainment. At the same time—here I add a slight note of reservation—it is important not to structure training in such a way as to create a disincentive to the company to carry it out. In one sense, excluding it from the national minimum wage remuneration package might be said to do that. However, I answer that readily by saying that the training should represent real value to the employer as well as to the employee. It should increase productivity; therefore, it is entirely sensible to draw the balance of distinction as my hon. Friend has done.

Mrs. Roche: I shall deal with the amendments in turn. My reasons for not supporting them are the same in each case, but there are differences between them.

The aim of amendment No. 43 is to ensure that the Bill states that an employer's contributions to pension funds on behalf of the employee will count towards remuneration for national minimum wage purposes. That would reduce the cash value of the minimum wage. No decision has yet been taken on the components of the rate.

The amendment would prejudge the Low Pay Commission's recommendations. The Government's evidence to the commission included a table showing some of the components of pay, which has been sent to all members of the Committee. I know that they found it helpful. That illustrates how complex the issue can be. I make no bones about that. That is why we have asked an independent consultative body to examine the issue and come up with recommendations.

There has been recognition this evening by hon. Members on both sides of the excellent job that the Low Pay Commission is doing. [HON. MEMBERS: "Oh."] The hon. Member for Daventry (Mr. Boswell) was kind enough to praise its work earlier. Hon. Members on both sides also said in Committee that the Low Pay Commission had taken evidence from a full range of employers and employees throughout the country.

Clause 2 will provide the necessary flexibility to reflect whatever recommendations are made.

Mr. Lansley: In relation to evidence to the Low Pay Commission and precedent, does the hon. Lady accept that the Agricultural Wages Board has examined pension contributions? It proposes that employers'

[Mr. Lansley]

pension contributions for employees should be included in remuneration and treated as part payment of the minimum wage.

Mrs. Roche: Tempting though it may be, those are matters for the Low Pay Commission. I do not want to prejudge its conclusions, as the amendments would. Being overly prescriptive would undermine the twin-track process.

The same objections apply to amendment No. 44, which deals with that part of an employer's expenditure that is attributable to training. The amendment would have interesting effects, but the objection to it is the same, regardless of whether such expenditure counted as part of workers' remuneration: the amendment would prejudge the recommendations of the Low Pay Commission.

I said repeatedly in Committee that clause 2 is an enabling clause—it is not prescriptive. The issue is one for the Low Pay Commission. Both amendments would seriously inhibit the flexibility of clause 2. If the amendments are put to a vote, I urge my hon. Friends to oppose them.

Mr. Lansley: I am disappointed that the Minister gave the reply that she had planned before I had moved the amendments. I hoped that I had so constructed my arguments that she might bend and allow at least the amendment on training. I understand that the amendment on pensions would deny the Low Pay Commission the flexibility to come to a different—albeit wrong—conclusion. I thought that I had shown that, whichever way the Low Pay Commission went, the Bill would have provided a reasonable solution.

I am disappointed with the Minister's response. When the time comes, I hope that Ministers and the Low Pay Commission will respond in the regulations to be brought before the House. In view of that, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 3

EXCLUSION OF, AND MODIFICATIONS FOR, CERTAIN CLASSES OF PERSON

Amendment made: No. 21, in page 3, line 9, at end insert—

'(4) If any description of persons who have attained the age of 26 is added by regulations under section 4 below to the descriptions of person to whom this section applies, no provision shall be made under subsection (2) above which treats persons of that description differently in relation to different ages over 26.'.—*[Mr. Betts.]*

Clause 4

POWER TO ADD TO THE PERSONS TO WHOM SECTION 3 APPLIES

Amendments made: No. 22, in page 3, line 11, leave out 'further' and insert

'descriptions of persons who have attained the age of 26 to the'.

No. 23, in page 3, line 17, after 'ages' insert 'over 26'.—*[Mr. Betts.]*

Clause 5

THE FIRST REGULATIONS: REFERRAL TO THE LOW PAY COMMISSION

3.45 am

Mr. Boswell: I beg to move amendment No. 55, in page 3, line 20, after 'regulations', insert

'(or where it seems appropriate to him any subsequent regulations)'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this, it will be convenient to discuss the following amendments: No. 1, in page 3, line 32, leave out 'and'.

No. 2, in page 3, line 36, at end insert

'; and

(f) the extent to which the single hourly rate which the Commission recommends should be prescribed under section 1(3) above will have different economic effects in different areas of the country.'.

No. 75, in page 3, line 36, at end insert—

'(2A) The Secretary of State shall issue to the Low Pay Commission at the time of making the reference referred to in subsection (1) above a statement of objectives indicating to the Low Pay Commission any effects which the Secretary of State wishes to achieve and any effects which he wishes to avoid as a result of regulations to be made under section 1(3) or (4) or 2 above and the Low Pay Commission shall take such objective of the Secretary of State into account in making its report as prescribed by subsection (3) below.'.

No. 57, in page 3, line 39, after 'Prime Minister', insert

'the Chancellor of the Exchequer.'.

No. 58, in page 3, line 40, at end insert

'and the Commission may make such recommendations ancillary to their main recommendations as may seem to them to be appropriate.'.

No. 49, in page 3, line 40, at end insert—

'(3A) The Secretary of State shall lay before both Houses of Parliament a report made under subsection (3) as soon as possible after it has been made.'.

No. 78, in page 4, line 4, at end insert—

'(ca) to prescribe under section 1(3) above a single hourly rate which exceeds the average wage paid to the lowest-paid decile of workers (whether or not the Commission so recommends), or'.

No. 59, in page 4, line 9, after 'State' insert

'promptly and not less than one month in advance of the laying of such regulations'.

No. 60, in page 4, line 14, at end insert

', subject to the laying of a report before each House of Parliament containing a statement of the reasons for the decision in respect of matters contained in these regulations'.

No. 61, in clause 6, page 4, line 15, leave out 'at any time'.

No. 62, in clause 7, page 5, line 25, after '(a)', insert

'within one month of its receipt.'

Mr. Boswell: I judge from your tone, Mr. Deputy Speaker, that you have correctly spotted that this is something of a rag-bag collection of amendments, all of which are key to the operation of the Low Pay Commission. I make no apology for such a collection, not least because some of the amendments should properly have been debated in Committee. Owing to the breakneck pace of our consideration, and despite the fact

that the amendments had been tabled, they were not able to be debated because we caught up with ourselves. However, like a bad penny, they come back and will be discussed. I shall briefly summarise the amendments tabled in the names of official Opposition Front-Bench spokesmen, without adding any particular spin to them. I could leave my remarks at that—not least because I suspect that the House wishes to make progress.

Amendment No. 55 provides that it will not simply be in making the first regulations under sections 1 or 2 of the Act that the Secretary of State shall refer matters specified to the Low Pay Commission for its consideration. Any subsequent regulations would be included. That is a sensible provision. I hope that the Low Pay Commission will be consulted and have important things to do.

Of course, I understand that strategic recommendations must be made at the beginning, but they may need revisiting from time to time. The Low Pay Commission should not feel inhibited from doing that. I suspect that Ministers will say that, under subsequent clauses, such as clause 6, it is open for the Secretary of State to refer any subsequent matters to the Low Pay Commission. It would be interesting if the Low Pay Commission's recommendations were overturned by the Secretary of State. She would have to give reasons to the House for that decision.

Amendment No. 57 would add the Chancellor of the Exchequer to those luminaries, the Prime Minister and the Secretary of State, to whom the Commission must deliver its recommendations. That is, in a sense, a rewrite of new clause 14—which I shall not re-debate—about the role of the Chancellor in economic management and the central importance of all that to the impact on the economy.

In amendment No. 58, we provide that the Low Pay Commission may make ancillary recommendations as may seem appropriate to it. That is simply to prevent the commission from feeling that it cannot go any further than its very limited terms of reference in order to say anything useful about anything else. It may well have something useful to say.

The Under-Secretary was kind enough to say that I had said that the Low Pay Commission was doing a good job. That was a slight embellishment on what I said—although it is certainly going about its work with a will and it should not be prevented from saying anything interesting that it might have to say.

Amendment No. 49 and amendment Nos. 59 to 62 are about dilatoriness. We do not want the Secretary of State to sit on a report when she has it; we do not want her to be slow to bring forward her recommendations to Parliament. We need a reasonable time to consider them.

Amendment No. 61 is slightly different. It relates to clause 6(1), which provides:

"The Secretary of State may at any time refer to the Low Pay Commission such matters relating to this Act as the Secretary of State thinks fit."

The amendment deletes the words "at any time". It is a probing amendment, because we want to know the Government's intentions toward the Low Pay Commission; so far, we have failed to discover them. We should very much like to know how the Government want to use the Low Pay Commission in future. It would be helpful if the Minister of State placed that on the record. *[Interruption.]*

Mr. Deputy Speaker: Order.

Mr. Ronnie Campbell (Blyth Valley): Three pounds fifty an hour.

Mr. Deputy Speaker: Order.

Mr. Boswell: I resume, when calm is restored, by moving on to amendment No. 78, which is qualitatively different from the preceding amendments. It provides that if the Secretary of State comes up with a rate that exceeds the average wage paid to the lowest-paid decile of workers—whether or not the Low Pay Commission had so recommended—she must lay a report before each House of Parliament, containing a statement of the reasons for the decision.

I return to the importance of rates, and the important implications of any escalation in the rate of the national minimum wage for wage costs generally. It is not a simple matter. The figures escalate alarmingly as the national minimum wage increases, as we have shown in relation to the public sector. I shall refresh hon. Members' memories, using the House of Commons research paper for convenience.

At £3 an hour, 7 per cent.—I round the figures—of the working population would be affected; at £3.50, 13½ per cent; and at £4, 20 per cent. There is a sharp escalation from a quite small impact—which, as the CBI has suggested, may be more or less manageable in the economy—at the £3 rate, depending on what happens to differentials, to a very major impact indeed, with or without differentials, at £4.

The implication of amendment No. 78 is that the Secretary of State should be obliged to give reasons for any significant impact of the national minimum wage so far as it is in excess of the bottom decile of earnings. If the Minister of State is sincere in his wish to help poverty wages, he must target his activities, and it seems a reasonable target, within the parameters of what the Minister of State and the Government wish to do, to concentrate on those in the bottom 10 per cent. of earnings.

I apologise for the wide-ranging nature of the amendments. I believe that they raise important points, which deserve a brief Government response, and I commend them to the House.

Mr. Chidgey: I hope that I shall not detain the House long. I shall speak especially to amendments Nos. 1 and 2. They provide for the Secretary of State to refer to the Low Pay Commission for consideration the extent to which a single hourly rate of the national minimum wage may have different economic effects in different parts of the country.

The amendments arise from robust and lengthy debate in Committee and on Second Reading, and reflect the fact that the Government have long argued that, for equity—as they see it—of the national minimum wage, there should be a single rate throughout the United Kingdom. Obviously, the Government intend to lift all those who are on poverty wages out of poverty wages, wherever they arise. Most of us would share and support that sentiment.

[Mr. Chidgey]

The Government also argue that the number of people on poverty wages does not vary much from region to region. If I remember correctly, the Minister gave us the figures earlier—it is about 55,000 in the south-east and about the same in the north-east.

I do not wish to replay the debate in Committee, but the proportion of those on poverty wages varies in different parts of the country. The difference between the proportion of the low-paid working in the south-east and in other parts of the country is particularly significant. That is supported by much evidence from, for example, the new earnings survey, the Low Pay Commission and the Trades Union Congress, and I do not think that it could be questioned or disagreed with. The ratio is substantial. As a proportion, it is about three times as many on poverty wages of less than £3.50 an hour in the north-east as in the south-east. Those facts and statistics are pretty robust.

We have debated at great length the cases for and against regional variations in the national minimum wage. The Government have made clear their position, which is well understood. However, it is important to examine the issue without setting up hypothetical cases that could be knocked down to support the argument, which was a tendency earlier in the passage of the Bill.

I want to address the Government's mind to the fact that there are those concerns—there are changes and variations. If, as we are told and as will no doubt happen if the Bill becomes an Act, there is to be a single national minimum wage rate, determining its economic impact on different parts of the country is a key factor. Because of the nature of the work of small businesses and how they operate, they have a preponderance of the low-waged within their work force. We may argue at length about whether that is a good or a bad thing, but it is a fact and the House would be doing the nation a disservice if it ignored the fact.

That is why I want to press the matter a little further and try to get a response from the Government, who are in danger of setting the Low Pay Commission on the horns of a dilemma. They have decided on a national rate, but if it is to lift the lowest-paid out of poverty in the south-east, it must be significantly higher than the lowest wages paid in other regions. On the other hand, the rate set helps those in the lower-waged parts of the country—

Mr. Ronnie Campbell: Liberal fudge.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Member, but it would be helpful if the hon. Member for Blyth Valley (Mr. Campbell) would conform to the rules of order of this House and allow the debate to continue in the orderly manner that has been its characteristic so far.

Mr. Chidgey: Thank you, Mr. Deputy Speaker. I was pointing out the difficulties that may arise through setting a national rate because of the impact on different economies in different parts of the country.

The Government have made firm statements about setting great store in supporting a new social partnership in terms of industrial relations and our economy—surely something about which few of us would argue. It is to be a partnership between business, employers and Government—all stakeholders in a stakeholder society. My concern is to ensure that that partnership lasts, grows and develops. If that is to happen, we have to take account of the justifiable concerns of small businesses in less prosperous areas.

As the Minister will probably realise, small businesses are concerned about balancing increased labour costs with investment in staff training and increased productivity and against the comfort of knowing that cowboy firms will no longer be able to undercut their competitors by paying poverty wages. Those are the issues at stake.

To achieve and maintain that balance, to reassure small businesses throughout the country and to strengthen the social partnership, it is essential for the Low Pay Commission to tackle the problem of the different economic impacts in different areas of the country as a result of the introduction of a single national minimum wage. As we know, the Low Pay Commission is an independent body. The Government cannot pre-empt its judgment, instruct it to come to certain conclusions or preordain the results of its deliberations. However, to reassure and comfort those who feel threatened or uneasy about the impact of the national minimum wage in their region, the Government can instruct the Low Pay Commission what it may and may not consider.

I do not expect the Government to make any admission tonight of the different impacts, but I should like them to reassure the House that the Low Pay Commission will include in its deliberations a report on the different economic impacts that will occur in different areas. The Government say that the Bill is enabling legislation, and that the detail will emerge from the report of the Low Pay Commission to form the basis of secondary legislation. As we know, the devil is always in the detail. The House needs the details from the commission's report to scrutinise effectively that secondary legislation. I look forward to the Minister's response and, I hope, some reassurance on this issue.

Mr. Hammond: As hon. Members may have noticed, when we come to the end of this group of amendments, we shall be halfway through the selection paper. It will be appropriate to accelerate the pace of debate, so I shall attempt to be brief in my remarks. I shall look forward to hearing what the Minister has to say in reply.

4 am

I shall speak briefly to my amendment No. 75, which would require the Secretary of State, when making a reference to the Low Pay Commission, to give it guidance on the

"objectives . . . which the Secretary of State wishes to achieve".

The Bill requires the Low Pay Commission to take into account the impact of the minimum wage on the United Kingdom economy as a whole and on competitiveness. It avoids the issue that many hon. Members believe to be the most important—the minimum wage's sectoral or regional impact. That issue should be addressed.

There will inevitably be a trade-off between jobs and other objectives behind the minimum wage. The Low Pay Commission should not have to make essentially political judgments and decisions. It is perfectly legitimate to ask it to report on the appropriate level of the minimum wage within parameters that Ministers have set, but unless the minimum wage is set at any but the very lowest level, it will cost jobs. In considering their wider objectives, the Government may have contemplated what cost to jobs they would find acceptable. The amendment would require the Government explicitly to spell out their aims and the relative weight that they give to their different objectives.

I do not want to be unduly controversial, but I take it as read that the Government would rather that the introduction of the national minimum wage had the lowest possible cost to jobs. It was suggested in the financial memorandum that if the national minimum wage was set at a sensible rate, it might have no impact on employment. Both the chairman of the Low Pay Commission and no less a person than the Deputy Prime Minister have publicly stated that that is not the case and that there will, of course, be a cost to jobs. I tabled the amendment to ensure that the Government explain how many jobs they are prepared to see lost and the other objectives that they want to achieve.

To illustrate the point, I set out my prescription for the statement of objectives that the Government would be obliged, if the amendment were accepted, to give to the Low Pay Commission.

One objective might be that the minimum wage should be set at a level that would not have a significant negative effect on jobs. The Secretary of State could also ask the commission to minimise the impact on the most vulnerable regions and sectors, as opposed to the economy as a whole. A single rate, across regions and sectors with different employment characteristics, will clearly affect some more badly than others.

Mr. Letwin: My hon. Friend has listed what he thinks the Government should try to avoid. What would he expect them to include as positive objectives?

Mr. Hammond: I would expect them to list poverty reduction as one of the principal objectives, but there is plenty of evidence to suggest that the introduction of a minimum wage will not have a great impact on poverty, because in-work poverty is a relatively small component of total poverty. I do not suggest that any erosion of poverty is not warmly to be welcomed.

The Government's statement of objectives might include some reference to disproportionate cost, and a cost-benefit analysis. The evidence suggests that the impact on poverty might be quite small. Most commentators have accepted that there will be an impact on jobs. The statement suggested in amendment No. 75 should give the commission an idea of what trade-off between job losses and the reduction of in-work poverty the Government would regard as acceptable.

The commission could then go about its work in a technocratic way, with the political parameters already defined. It could make recommendations that it believed would give effect to the objectives set by the Secretary of State.

Mr. Ian McCartney: Good morning, Mr. Deputy Speaker. I do not believe that anyone has wished you good morning since you came in to chair our proceedings.

The hon. Members for Daventry (Mr. Boswell), for Eastleigh (Mr. Chidgey) and for Runnymede and Weybridge (Mr. Hammond) should know that the subjects of the amendments have been covered extensively in many hours of debate in Committee, including two all-night sittings. That is not to say that we should not discuss them here. I shall deal with each amendment in turn, but without extensive debate, given our previous discussions.

The amendments fall mainly into the category of unnecessary, although not harmful. The hon. Member for Runnymede and Weybridge said two things that should not go unchallenged. First, there is no evidence that a sensibly set minimum wage will cost jobs. Secondly, no survey among employers during the passage of the Bill has been anything but positive.

The Income Data Services survey shows that employers are already moving to increase wages in advance of a national minimum wage, especially for their lowest-paid employees. Already, and even before the introduction of the national minimum wage, employers are beginning to move towards the Government's strategy of preventing and eradicating low-paid employment.

Mr. Hammond *rose—*

Mr. McCartney: I will give way to the hon. Gentleman, because he was such a help to me in Committee.

Mr. Hammond: I accept the Minister's point, but does he agree that the issue is not whether the national minimum wage will reduce low pay but whether it will reduce poverty? Evidence suggests that low wages are not typically paid to heads of households and that the reduction of poverty by the national minimum wage will be relatively limited.

Mr. McCartney: It will do both. The hon. Gentleman's point reveals the heart of the Conservatives' sometimes sexist language. They think it is fine if a husband is well paid, but they think that a wife, by virtue of marriage, should remain badly paid. That is not acceptable. We want to eradicate poverty and to create fairness in the workplace.

Mr. Boswell *rose—*

Mr. McCartney: I would be grateful if the hon. Gentleman will give me a chance to say something about the amendments before I allow him to intervene.

Amendment No. 55 would require the Secretary of State to consult the Low Pay Commission after the initial setting of the minimum wage and before making any further regulations—for example, to uprate the minimum wage—but only

[Mr. McCartney]

"where it seems appropriate to him".

That is neither fish nor fowl and is certainly unnecessary. Clause 6(1) already allows the Secretary of State to refer matters to the commission at any time. The Bill does not need another provision saying effectively the same thing.

Amendment No. 61 would delete the words "at any time" in relation to the Secretary of State's power to make further referrals to the Low Pay Commission. That is contrary to the proposals in new clause 8, also tabled by the hon. Member for Daventry. It is also unnecessary, because the deletion would make no difference to the meaning of the provision except perhaps to make it less clear.

Amendments Nos. 1 and 2 would add to the matters that the Low Pay Commission must consider. They would make the commission take into account the different economic effects of the minimum wage in different regions. I can assure the hon. Member for Eastleigh that the amendments are unnecessary. The remit of the Low Pay Commission already covers that issue. My right hon. Friend the President of the Board of Trade sent a letter to Professor George Bain, chairman of the commission, on 23 September 1997, which stated:

"the Low Pay Commission should have regard to the wider economic and social implications; the likely effect on the level of employment and inflation; the impact on the competitiveness of business, particularly the small firms sector; and the potential impact on the costs to industry and the exchequer."

It is clear that any consideration of the wider economic implications would include the differing circumstances around the country and that is exactly what the Low Pay Commission has done.

The hon. Member for Eastleigh, in his short contribution to the debate, made an important point and I do not disagree with it, but I shall approach it from another angle. It is right to say that the percentage of the work force that suffers from low pay differs between the regions—significantly in some cases. However, that percentage is irrelevant to the individuals who suffer from low pay. That percentage does not pay their bills or put money in their children's pocket. It does not pay the rent or the electricity and gas bills, and it does not enable them to put money aside for pensions, holidays, Christmas or all the other things that many families take for granted.

After 18 years of Tory government, the level and intensity of low pay is almost identical in each region—north, south, east and west. For example, in the south-west, 87,000 people earn less than £2.50 an hour and more than 55,000 families receive family credit. In London, the figures are the same—87,000 people earn less than £2.50 an hour and more than 55,000 families receive family credit. In Yorkshire and Humberside, 89,000 earn less than £2.50, with more than 85,000 families receiving family credit. It is the same across the country, in region after region.

Mr. Chidgey: Does the Minister accept that the amendment was not intended to dispute those figures? It dealt with whether a single national minimum wage would have different impacts on different regional economies. I agree about the effects of poverty on individuals and about the number of people in poverty.

Mr. McCartney: The hon. Gentleman, in most of what he said on Second Reading, in Committee and now, has supported the concept and principle of the minimum wage, unlike official Opposition Members who have mostly tabled proposals that attack the heart of the Bill. Except for one amendment in Committee, he has rightly chosen not to do that. He believes in the principle of a minimum wage. I accept that his strength of feeling on the matter is no less than mine.

4.15 am

Hon. Members know that the commission has gone far and wide in its pursuit of evidence. It has visited a number of regions in England as well as in Scotland, Wales and Northern Ireland. It has been as thorough a piece of consultation as I can imagine, and has been warmly welcomed by business, employee organisations, trade unions and low pay organisations. Across the country, it has been appreciated that the commission has carried out its work thoroughly.

The hon. Member for Eastleigh need not worry, although I suspect that I may be not be able to stop him. Veterans of the Committee know that this is not the first time that we have heard those points from him. If he is still not convinced that the Low Pay Commission is paying full regard to regional differences, I have further good news for him. The Government's evidence to the commission deals with variation between regions. Paragraph 22 states:

"The Commission have been asked to recommend a single national rate. However, this rate will need to apply in a range of different local circumstances."

The evidence goes on to provide a wealth of data analysing pay in different geographical areas. Nowhere does it attempt to gloss over variations in the cost of living, labour market and industrial composition of various regions. Those are important matters that need to be considered by the commission, and it will do so.

I emphasise again what some hon. Members have heard me say before: low pay exists in all regions. There is poverty pay everywhere in the country and it will take a national minimum wage to end it. I hope that what I have said will mean that the hon. Member for Eastleigh will not press his amendments. If not, I must urge the House to vote against them.

I apologise to the hon. Member for Daventry, whom I invited to intervene earlier.

Mr. Boswell: I am grateful to the Minister for his courtesy in remembering. In a sense, the occasion has passed. As he accused Conservative Members of being in a degree sexist, will he confirm that he will oppose any proposals to rescind the major social advance created by the Conservative Government of independent taxation for husbands and wives?

Mr. McCartney: I may have an accent similar to that of the Chancellor but I am not my right hon. Friend and the hon. Gentleman will have to wait. It was a previous Labour Government who introduced equal pay legislation in the teeth of opposition from Conservative Members. I remember the arguments from when I was a small lad. I am still a small lad, but slightly older.

That reminds me that I recently went to a function to talk about social partnership. Just before I went on stage, a helpful gentlemen told me that the podium was large

and that they had got me a box to stand on. I thought that it was a joke until I got out there. The good news was that there was a box; the bad news was that it had wheels.

Conservative Members used to argue that equal pay would lead to hundreds of thousands of job losses among women. Not only was that not true; more women are in the labour market than ever before. That trend will continue with the Labour Government's proposals for assisting with pre-school and after-school facilities that will allow many women who are carers to take opportunities in the labour market that did not exist under the Conservative Government.

Amendment No. 75 focuses on the remit of the Low Pay Commission. It would require the Secretary of State to set objectives for the outcome he or she wished to achieve as a result of the minimum wage, which the commission would have to take into account. The commission would also have to take into account any objectives the Secretary of State did not wish to achieve.

Given those dictatorial requirements, I wonder why the Secretary of State would want to refer matters to the commission in the first place. The amendment would, in effect, dictate to the commission what its report and recommendations should say. It would undermine the commission's independence and be entirely counter-productive. I have said many times how much I value the commission as a source of advice to the Government. There would be no better way of impeding the commission and its works than by putting it in the straitjacket proposed by the amendment. The amendment falls into the "harmful" category and I ask the House to reject it.

Amendment No. 57 would require the commission to report to the Chancellor of the Exchequer, as well as to the Prime Minister and the Secretary of State. We have already covered this issue in Committee. The Bill reflects the dual reporting arrangements established for the school teachers pay review body. That does not imply that only the Prime Minister and one Secretary of State will be involved. The amendment falls into the "unnecessary but slightly irksome" category, because it is plain to me that the commission's report will be considered collectively, as part of the good administrative practice of the Government. The Government will put a collective effort into presenting evidence to the commission; no doubt it will come to a collective view on what emerges. There is no need for an amendment that seeks to single out individual members of the Cabinet in this respect.

Amendment No. 58 falls into the "slightly obscure" category, even after the explanation offered by the hon. Member for Daventry. It seems to suggest that the commission could downgrade its recommendations on the key factors referred to it by the Secretary of State—for example, the rate for the minimum wage—by comparison with other recommendations. It is, of course, open to the commission to set out its recommendations as it wishes, so the amendment is unnecessary. In addition, it remains open to the Secretary of State to determine the outcome. Amendments Nos. 49, 59, 60 and 62 have to do with various reporting requirements and they are all unnecessarily overprescriptive.

I invite the hon. Member for Daventry to indicate whether he wishes to press the amendments to a vote. If he does, I shall ask Labour Members to resist them. I hope that hon. Members on both sides of the House will be reassured by the answers I have given in respect of the issues raised by the hon. Members for Eastleigh, for Daventry and for Runnymede and Weybridge.

Mr. Boswell: This has been an interesting debate that has ranged across many different issues. I do not entirely accept what the Minister has said, especially in respect of amendment No. 58. I should be tempted to take the mind of the House on the amendments. Given the width and breadth of the group, some of my colleagues might feel more strongly than I do. To borrow a phrase, perhaps we should just see how it goes.

Amendment negatived.

Clause 9

DUTY OF EMPLOYERS TO KEEP RECORDS

Mr. Chidgey: I beg to move amendment No. 3, in page 7, line 28, at end insert—

'(2) Regulations made under this section shall require employers to keep records in respect of—

(a) full–time workers;

(b) part–time workers;

(c) home workers;

(d) agency workers; and

(e) such other classes of worker as may be prescribed

and may impose different requirements in respect of different classes of worker.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 63, in clause 29, page 20, line 2, after 'so', insert 'without good reason'.

No. 64, in page 20, line 11, after 'particular', insert

'or knowingly fails to disclose any record or information which he knows to be relevant to the case'.

No. 65, in page 20, line 18, at end insert—

'(5A) A person should not be prosecuted under this section unless the officer investigating the case is satisfied that all reasonable steps have been taken to satisfy the interests of the worker or workers concerned through the civil proceedings set out elsewhere in this Act.'

No. 4, in clause 33, page 22, line 14, after 'section', insert 'and section 9(2) above'.

Mr. Chidgey: The amendments would require employers to keep records of full-time workers, part-time workers, home workers and agency workers. Their fundamental thrust concerns the plight of people who want to be home workers for reasons of economic necessity and who fall foul of what can only be described as criminal schemes to fleece them of what little cash they have.

Last week, with the help of my staff, I uncovered a scam. It is a simple affair. People respond to an advertisement in the free papers that are available in all parts of the country. It offers an opportunity to work at home and to earn substantial amounts of money. When they send their post-paid return envelope, back comes a load of literature telling them how they can earn £1.50 to £2 per envelope. It must be a magic envelope. The company thanks them for their inquiry and tells them that they have been specially selected because it needs people

[Mr. Chidgey]

in their area to do this work from home. It explains that they will have a chance of financial freedom and an opportunity to make as much money as they want.

Such companies are anxious to engage only serious people. To ensure that people are serious, they are asked to pay a small registration fee of £10, £15 or £20. I am advised by the National Group on Home Working that people part with their money and receive useless stuff that they are told to assemble into a kit and to send back to the firm concerned. They do so, only to find that they have failed to meet the quality standards that the firm says they must meet, although it does not define them. People do not get paid £2 or even £1.50 an envelope, and they do not get their registration fee back.

That is just one example of criminal behaviour under the guise of providing work for home workers. My staff pursued the case and went to the address on the information that was sent to them. The fancy address referred to a suite in London but it turned out to be one of several letterboxes on the wall of a little post office or corner shop in London. When the proprietor saw my staff trying to find what on earth was going on, he said, "We have had many people trying to get their £15 back."

4.30 am

The amendment illustrates the need for keeping records for home workers so that we can try to check on people who make dubious or criminal offers of employment—which turn out to be non-employment—to home workers who are already desperately short of money. I have given just one example of what is going on. The Minister will be aware of a code of practice that has been put together by the Advertising Standards Association. The Minister will be interested in the comments and recommendations of the National Group on Home Working. My amendment provides an opportunity to raise this issue and to warn people of the risk of being criminally parted from their money by those selling bogus home working schemes.

Mr. Forth: What is the process of registration? The hon. Gentleman speaks about it as if it is the answer to all the problems that he has outlined but I am not clear on whom the responsibility for registration will fall and how it will work. Can he give us more details?

Mr. Chidgey: I should be delighted to do that. If the right hon. Gentleman refers to the Bill he will see the necessity for employers to keep records. National minimum wage officers will make sure that employers maintain such records. *[Interruption.]* Perhaps I may be allowed to explain the matter. The right hon. Gentleman surely understands the need to ensure that employers who deal mainly or totally with home workers keep records for them that are as full as those that are kept for full-time employees working in company premises.

Mr. Hammond: Does the hon. Gentleman agree that it is also essential for home workers to keep records because the employer will not be privy to everything that goes on in the homes of those people and how many hours are spent on a given task?

Mr. Chidgey: I do not disagree with the hon. Gentleman. If he is aware of the recommendations offered by the National Group on Home Working, he will know that it is eager for home workers to keep such records and to join the group so that they have additional protection.

I think that I have clearly explained the reason for the amendment and I hope that the Minister will be able to provide some comfort and perhaps provide information on how the Government are addressing a serious issue that could affect many thousands of the poorest people in society.

Mr. Boswell: I do not intend to follow the line of the hon. Member for Eastleigh (Mr. Chidgey), but that does not mean that I am out of sympathy with what he said. The amendments in my name and that of my right hon. Friend the Member for Wokingham (Mr. Redwood) are somewhat different, but they are of a piece because they reflect the concern of many hon. Members to get the legislation right and to ensure a fair income. As the Minister knows, perhaps more concern was expressed about what is now clause 29 on legal offences than on almost any other part of the Bill. That is proper, because criminal offences are serious matters and prosecutions should not be lightly undertaken. They certainly have a major impact, particularly if an employer is guilty of a technical offence.

I know that the Minister will tell me that the intention is that prosecutions should be reserved not for technical offences, but for serious failures to comply with the legislation. We have no time for proceedings against technical offences either, but it is important that we do not stumble into something by accident.

Amendment No. 63 requires that a person should be required to keep or to preserve any record and that, if he fails to do so "without good reason", that would be an offence. We added the words "without good reason" because we were concerned that people might inadvertently have records destroyed through no fault of their own. For example, I mentioned in Committee the possibility of the millennium bug, a fire or even a malicious employee destroying records. Those are all potential scenarios. I think that the Minister has covered this in a different group of amendments by providing for a due diligence defence, but I should be grateful if she would comment on the matter.

Amendment No. 64 relates to a different point, which goes back to the exchanges between my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) and the hon. Member for Eastleigh. It relates to people who may have information that they know bears on the case, but which they are not disclosing. I do not know whether the aims can be effectively achieved but, again, I should appreciate a response from the Minister.

If people are asked for material about a particular case and disclose some material that may or may not have been requested, but knowingly fail to disclose something else that they clearly know is relevant to the case—for example, if a home worker has kept home-working records that give a different story from the one that he or she claims—that should, in principle, be an offence. It is not an easy one to prove. There is an important point of balance here between the liberty of the individual, whose business and reputation may be at risk, and the aim of the provision.

I broadly describe amendment No. 65 as a last-resort amendment. We ask that the prosecution should not be proceeded with unless it is absolutely the last resort in that civil remedies have failed. That is entirely consistent with paragraph 44 of the regulatory appraisal that the Department has produced, which says:

"We would not expect the enforcement agency to pursue criminal prosecutions except as a last resort after other enforcement mechanisms had failed, since the main purpose is to ensure compliance rather than exact punishment. But there needs to be a penalty for any who continue to flout the law."

I have no difficulty with that paragraph. Indeed, we have tried to put it into legislative form in our amendments.

Mr. Collins: I should like to confine my remarks to amendments Nos. 3 and 63. I shall take the second of those first.

It is important to bear in mind the fact that the records of many employers are, through no fault of their own, destroyed, as my hon. Friend the Member for Daventry (Mr. Boswell) has said. A few months ago, a farmer constituent came to me in considerable distress because his family farmhouse had been burnt down and all his agricultural records had been destroyed. With the destruction of his records, he was unable to qualify for important Ministry of Agriculture, Fisheries and Food grants that he would otherwise have received. Therefore, because of that fire, he lost a material amount of income.

Without amendment No. 63, there would be a further risk. Farmers or other employers whose records were destroyed through no fault of their own—in the case of my constituent, the fire destroyed his home as well as his records of work—could find themselves liable to criminal proceedings for not having kept records. It was their intention to keep those records, but they were destroyed through fire, an act of God or another form of natural or man-made disaster. Amendment No. 63 is important for that reason.

Amendment No. 3, tabled by Liberal Democrat Members, is important for an entirely different reason. It is the point at which their mask slips. It has often been their contention that Liberal Democrats are the moderating influence on the Government; that they help to pull the Government towards the centre on some issues; and that in particular, unlike the Government, they have a long-standing tradition of support for enterprise, entrepreneurship and successful businesses. However, amendment No. 3 would take the provisions of an exceedingly bureaucratic, interventionist and top-down Bill and make them even more onerous on employers by specifying in great detail the way in which records, which are already required under the Bill, have to be kept and set out in different categories. For that reason, the House should reject amendment No. 3.

Mr. Bercow: I concur with my hon. Friend's sentiments. Does he agree that it would be marginally less bad if the Government had specified in the Bill the different regulations that would apply to different categories of worker? In fact, the pain would be much worse under the Liberal Democrat proposal because the regulations, which will contain various differences in respect of different categories of workers, will materialise months or possibly years hence. So we have not only the tedium of the differences, but the pain of waiting to discover what the differences are.

Mr. Collins: Indeed, there is considerable pain and absolutely no gain for an employer, which shows how the Liberal Democrats are now a party of the left—the hard left—which has abandoned any pretence of being a pro-business party, or even an enterprising party. That is why amendment No. 3 should be rejected.

Mr. Hammond: I want to make a few brief comments about amendment No. 64.

Mr. Chris Mullin (Sunderland, South): On a point of order, Mr. Deputy Speaker. Would it be in order to add 5p to the rate of the national minimum wage for every hour that this nonsense goes on?

Mr. Deputy Speaker (Mr. Michael Lord): That is not a point of order for the Chair.

Mr. Hammond: More frightening would be to take 5p off the rate of the national minimum wage for every hour during the night that the hon. Member for Sunderland, South (Mr. Mullin) has not been in the Chamber listening to the debate.

Amendment No. 64 would create an offence of withholding information that is available and required in a relevant case. I want to take the Minister back to the question of asymmetry. There is no requirement in the Bill on workers—and I am referring specifically to home workers—to keep records. That point was raised earlier and I thought that I saw the Minister nodding to suggest that she recognised that there was a need for such a requirement. However, she did not deal with that in her speech, so I would like her to touch on it when she replies to this debate.

Does the Minister agree that for an employer even to know whether he has met his legal obligation to pay the minimum hourly rate for each hour worked in the case of a home worker, the home worker must keep records? It would be both consistent and symmetrical if the Bill contained an obligation for that home worker to keep records, in the same way that there is an obligation on the employer to keep records.

Mrs. Laing: I am concerned about the additional bureaucratic burdens which the requirement to keep complicated records will place on businesses, and especially small businesses. It would be interesting to know whether the Government have carried out, or intend to carry out, a compliance cost assessment, especially in relation to small businesses.

It is a serious matter to place a burden on employers, especially small employers, that can lead to criminal penalties, not just civil duties. A duty may be perfectly reasonable for a large company that has a large personnel department, legal advisers, accountants and so on, whereas a small business does not have those advantages and often has difficulty coping with bureaucratic requirements. Many small businesses in my constituency are struggling to keep afloat while satisfying the bureaucratic demands of the Inland Revenue and others to fill in forms. It is likely to be the final straw for such

[Mrs. Laing]

businesses if extra bureaucratic requirements are placed on them without the Government having considered a compliance cost assessment and the consequences, which are also consequences for the employment of the very people whom the Government say they want to protect.

4.45 am

Mr. Roger Gale (North Thanet): I should like to speak primarily to amendment No. 65, although I should like first to comment on amendment No. 3. The hon. Member for Eastleigh (Mr. Chidgey), although suggesting the wrong solution, has highlighted a very real problem. Probably every hon. Member has represented constituents who occasionally have been fleeced by fraudulent—that is the only word for them—home-working organisations, or so-called organisations, which ultimately turn out to be, as the hon. Member for Eastleigh has so graphically described it, a fly-by-night letter box drop somewhere in north London. Someone runs off with a lot of money belonging to some of the very poorest people in the country.

The hon. Member for Eastleigh has, therefore, identified an absolutely genuine need. However, I agree with my hon. Friend the Member for Westmorland and Lonsdale (Mr. Collins) that amendment No. 3 is a top-down solution. There must be a way under the straightforward fraud provisions of the criminal law in which we can bring to book such so-called companies. However, it is a matter not only of bringing them to book, but of then preventing them from springing up under another name, 30 seconds after they have gone into liquidation, with someone else's money.

With due respect to the hon. Member for Eastleigh—who has clearly put much effort into his amendment and who raises a real concern—I do not think that his amendment is the way forward. I shall, therefore, be unable to support it, although I have great sympathy for his cause.

I speak now to amendment No. 65. For 15 years, I have represented the constituency that has had the highest unemployment level in the south-east. It gives me no satisfaction to say that, although that unemployment rate is—or was—falling dramatically because of the previous Government's economic policies. Much of our new employment has been created not by very large companies moving into the constituency—they have not—but by small companies which are often one or two-man businesses. Those people occasionally grow sufficiently to be able to take on, very often, a young person—the type of person at whom the new deal is supposed to be directed.

The entire Bill represents a very considerable disincentive to those small businesses to take on new employees. Not only are small businesses now thinking that they will not take on new employees, but—in some instances, in family firms in which a husband and wife have taken on someone—they are determining whether they can lay off people by working longer hours themselves. They know that their business will not be able to sustain any meaningful minimum wage level.

If one imposes on that disincentive an entirely new structure and the threat of criminality for failing to comply with some pettifogging bureaucracy, there will be an even greater disincentive to small businesses to take on the new employees whom I, as their Member of Parliament, want them to be able to employ. I agree entirely with my hon. Friend the Member for Daventry (Mr. Boswell) that any measure enforced through the criminal law should be a measure of last, not first resort.

All hon. Members have had experience of two types of people: of rogue employers, for whom I have absolutely no sympathy; and of disgruntled employees—who will make any complaint whatsoever against someone who, in good faith, has taken them on and tried to employ them well. Such employees have simply not come up to scratch by satisfying the requirements of the job. After they are fired, they go away and make one complaint after another, of one type or another. I believe that, if such a person can now go straight to criminal law before having exhausted the civil remedies that are already available, employment in my constituency, and every constituency represented by every Member of Parliament, can only fall. Small businesses simply cannot bear such a burden, and to suggest that they can does no service to future employment in this country.

Mrs. Roche: The amendments are mainly to do with the requirement to keep records, and with related offences.

Before dealing with the amendments specifically, let me explain the context of the Government's approach to enforcement. We devised the provisions broadly on the basis of a number of key principles. The first was effectiveness. Like all hon. Members, we want to ensure that those who flout the law are punished, and that any wrong that has been done is put right. Let me repeat what I have said a number of times in the House and in Committee: we are talking about a very small number of employers. Of course most employers obey the law and will want to comply with the Bill, and I cannot imagine that the Opposition will want to oppose the principle.

Secondly, we have built in flexibility. A number of enforcement routes are provided—enforcement by the individual or by the enforcement officer, enforcement by civil or by criminal proceedings, enforcement through industrial tribunals and enforcement through the courts. We have also allowed for the possibility of conciliation in cases of underpayment, and for such cases to be resolved without a tribunal. That approach avoids heavy-handedness and, I hope, will allow cases to be resolved swiftly and efficiently.

Finally, we have said that we want to consult on regulations under the Bill, including any regulations relating to enforcement—on record keeping, for instance. The feedback that we are getting from business, both large and small, suggests that our approach is broadly welcomed by the business community.

Reference has been made to our approach to small business. I entirely agree that small business is vital to the country's welfare, and I take a close interest in the issue. I think we can say that, in their short life, the current Administration have done a great deal for small business—so much, indeed, that, according to a recent survey, we are now in the political lead in the small business community. Small businesses admire not only our approach to the economy, but every other legislative aim that we have.

Amendment No. 3 is linked with amendment No. 4, which is purely consequential. I understand what the hon. Member for Eastleigh (Mr. Chidgey) was saying, and

sympathise with his case, which was echoed by the hon. Member for North Thanet (Mr. Gale). Amendment No. 3, however, is rather prescriptive: it seeks to prescribe the type of records that employers will be required to keep by making sure that records are kept for all workers in all categories. I have every sympathy with the thought behind the amendment.

Of course records should be kept for all types of workers, not just those conforming to the so-called standard pattern of full-time or nine-to-five work. We all know that the workplace is extremely varied, and is becoming even more complex. That is why, although sympathising with the hon. Gentleman's motives, we will ask the House to reject the amendment—if I do not manage to persuade the hon. Gentleman to withdraw it.

Mr. Chidgey: I follow the points that the Minister is making. My speech emphasised my particular concern about the abuse of people attempting to get home work. I would be grateful if she would address that specific point, as well as the main context and thrust of the amendments.

Mrs. Roche: Yes. We are interested to hear the point that the hon. Gentleman raised. I am sure that my hon. Friend the Minster of State would like to discuss the matter with him and that it would be a useful discussion. We deliberately did not make clause 9 prescriptive—rather, it provides the power for the Secretary of State to make the required regulations regarding record keeping. We shall not know exactly what records will be needed until the Government decide the detail of how to implement the national minimum wage in the light of the Low Pay Commission report. As I have said, we want to consult the business community about regulations, particularly on record keeping. It is quite right that the hon. Gentleman wants to make representations and we shall listen carefully.

The regulations will set out the type of records that employers will be required to keep and how long records must be kept. They will also provide differently for different circumstances and descriptions of worker. We chose that direction for very good reasons—to provide time to consider what records should be kept and to give flexibility. We want to avoid imposing unnecessary burdens on business.

Mr. Ian Bruce: Has the Minister considered whether there will be any de minimis requirements? For example, some people employ a cleaner for two or three hours a week. It is a low-pay sector that may concern the Government. Will there be a simple form of record keeping for the single householder who has taken someone on in that way?

Mrs. Roche: Of course we shall ensure that we do not impose unnecessary burdens on business. That is precisely why we chose the route we did and why consultation is important. Indeed, businesses in the hon. Gentleman's constituency may want to participate in that consultation. As I have said already, business has welcomed our approach.

The hon. Member for Runnymede and Weybridge (Mr. Hammond) mentioned home workers and I understand the point that he made. In many, if not all cases, under the employment contract or understanding with the home worker, the employer requires the home worker to keep records.

The Government have already explained that they will be consulting business on all the draft regulations. The recommendations of the Low Pay Commission will also be important, especially regarding the calculation of a worker's hourly rate for minimum wage purposes and the length of the reference period. All those factors will play an important part in determining the exact nature of the records that employers must keep. We believe in consultation and that is why the views of the business community have a key role before specific regulations are decided.

Clause 9, in conjunction with clause 49 which allows for regulations to make different provision for different cases, provides such flexibility. The amendment, on the other hand, is too prescriptive and ought to be rejected.

Amendments Nos. 63 to 65 relate to offences in relation to record keeping and more generally. I said in Committee and again in the House that clause 29, which covers offences, closely follows earlier legislation. As I said in Committee, the Government are not breaking new ground and we are content with the way in which the clause is framed.

Amendment No. 63 would affect subsection (2) of clause 29—the offences clause—which deals with the failure to keep or preserve any record in accordance with the regulations made under clause 9. The amendment would weaken the clause by adding the words, "without good reason". That would allow an employer to rely on having a good reason for failing to comply.

As I said in Committee, we do not expect substantial numbers of criminal prosecutions. However, when there are prosecutions, it will be necessary to prosecute effectively. The hon. Member for Daventry (Mr. Boswell) recognised that. To have good law, enforcement provisions must be as effective as possible. The amendment would change the nature of the offence, making successful prosecution more difficult, because it would be necessary to show that there was no good reason for the breach.

5 am

The amendment would also be inconsistent with earlier legislative treatment of the failure to keep records, which did not allow good reason as a ground for failure to comply. Again, I am referring to section 19(4) of the Wages Act 1986. I made a great deal of reference to that Act in Committee. It does not take a genius to remember that it was enacted under a previous Conservative Administration. I did not notice any great outcry about the criminal sanctions in it.

The provisions in clause 46(4) already provide an employer with a defence in terms of his duty to keep records. If he can prove that he exercised all due diligence and took all reasonable precautions to ensure that he and any person under his control complied with the provisions of the Bill and any regulations made under it, he has a defence against a charge under clause 29(2).

Amendment No. 64 appears to go in the opposite direction from amendment No. 63, making the clause harsher. That would be a great problem for enforcement. It appears to strengthen the clause by adding a provision explicitly covering a person who knowingly fails to disclose any record or information that he knows to be relevant. It would, however, go beyond the equivalent

[Mrs. Roche]

provision in the Wages Act 1986—section 21(1)—on which clause 29(4) is modelled. The Conservatives enacted and supported those measures when in government. We have modelled our provisions on the same legislation, but the Conservatives still object that we are breaking new ground on such offences. Nothing could be further from the truth. The amendment is unnecessary and I ask the House to reject it.

Amendment No. 65 would require the officer investigating a case to be satisfied that all reasonable steps had been taken, by civil proceedings, to satisfy the interests of the worker or workers before proceedings were commenced for any of the offences in clause 29. Under our proposals, criminal proceedings would be a last resort. However, failure to pay the minimum wage is not the only criminal offence. It makes no sense to insist on going through civil procedures for some of the other offences.

We have demonstrated a flexible approach. There are criminal sanctions, but they are a last resort. I ask the House to reject the amendments if they are pursued.

Mr. Chidgey: I have listened to the Minister's arguments; I am very pleased that she has taken seriously the points that I raised and that I will have an opportunity to discuss them with her. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 11

POWERS OF OFFICERS

Mrs. Roche: I beg to move amendment No. 13, in page 8, line 41, at end insert

'(as in force when the award is made)'.

Mr. Deputy Speaker: With this, it will be convenient to discuss Government amendments Nos. 14 to 19.

Mrs. Roche: The amendments remove a number of possible ambiguities from the clauses dealing with enforcement and the right to appeal. I shall deal with the most straightforward first. Amendments Nos. 13 and 17 ensure that it is absolutely clear which national minimum wage rate is to be used for calculating the amount of the penalty. Amendment No. 13, which amends clause 11, refers to the award for failure to allow access to records. Amendment No. 17, which amends clause 19, refers to the financial penalty for non-compliance with an enforcement notice.

In both cases, we want to make it clear that the relevant national minimum wage rate is the rate in force when the award is made. That avoids any difficulties that could arise if the national minimum wage rate were changed while a complaint was being pursued. It is a small, technical change, but one which we believe is necessary to avoid ambiguity.

Amendment No. 14 deals with enforcement notices relating to groups of workers. It ensures that enforcement notices can be framed so that they apply to a whole group of workers by description.

Amendments Nos. 15 and 18 and the consequential amendments address an issue that was raised in Committee. We had an important debate on whether the enforcement officer's opinion or objective facts should be considered when establishing grounds for a successful appeal in clauses 17 and 20. As currently drafted, there is a possibility, however small, that the clauses could be interpreted as equating the enforcement officer's opinion—we had extensive debate on this—that there were grounds for serving the notice with the factual state of affairs. That is, of course, not the Government's intention.

I clearly pointed out in Committee that an officer, like any public servant, will act reasonably by definition. The officer's opinion must therefore be based on fact. The hon. Members for Daventry (Mr. Boswell) and—if my memory serves me right—for Runnymede and Weybridge (Mr. Hammond) will be particularly pleased to note that the amendments remove any possibility of doubt on that score. It is the facts which count. I hope that this is a good example of the Government listening to the debate in Committee.

Amendment No. 15 also clarifies the position in relation to an appeal against a notice involving more than one worker. Paragraph (a) deals with a situation where a notice is wholly wrong, and paragraph (b) deals with a situation where a notice rightly relates to some workers, but wrongly relates to others. In conjunction with subsection (8), as amended, that allows a tribunal to rectify such a notice by eliminating all references to the wrongly included workers.

The group of amendments is very much in the nature of good housekeeping. They are in order to remove any possible ambiguity, however small. They are a very good illustration of how, as my hon. Friend the Minister of State says, the Government are determined to get the Bill right. I commend them to the House.

Amendment agreed to.

Clause 15

NON-COMPLIANCE: WORKER ENTITLED TO ADDITIONAL REMUNERATION

Mr. Bercow: I beg to move amendment No. 41, in page 11, line 18, at end insert—

'plus two per cent above the prevailing Bank of England base rate.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 68, in page 11, line 21, at end add—

'(4) The entitlement to additional remuneration referred to in subsection (1) above shall be limited to an amount as described in subsection (2) above which relates to a period of 12 months immediately preceding the service of a notice under section 17 of this Act or the initiation of civil proceedings for breach of contract in respect of the alleged underpayment.'.

Mr. Bercow: The purpose of clause 15, which the amendment tabled in my name and that of my hon. Friend the Member for Daventry (Mr. Boswell) is designed to amend, is to secure additional remuneration for employees who are deprived of the payment to which they are entitled.

As far as I am aware, none of my hon. Friends has any objection to clause 15. I certainly have no objection to it in so far as it is designed to improve the remuneration of workers. My problem with clause 15, as the Minister of State will recall from our discussions in Committee six weeks ago, is that I do not feel that it adequately secures that objective.

There is no inconsistency in opposing the principle of the minimum wage and believing that, when that national minimum wage is on the statute book, people should receive it, and that, if they do not receive it, they should secure recompense as a result. I do not want there to be a law on the statute book that is, wilfully or otherwise, disregarded by a minority of employers, for which disregard employees are unable to secure redress.

The Government have said until now, in clause 15, that employees should be entitled to the difference between the payment that they did receive and the payment that they should have received in any given pay reference period. It is not accurate in any real sense to describe that differential payment as additional remuneration for the employee. I am not quibbling with the Minister about his good intent, but I genuinely believe that it does not constitute additional remuneration.

The difference between what the employee did receive and what he should have received cannot in any reasonable sense be considered to be additional remuneration. It is simply the remuneration under the terms of the Bill, soon to be the Act, to which the employee is entitled. That is not additional remuneration. Additional remuneration would be something over and above that difference, and something that reflected the period of non-payment that the employee had suffered.

I raised that point in Committee, as the Minister of State will recall, on 27 January 1998 at columns 493 to 496. Fittingly, it is exactly six weeks since that debate took place. On that occasion, I think supported by a number of my hon. Friends, I argued for the payment of compensation for, or interest on, unpaid wages to employees. In response to the points that I made, the Minister of State graciously observed—I am sure that he will not object to me quoting:

"The hon. Member for Buckingham raised an interesting point that is worthy of consideration".

He then said:

"I shall consider the matter, and I shall ensure that a copy of *Hansard* containing this morning's debate goes to the Low Pay Commission. Okay?"—[*Official Report, Standing Committee D*, 27 January 1998; c. 496.]

I readily accepted that response as being sincere and as offering some hope that, in one form or another, the spirit of my observations might be taken on board by the Government.

I have not given up hope that the spirit of my observations will be taken on board by the Government. I am not here to cavil but to inquire, to make the arguments and to listen with interest and respect to the Minister's response. The spirit, and possibly the detail, of amendment No. 41 should be able to unite hon. Members on both sides of the Chamber. I invite hon. Members who will disagree violently with me and with my right hon. and hon. Friends on other aspects of the Bill, to consider the issue on its merits, and to ask themselves whether the argument for the payment of interest on an unpaid wage is valid in principle, and therefore whether they might consider giving effect to it in practice.

The arguments are compelling. The first argument is that the employee is entitled to a wage. If an employer does not pay that wage, either accidentally or deliberately, that employer is depriving an employee of an entitlement—an entitlement which the Labour party is determined to embody in law. So wilfully to ignore the fact of non-payment and not to do anything about it would be out of kilter with the Government's thinking and principles on the subject. That is the first argument—a moral one.

The second argument is lesser, but nevertheless, I hope, a valid consideration. It is a practical point and it is that an employee who is not paid the national minimum wage to which he or she is entitled might as a consequence of that period of non-payment suffer real financial hardship or disadvantage. For the period for which he or she is not paid the national minimum wage, the employee might suffer serious cash flow problems. It is unlikely that any cash flow problems that the employer is suffering are in any way comparable to that disadvantage. So, a practical disadvantage is being suffered, quite apart from the moral argument in support of the employee being paid fully at the outset rather than later.

5.15 am

The third argument in support of the principle of the amendment is that the Government accept—and are right to do so—the principle that an employer who does not adhere to his obligations under the terms of the Bill when it is enacted could be subject to penalty. I shall be subject to your strictures, Mr. Deputy Speaker, if I stray to any degree from the terms of the amendment and I do not do so. I am referring to clause 19, to illustrate the validity of my argument in support of amendment No. 41.

As the Minister of State will know—I imagine that he knows the Bill backwards by now and has eaten it over the breakfast table on several occasions—clause 19 provides for the service of a penalty notice in circumstances in which an enforcement notice has been ignored or in which an employer has failed to comply with such a notice. If I remember rightly, under clause 19(3) provision is made for that penalty to be charged at twice the hourly rate of the national minimum wage for each day that the employer does not comply with the requirements of the legislation.

I think that the Minister will recollect that I did not complain about that provision. If anything, I made favourable reference to it. It did not seem unreasonable. If there is to be an enforcement procedure and a penalty notice, the penalty has to sting and to stick, otherwise it has no purpose or deterrent effect. If the Government accept the principle of service of penalty and of the entitlement to extract the penalty from a non-compliant employer, why do they not accept—I hope that they will—that that principle should apply in this context too?

My anxiety is this. In the context of clause 19, the penalty extracted from the non-compliant, rogue employer is a penalty that will go to the Secretary of State—it will swell the coffers of the Treasury. That may be appropriate, but surely when an employee suffers disadvantage because an employer does not honour his

[Mr. Bercow]

legal right to the national minimum wage, it is appropriate that the employee should have the right to claim compensation or interest on the unpaid sum.

I have made the modest suggestion that the additional payment that the employee should receive in those circumstances should be a rate of interest on the unpaid sum two percentage points above the then prevailing Bank of England base rate. If memory serves me correctly, that would currently be a percentage rate of 9.25 per cent. For the practical elucidation of the argument for right hon. and hon. Members, what that means can be simply stated. If the employee is owed unpaid wages of £100 when that non-payment is discovered and the employer is required by this legislation to honour the debt, given the inconvenience and suffering that the employee has suffered in the interim, instead of being £100 it will be £109.25. That seems perfectly reasonable.

Moreover, I would go so far as to argue that there should, in this context, be no distinction between a deliberate and an accidental non-payment. Not all my hon. Friends will agree, but I argue that because, whether or not the failing is deliberate or accidental does not affect the disadvantage that the employee has suffered, and, regardless of whose fault it is, it is almost certainly not the employee's fault.

If the employee has suffered the detriment of non-payment and has not enjoyed his or her entitlement under the Bill, he or she should receive not only the payment that was due, but compensation. That is fair and financially helpful to the employee. I suggest that it would act as a deterrent to that tiny minority of employers—I stress that it is a tiny minority—who fail, either wilfully or through neglect, to honour their obligations.

My suggestion is reasonable. When an employee is deprived of his wages, that is analogous to a commercial debt. If Labour Members believe, as I know that many do, in a statutory right of interest on commercial debts—I venture no particular view on the merits of that argument—it should follow that they favour the payment of interest or compensation on the debt that I have described. If not, they will be arguing that a debt that is owed by one company to another merits the payment of interest, whereas the debt that is owed by an employer to an employee does not. I am sure that Labour Members will recognise that that issue is worthy of consideration.

I rest the case. I am not fanatical about whether the particular terms of the amendment are followed, but I passionately believe that, if the right exists in law, it should be honoured and be seen to be honoured. I suggest that the Bill would be fairer, more just and better received if the Minister sympathetically considered the amendment that my hon. Friend the Member for Daventry and I tabled.

Mr. Ian McCartney: I welcome the hon. Gentleman to the Dispatch Box. I well remember the first time that I spoke at the Dispatch Box and I know that it can be nerve-racking, although, to be fair, he did not show any nerves in making his proposition. I hope that he will represent his party at the Dispatch Box on many future occasions—it seems to have improved his temper, although my temper seems to have become worse since I started to speak from the Front Bench.

The amendments concern workers' rights to recover an underpayment, but they have little else in common. Amendment No. 41 is well intentioned, and I welcome it in that spirit. It would give the worker the right not only to any additional remuneration over the relevant period—which is defined as the difference between what was paid and the national minimum wage—but to the interest on that amount. That seems to be a reasonable proposition—as the hon. Member for Buckingham (Mr. Bercow) pointed out, when the general concept was put to me in Committee, I agreed that it was worthy of further consideration.

The idea has a number of problems, however. The worker's entitlement to recover an underpayment is not a new feature of employment law. The Bill uses existing remedies. First, the worker can make a claim in an industrial tribunal under the existing provisions on unauthorised deductions from wages in the Employment Rights Act 1996.

Secondly, when an employee's employment ends, he can claim for past underpayments of the national minimum wage in an industrial tribunal under the provisions of the Industrial Tribunals Act 1996, which enable tribunals to hear ordinary breach of contract claims. Thirdly, he can bring a claim for breach of contract in the ordinary civil courts.

The recovery of underpayments of the national minimum wage simply follows those accepted precedents. If a worker makes a claim to an industrial tribunal, he is entitled to the outstanding sum owed, but not to any interest, but if he makes a claim in the ordinary civil courts, he will be entitled to interest.

That is undeniably an inconsistency, but it is not easy to resolve. In general, no interest going back to the date of the wrong done is claimable in an industrial tribunal, even when the award represents a debt owed to the worker; but to entitle workers to interest only in respect of national minimum wage claims would produce a different set of inconsistencies. Workers recovering other underpayments in breach of contract in industrial tribunals would not be entitled to interest, and those recovering an underpayment, partly in breach of the national minimum wage provisions and partly not, would be able to obtain interest only on the proportion that was in breach of the provisions.

I am sympathetic to the amendment, but it raises complicated problems. With great reluctance, I have concluded that it is not feasible at this stage to entitle workers who claim in industrial tribunals to interest on national minimum wage claims alone. I therefore ask the House to reject the amendment if it is not withdrawn.

For most workers on very low wages, the vital thing is to get the cash that they are owed as soon as possible. Interest is likely to be very much a secondary consideration. Industrial tribunals may not offer interest, but they offer an approachable and speedy procedure. The idea behind the amendment is reasonable, but I am convinced that getting the money to the worker as soon as possible is the most important consideration.

Amendment No. 68 is a different kettle of fish. It would restrict the period over which a worker is entitled to claim back any underpayment. Under the Bill, if a worker suspects that he is being paid less than his minimum wage entitlement, he can start civil proceedings to reclaim his money through an industrial tribunal or a civil court, or an officer may serve a notice on his behalf.

In an industrial tribunal's proceedings on unauthorised deductions from wages, there are no limits on how far back claims may reach, provided that the claim itself is timely—that is, it is made within three months of the last of a series of underpayments. In county court proceedings for breach of contract, the claim can go back a maximum of six years before the proceedings were brought.

Amendment No. 68 would change all that. A worker who had been paid below the minimum wage would be able to claim money back only for the year before the proceedings were started. Any underpayment from before that would not be recoverable. That would apply regardless of whether the proceedings were brought in a tribunal or in the ordinary courts.

Amendment No. 41 is fair-minded, but there can be little to recommend amendment No. 68, which is simply unjust. Why should an employer who gets away with underpayment for years and years have to pay back only what he owes the worker for the last year? Is that a reward for the employer who can keep things quiet for as long as possible before finally being brought to justice?

For different reasons, I urge the House to reject both the amendments.

Mr. Bercow: I am extremely grateful to the Minister for his kind remarks, which are warmly appreciated. I am also grateful for the spirit in which he responded to my specific remarks in support of amendment No. 41. I acknowledge the practical difficulties, but I still believe that there is a powerful argument in principle for the incorporation of the amendment or something similar. If that is not possible on this occasion, I hope that we may revisit the subject in the future.

I am conscious of the hour and of the other important business that remains to be transacted, so I shall not detain the House. I therefore beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 17

POWER OF OFFICER TO ISSUE ENFORCEMENT NOTICE

Amendments made: No. 14, in page 12, line 12, at end insert

'(and, where it does so, may be so framed as to relate to workers specified in the notice or to workers of a description so specified)'.

No. 15, in page 12, line 17, leave out subsection (6) and insert—

'(6) On an appeal under subsection (4) above, the employment tribunal shall dismiss the appeal unless it is established—

(a) that, in the case of the worker or workers to whom the enforcement notice relates, the facts are such that an officer who was aware of them would have had no reason to serve any enforcement notice on the appellant; or

(b) where the enforcement notice relates to two or more workers, that the facts are such that an officer who was aware of them would have had no reason to include some of the workers in any enforcement notice served on the appellant; or

(c) where the enforcement notice imposes a requirement under subsection (2) above in relation to a worker,—

(i) that no sum was due to the worker under section 15 above; or

(ii) that the amount specified in the notice as the sum due to the worker under that section is incorrect;

and in this subsection any reference to a worker includes a reference to a person whom the enforcement notice purports to treat as a worker.'.

No. 16, in page 12, line 27, after '(b)' insert 'or (c)'.—*[Mr. Ian McCartney.]*

Clause 19

FINANCIAL PENALTY FOR NON-COMPLIANCE

Amendment made: No. 17, in page 13, line 18, after 'wage' insert

'(as in force at the date of the penalty notice)'.—*[Mr. Ian McCartney.]*

Clause 20

APPEALS AGAINST PENALTY NOTICES

Amendments made: No. 18, in page 14, line 7, leave out subsection (3) and insert—

'(3) On an appeal under subsection (1) above, the employment tribunal shall dismiss the appeal unless it is shown—

(a) that, in the case of each of the allegations of failure to comply with the enforcement notice, the facts are such that an officer who was aware of them would have had no reason to serve any penalty notice on the appellant; or

(b) that the penalty notice is incorrect in some of the particulars which affect the amount of the financial penalty; or

(c) that the calculation of the amount of the financial penalty is incorrect;

and for the purposes of any appeal relating to a penalty notice, the enforcement notice in question shall (subject to rescission or rectification on any appeal brought under section 17 above) be taken to be correct.'.

No. 19, in page 14, line 15, after '(b)' insert 'or (c)'.—*[Mr. Ian McCartney.]*

Clause 21

THE RIGHT NOT TO SUFFER DETRIMENT

Mr. Ian McCartney: I beg to move amendment No. 5, in page 14, line 37, at end insert

'or

(c) the worker qualifies, or will qualify, for the national minimum wage or for a particular rate of national minimum wage.'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this, it will be convenient to take Government amendments Nos. 6 to 8, 24, 25, 9, 10, 26, 11, 35 and 12.

5.30 am

Mr. McCartney: The substantial amendments in this group are Government amendments Nos. 6 to 12 and 35, which ensure that it will not be possible for an employer to dismiss an employee who is not yet eligible for the national minimum wage but is soon to become so because of their age. That is the general purpose, but before I go any further I must make one point clear from the outset—no decision has yet been taken on whether there will be any exemptions or different rates using the powers in clauses 3 and 4.

The Low Pay Commission has been asked to consider the matter. It will be report in May on whether, and if so how, the powers in the Bill should be used. I say that now

[Mr. McCartney]

to spare Conservative Members' leaping to their feet to claim that the amendments presuppose any decisions on that. They do not. They are just in case, and I shall explain why they are so important. If—and I stress if—different rates are set for some young workers, below the rate of the full national minimum wage, some unscrupulous employers might consider sacking the young workers the day before they reach their entitlement to the full rate, or to a higher rate. I do not wish to imply that that would happen frequently—I am fully aware that the vast majority of employers are responsible and behave ethically—but we know from bitter experience that some employers will resort to such tactics, and the amendments would stop them.

The amendments have two further, related, effects. They cover a situation in which a worker might suffer because he has already reached an entitlement to the national minimum wage, or an entitlement to a higher rate, as well as when he is about to do so. They also provide protection for a worker if there is a general uprating or change to the rates which could lead to an employer taking action against a worker.

The amendments are all related and work in the following way. Government amendments Nos. 5 and 6 relate to clause 21. They extend the protection of all workers from detrimental action to include those who are not at present eligible for the national minimum wage, but who will become eligible in the future. Without the amendments, there would be nothing to stop an employer taking action against a worker, such as terminating the contract of a worker who is not an employee on the ground that the worker is soon to be eligible for a higher minimum rate.

Government amendments Nos. 7 and 8 make the equivalent changes to clause 23, and Government amendments Nos. 9 and 10 make the equivalent changes to clause 24 for Northern Ireland. Those clauses protect employees from unfair dismissal. Hon. Members will appreciate that workers who are not employees do not have the relevant contractual arrangement and cannot therefore be dismissed—they will use the protection from detriment in clause 21. The amendments extend the scope of the clauses, making a dismissal unfair if the reason for it is that the employee would become entitled to the full national minimum wage or to a higher rate.

Government amendments Nos. 11 and 12 apply the protection to agricultural workers under the agricultural wages regime. They amend the Agricultural Wages Act 1948, the Agricultural Wages (Scotland) Act 1949, and the Agricultural Wages (Regulation) (Northern Ireland) Order 1977. The amendments extend the meaning, in the Employment Rights Act 1996, of any reference to a person qualifying for the national minimum wage so that it includes reference to a person who has become, or will become, entitled to a minimum rate under the agricultural legislation mentioned. That is done by adding to the enforcement provisions in that legislation.

I ask the House to support the amendments, which add an extra element of protection and improve the Bill as a result.

Mr. Ian Bruce: When the national minimum wage is introduced, some workers will be paid less than the rate at which it is set. Will an employer be liable to prosecution if he claims that he can afford to pay fewer workers and, before the introduction of the national minimum wage, downsizes his company?

Mr. McCartney: I have made the response to that point clear. It would be unfair dismissal to sack someone for claiming the right to the national minimum wage. A worker should also not suffer dismissal or other detriment for claiming that another worker is entitled to the national minimum wage. It would be unfair and a detriment for an employer to take action against his employees on the ground that they were seeking a right under the Bill. That has always been the position. We are moving the amendments to ensure that another detriment does not happen if the Low Pay Commission recommends and the Government accept different rates for younger workers. We want to ensure that when people reach entitlement to the minimum wage they are not sacked solely for claiming it.

As with all rights relating to unfair dismissal and to detriment, the courts will determine whether the worker has a case in the light of evidence presented to it from both sides. If a worker is dismissed for good reason, the employer has nothing to fear. To challenge the principle of protecting workers from dismissal on these grounds is to challenge the principle of the national minimum wage. We are back to the age-old and long-discredited argument that a minimum wage leads to huge lay-offs. That was the point made by the hon. Member for South Dorset (Mr. Bruce); Conservative Members have constantly claimed that a minimum wage will cost jobs.

We argue, and all the evidence suggests, that a minimum wage set at a sensible level taking account of economic circumstances will not lead to that scenario. We believe in a national minimum wage. Set at a sensible level, it will not cause difficult problems.

Mr. Hammond: What is a sensible level?

Mr. McCartney: The hon. Gentleman asks what is a sensible level. Is not the objective that we set the Low Pay Commission to make recommendations on such matters?

Mr. Hammond: Is a sensible level, as suggested by the financial memorandum to the Bill, one that will not affect at all the level of employment in the economy? If so, why did the Secretary of State not specifically give the Low Pay Commission the task of setting a level that would not affect employment at all?

Mr. McCartney: The commission was given a wide reference, including taking account of economic circumstances. It is made up of individuals with close investment in all sections of the labour market and with skills and knowledge of it. It has taken considerable evidence across the United Kingdom to come to its conclusions. Having been given that wide remit, it will produce recommendations on the rate and related matters. The hon. Gentleman will have to wait a few more weeks for them to be placed before the Government and the nation.

There can be no justification for dismissing workers only because they have become entitled to the minimum wage. That would be extremely short-sighted and wrong. The worker must be protected from such action.

Amendments Nos. 24 to 26 are tidying-up amendments. They do not change the Bill's intended meaning or effect. Amendment No. 24 relates to subsection (3) in the new section 104A that clause 23(1) inserts into the Employment Rights Act 1996, making the dismissal of an employee for asserting rights under the National Minimum Wage Bill automatically unfair in Great Britain.

The amended text makes it clear that the right to which section 104A applies is

"any right conferred by or by virtue of any provision of the National Minimum Wage Act 1998."

The addition of the formulation "by virtue of" reflects the Bill's extension to agricultural workers in Great Britain of automatic protection against unfair dismissal for asserting rights that those workers do not have directly under the Bill but which are given to them by virtue of the Bill.

Amendment No. 26 makes the same tidying-up change in relation to automatic protection against unfair dismissal for asserting rights conferred on agricultural workers in Northern Ireland by virtue of the Bill.

Amendment No. 25 is consequential on the Employment Rights (Dispute Resolution) Bill. As those who attended the many hours in Standing Committee D know, a great many Government amendments were tabled to bring the National Minimum Wage Bill into line with changes being made to the industrial tribunal system, soon to be known as the employment tribunal system, through that Bill. It is a Lords private Member's Bill with cross-party support. The amendments have not therefore been contentious.

Unfortunately, a further change is needed as a consequence of the Employment Rights (Dispute Resolution) Bill but we did not spot it in time to table it in Committee, for which I apologise. It relates to clause 23, which deals with protection from unfair dismissal. Subsection (5) inserted a new subsection into the Employment Rights Act 1996 ensuring that the right not to be dismissed for enforcing a right under the National Minimum Wage Bill will be one of those rights that applies regardless of whether a statutory dismissal procedures agreement applies to the employee. However, clause 12 of the Employment Rights (Dispute Resolution) Bill will make clause 23(5) of this Bill unnecessary because it amends the relevant section of the 1996 Act so that there will no longer be statutory exclusions for the dismissal procedures agreement and therefore no need to specify that national minimum wage rights are outside those exclusions. The situation will depend on whether the dismissal procedures agreement itself excludes dismissals of a particular description.

I hope that I have been able to set out in some detail, albeit without spending too much time on them, the reasons for the amendments. I also hope that hon. Members on both sides of the House will recognise the need to ensure that, where unscrupulous action is taken, the Bill protects employees claiming the right to the national minimum wage.

Mr. Boswell: First, I thank the Minister for his lucid and concise explanation of this large and complex group of amendments. I shall not trade numbers with him, because it is important that the Bill be got right; nor would I wish to signal from these Benches any departure from the principle of good employment that he has set out. I can understand where he is getting to—indeed, I am slightly surprised that he did not get there before—in requiring through the substantive amendments that employers should not sack people in contemplation of their qualifying for the national minimum wage.

The difficulty is that the Bill must operate in the real world, where not all employers are as scrupulous as the Minister and I would like and where many, whether scrupulous or not, will be facing undoubted economic pressure. I make no predictions about whether there will be a separate rate for young persons, but it should be noted that employers may be tempted to find ways to cut the costs of their labour force and may not wish to employ workers at the full rate—at whatever age that happens to cut in. If employers are in difficulties, their recourse may well be not to employ such persons at all if there is any realistic risk of their eventually qualifying for the full rate. That is but another subset of the concerns that we have expressed extensively about the danger that, whatever rate is set, we may see a higher level of unemployment than might otherwise have happened. However, as the Minister has rightly said, that is a function of the rate that is likely to be chosen.

I have one specific issue on which I should like to probe the Minister. It concerns employees below a qualifying age who may eventually reach a qualifying age for the national minimum wage—I do not anticipate whether there is to be a youth rate—and whose contracts of employment are for a fixed term. As I understand employment law on unfair dismissal, if an employee is employed for a fixed term and that employment is not renewed at the end of the fixed term, that would not normally give rise to a claim for unfair dismissal unless there had been a specific agreement between employer and employee during the contract or, more typically, at the beginning of the contract, that that particular term should be disapplied. Will the Minister confirm, either now or later, whether fixed-term contracts that are keyed to an expiry date just before the qualifying date for the national minimum wage and accompanied by an agreement between employer and employee not to apply the unfair dismissal procedures would be allowed? That is a small point, but an important one in terms of the tidiness of the Bill.

Mr. McCartney: I thank the hon. Gentleman for the way in which he has responded. The issue he raises is technical, albeit one worth making. A range of issues surround what constitutes a contract, short term or otherwise. The arrangement in the Bill is an attempt to ensure that, where there is consistency of employment, that consistency is not disturbed solely on the ground of an employee reaching an entitlement to a national minimum wage. However, in the same spirit as the hon. Gentleman raises the matter, I undertake to write to him with a detailed legal explanation of the point he raises.

Amendment agreed to.

Amendment made: No. 6, in page 14, line 38, after 'of' insert

'paragraph (a) or (b) of'.—*[Mr. Ian McCartney.]*

Clause 23

RIGHT OF EMPLOYEE NOT TO BE UNFAIRLY DISMISSED: GREAT BRITAIN

Amendments made: No. 7, in page 16, line 26, at end insert

'or

(c) the employee qualifies, or will qualify, for the national minimum wage or for a particular rate of national minimum wage.'.

No. 8, in page 16, line 27, after 'of' insert

'paragraph (a) or (b) of'.

No. 24, in page 16, line 36, after 'by' insert

'or by virtue of, any provision of'.

No. 25, in page 17, line 15, leave out subsection (5).—*[Mr. Ian McCartney.]*

Clause 24

RIGHT OF EMPLOYEE NOT TO BE UNFAIRLY DISMISSED: NORTHERN IRELAND

Amendments made: No. 9, in page 17, line 35, at end insert

'or

(c) the employee qualifies, or will qualify, for the national minimum wage or for a particular rate of national minimum wage.'.

No. 10, in page 17, line 36, after 'of' insert

'sub-paragraph (a) or (b) of'.

No. 26, in page 17, line 43, after 'by' insert

'or by virtue of, any provision of'.—*[Mr. Ian McCartney.]*

Clause 26

REVERSAL OF BURDEN OF PROOF

5.45 am

Mr. Lansley: I beg to move amendment No. 45, in page 19, line 1, leave out 'any question arises' and insert

'an officer acting for the purposes of this Act makes a declaration, acting on the basis of his enquiries'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 46, in page 19, line 17, after 'amount', insert

'to the extent that this is asserted in a declaration made by an officer acting for the purposes of this Act'.

No. 47, in page 19, line 23, leave out

'unless the contrary is established'

and insert

'if and to the extent that a declaration is made to this effect by an officer acting for the purposes of this Act'.

Mr. Lansley: I suspect that I have been invited to move the amendment in order to see what impact it has on my temper. In Committee, some of the Government's proposals on the reversal of the burden of proof tested Conservative Members' tempers considerably. We are not attempting to re-run that debate. The clause relates to civil and not criminal proceedings. There is, none the less, a well-established principle of the burden of proof falling on the plaintiff and of relative even-handedness in civil proceedings. To move away from that is undesirable.

The clause deals not only with proceedings brought under this legislation but with any civil proceedings in which it is asserted that the national minimum wage has not been paid or that someone qualifies for the national minimum wage.

Why have the Government gone down that path? They were quite clear in the notes on clauses, which said

"that those remunerated at a rate below the national minimum wage can more easily succeed in claims."

There we have it. The Government have abandoned the principle of even-handedness in civil proceedings for efficiency reasons rather than for reasons of justice. The purpose of the amendments is to marry efficiency with justice.

The three amendments correspond to the three limbs of clause 26. Subsection (1) concerns the question whether a person qualifies for the national minimum wage; subsection (2) deals with deductions from wages; and subsection (3) deals with claims for additional remuneration, being the difference between the amount required to be paid in line with the national minimum wage and the amount that it is asserted was actually paid.

The structure of each subsection is the same. A presumption is made that the person qualifies, or that a deduction was made at below the minimum wage rate, or that a person was inadequately remunerated. That presumption stands unless the contrary position is established.

In Committee, the Minister was at pains to say that most employers will keep records, and will therefore have no difficulty in establishing whether the national minimum wage has been paid. I accept that. Similarly, in the great majority of cases, the question whether a person qualifies for the minimum wage, which is a legal issue, will be subject to arguments, and a prior presumption will not necessarily be the most significant factor.

However, in each case there will be difficult exceptions, and it is exceptions that make hard cases. Records may be lost, the nature of a contract may be disputed by the parties, and the value of benefits provided to an employee or a worker may be disputed. In those cases, why should there be a presumption in favour of the plaintiff rather than the defendant? In Committee, the Opposition tabled amendments designed to remove the reversal of the burden of proof and to restore neutrality. We may have won the argument, but we lost the vote.

The Minister was adamant that the information at issue in such disputes is in the hands of the employer, and that the employer must meet the tests. The Minister's intention was to level the playing field between employer and employee. He asserts that the worker requires the benefit of the presumption to achieve that. The amendments take account of that debate, and they demonstrate that we can achieve the objective more justly and equitably.

The worker is not on his own, impotent against a rogue employer, because he has the benefit of the enforcement mechanism that was set out in earlier clauses. The officer who is appointed by the Secretary of State can acquire by law all the employer's records. The amendments are designed to confine the exercise of the controversial presumption to being pursuant to the decision of that officer. That has the benefit of removing the difficulty of vexatious litigation by discontented employees who seek to exploit accidental or inadvertent lack of records or who

use the scope of dispute over eligibility or levels of remuneration for their own purposes. The amendments would also serve to prevent the presumption of guilt by an employer from being transported into civil proceedings outside the purposes of the legislation, and would have the further benefit of enabling the officer in question to assist the court in arriving at a presumption about the extent of the additional remuneration that was payable. That is not otherwise defined in clause 26.

In its further views on the Bill on Report, the CBI expresses its reservations in principle about the reversal of the burden of proof. It echoes my point about the relative simplicity of arriving at some decisions. However, the CBI argues that, where arguments are less clear, its members are resolutely opposed to the reversal of the burden of proof.

Although the amendments do not restore the neutrality that the principles of natural justice might otherwise demand, they substantially circumscribe the circumstances in which the burden of proof is reversed. Reversal would apply only where a duly appointed officer had conducted inquiries, and it would be subject to challenge on the basis of the reasonableness of such a conclusion. The Minister made it clear that the officer acting on behalf of the Secretary of State would be subject to such a test of reasonableness, and there is benefit in that. The scope of the presumption against an employer would be limited and properly accountable. One hopes that the presumption against the employer would not be used arbitrarily.

The amendments have been tabled in good faith in an attempt to respond to the debate in Committee. We respect the principle of even-handedness in civil proceedings and the amendments give to the employee every opportunity, through the use of an officer appointed by the Secretary of State, to have the presumption that the Minister seeks used in their favour but in accountable circumstances. I hope that my hon. Friends will support the amendments and that the Minister will accept them.

Mr. Ian McCartney: It is a pleasure to welcome the hon. Member for South Cambridgeshire (Mr. Lansley) to the Opposition Front Bench. He said he thought it had to do with his temper, but I beg to differ. Those of us who took part in the record Committee sitting remember that the hon. Gentleman went missing for some hours. A week later we found out from his local press that he had gone for an early bath. Perhaps the hon. Member for Daventry (Mr. Boswell) has kept him here tonight by putting him on the Front Bench. I had a bet with a close colleague that the hon. Gentleman would be on the Opposition Front Bench by the end of this Session. I shall share the winnings with him, although I cannot yet say whether the sum is equivalent to the national minimum wage. I wish the hon. Gentleman and the hon. Member for Buckingham (Mr. Bercow) well in future debates.

I again remind the House how clause 26 works. It reverses the burden of proof in three important situations. It is important to state the principle involved. The Government fought long and hard on this issue, as the overwhelming majority of people who will benefit from the minimum wage are in a weak position in terms of the employer-employee relationship. The overwhelming majority of them do not have information at their disposal as to whether a payment was received or whether it was appropriate. It was therefore crucial that we introduced proposals to ensure that employees in those circumstances were able with certainty to claim the minimum wage when it does apply.

First, clause 26 says that, if there is a question over whether an individual qualifies for the national minimum wage—whether he is a worker, as defined by the Bill—the presumption is that he does qualify. It will be for the alleged employer to prove that he does not. Again, that is particularly important because, for years, attempts have been made, through, for example, bogus self-employment, to prevent vulnerable employees from claiming their personal rights in the workplace.

Secondly, the clause says that, when a worker complains to an industrial tribunal for the recovery of a clause 15 underpayment, the tribunal will assume that the worker was indeed paid below the minimum wage, unless the employer can prove otherwise. It will be for the employer to prove that he did pay his worker the national minimum wage.

Again, that is important because all the information that is necessary to determine whether the employer did in fact pay appropriate wages lies with the employer. He maintains records. He has responsibility for records, national insurance contributions, the pay-as-you-earn scheme and all the other information that is needed to determine whether an appropriate wage has been paid. Good record keeping and maintenance are an absolute defence against any unfair allegation that a minimum wage was not paid when it was. That is not an onerous task.

Thirdly, clause 26 says that, if a worker goes to a civil court to claim back a clause 15 underpayment in a contract claim, it will again be for the employer to prove that he paid his worker the national minimum wage. It will be presumed that the worker was paid below the minimum unless it can be proved otherwise. Again, that is in place for the reasons that I gave earlier. Clause 26 does not reverse the burden of proof as to the amount of the underpayment. It will still be for the worker to establish that.

The three amendments relate to each of the circumstances where clause 26 reverses the usual burden of proof. In each case, they would mean that the burden of proof is reversed only if an enforcement officer is involved and makes a declaration relating to the worker's case. That would obviously undermine the whole purpose of clause 26. We have already made it clear that the reversal of the burden of proof is fundamental. It applies regardless of whether an enforcement officer is involved. It is there to protect the worker and we view it as one of the foundation stones for effective enforcement.

The clause relieves the individual from having to prove that he is entitled to the national minimum wage and that he has received less than that wage. If the employer wishes to assert that a person is not a worker, or that he is being paid the national minimum wage, it will be for the employer to prove it. The provision is deliberately designed to give the worker the benefit of any doubt as to the right of entitlement. It should remove grey areas behind which unscrupulous employers might otherwise hide, and make it more difficult for them to find loopholes through which to climb.

[Mr. Ian McCartney]

This is a deliberately strong measure and we will not allow it to be diluted. I urge the House to reject the amendments, if the hon. Member for South Cambridgeshire forces them to a vote.

Mr. Lansley: I am grateful to the Minister for his kind remarks and I am pleased if, in some small way, I have contributed to his net remuneration for performance on the Bill; the hours that he has put in on it must be reducing his hourly rate by the day. He may need the proceeds of his bet to take the rate up to the national minimum wage rate.

That said, I am disappointed by the way in which the Minister has responded to the debate. We have sought in the amendments to go a considerable way towards accepting the Government's argument in Committee, but to leave a modicum of protection for employers against arbitrary use of the power on behalf of an employee. I did not find in the Minister's speech any convincing explanation of why the officer acting on behalf of the Secretary of State cannot provide all the protection that is required for employees against the sort of employer the Minister has described.

It is the Opposition's desire to examine in detail the amendments tabled on Report, so I will not delay our proceedings by pressing this amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 29

OFFENCES

Amendment made: No. 27, in page 20, line 18, at end insert—

'(5A) Where the commission by any person of an offence under subsection (1) or (2) above is due to the act or default of some other person, that other person is also guilty of the offence.

(5B) A person may be charged with and convicted of an offence by virtue of subsection (5A) above whether or not proceedings are taken against any other person.

(5C) In any proceedings for an offence under subsection (1) or (2) above it shall be a defence for the person charged to prove that he exercised all due diligence and took all reasonable precautions to secure that the provisions of this Act, and of any relevant regulations made under it, were complied with by himself and by any person under his control.'.—*[Mrs. Roche.]*

Clause 35

ARMED FORCES

6 am

Mr. Boswell: I beg to move amendment No. 66, in page 22, line 39, at end insert—

'(3) The Secretary of State shall take all reasonable steps to ensure parity of treatment between those persons serving as members of the naval, military and air forces of the Crown and their civilian equivalents, and shall lay before both Houses of Parliament a report explaining the reasons for any disparity of treatment with such civilians.'.

The Opposition have long argued that the armed forces should be exempt from the provisions in the Bill because it is extremely important to safeguard their operational efficiency and morale. We were pleased when the Government did an about turn from their original intention and fell in behind us by agreeing to exempt the armed forces from any national minimum wage.

I am bound to say that the Government, in circumstances of some embarrassment to them—which I will not dilate on now—did not give a clear explanation for their decision. We drew our own conclusion, which was that the Minister had been outgunned by other members of the Government—but we do not want to rub that in. He said that the Armed Forces Pay Review Body might provide a satisfactory proxy to take account of the interests of armed forces personnel in respect of the national minimum wage, and it is certainly the best sort of proxy that the Government are likely to achieve. It is in that spirit that we tabled this amendment.

The amendment states:

"The Secretary of State shall take all reasonable steps to ensure parity of treatment between those persons serving as members of the . . . forces of the Crown and their civilian equivalents".

Hon. Members who served in Committee will remember that when we discussed this matter, I made two related but slightly separate points. One related to the normal peacetime position, when clearly it should be possible, through the pay review mechanism, to achieve a degree of parity; and the second to the special conditions of wartime, when that parity might not be applicable. Civilians could be serving alongside service personnel, with one group being able to qualify for the national minimum wage—however many hours it was defined that they were working operationally—but the other, the service personnel, not qualifying for that.

The underlying motive for the Government's difficulties relates, for example, to the hours of a working private who is paid about £28 a day, but that is stretched over a 20-hour day on exercises. That results in a very low hourly rate. Of course, that is not what he is always paid, but it shows the sort of problem that would arise if the Bill applied to the armed forces.

We accept that the Armed Forces Pay Review Body is probably the best proxy now that the Government are exempting the armed forces from the Bill. We want to enforce that through the amendment, which states:

"The Secretary of State shall take all reasonable steps to ensure parity".

Our reason for using that formulation—or even raising the matter at all—is, as much as anything else, as the Minister knows, that it is a propensity of Governments—as this Government have done and, as I admit, the previous Government did when there was not a national minimum wage—to phase in awards from the various pay review bodies, and particularly, in this case, from the Armed Forces Pay Review Body.

I want to use the line of argument followed by my hon. Friend the Member for Buckingham (Mr. Bercow) about delayed payment of entitlements under the national minimum wage. If an award is phased, the sum is not paid in full and, in any case, there is a loss that is not recovered. Therefore, if the Government decide, as they have this year, to defer until later in the year part of the increase—in round terms, roughly one half; the increase varies between ranks—for service personnel of whatever rank, parity will be lost because of the Government's interference in the process, regardless of whether it had been achieved by the pay review body.

I acknowledge—as I acknowledge the interests of the previous Government in the matter—that there may well be interests of Government that require suspension of exact parity. Those circumstances bring me to the second part of our amendment, which would provide that, in cases in which parity was not adequately or fully secured, the Secretary of State

"shall lay before both Houses of Parliament a report explaining the reasons for any disparity of treatment with such civilians."

That seems to be an entirely reasonable provision. We are not saying that the Secretary of State cannot suspend parity, but that, if Ministers choose to do so, they must come to the House to justify their choice. They should be able to do so, and—if it is appropriate—to convince the House that it should be so.

We are, therefore, interested in fairness for service personnel—as I am sure that the Minister is. We want to establish a mechanism that is as fair as can possibly be achieved. We want also to provide some operational flexibility for the Secretary of State in implementing the parity commitment. We have framed and moved amendment No. 66 in that spirit.

Mr. Gerald Howarth (Aldershot): Clause 35 seems to blow a hole in the Government's case, as Ministers have acknowledged in it that they are not prepared to give parity to their own employees. Crown employees are to be given the benefit—I use the word carefully—of the measure, whereas those who serve in the forces are to be denied that "benefit". It is rather extraordinary that the Government are not prepared to accept amendment No. 66.

I am not quite sure of the latest pay figures for the armed forces, but the most recent ones that I have been able to secure show that an army private, on class 4, will be paid about £25 a day. Even if we assume that privates have an eight-hour day, their hourly pay would fall below the minimum wage—which is why the Minister has been prevailed on by his colleagues in the Ministry of Defence to accede to their requirement that the Bill should not apply to the armed forces. However, anyone who thinks that a squaddy does an eight-hour day needs his head examined, because our forces work many more hours than that. I suspect that, throughout the pay scale of junior service personnel, quite a few people would be caught by the measure. I therefore ask the Minister—who is not an unreasonable chap, although he sometimes rants a bit—to explain how senior officers will explain to soldiers why they will be paid less than those who may be doing a possibly analogous job, but who are civil servants or civilian Crown employees and not part of the armed forces.

The clause also exemplifies the differences in how the different services are organised. The Royal Navy has watches. The Royal Air Force tends to work a shift system, but the Army does not. That, again, illustrates the differences in treatment of those in the different services.

The amendment strikes me as extremely reasonable. It requires Ministers to

"lay before both Houses of Parliament a report explaining the reasons for any disparity of treatment"

between service men and their civilian counterparts. I hope that the Minister has a good explanation. If he has not, I shall feel inclined to divide the House. It should be borne in mind that I represent Aldershot, the home of the British Army.

Mr. Ian McCartney: I do not think that any hon. Member of any political persuasion does not represent members of, or families of members of, the armed forces, and those of us with constituencies in industrial and metropolitan areas represent an over-preponderance of families who send their young men and women to serve the country in the armed forces.

The hon. Member for Aldershot (Mr. Howarth) did not help the debate by attempting some guerrilla tactics to find out whether I—or the Government—was committed to the personnel of the armed forces. No one in the House has a monopoly on matters relating to the armed forces. There is a long tradition in the House—perhaps throughout the century. In the case of issues relating to national sovereignty, disputes abroad and, indeed, Northern Ireland, there has been a common approach to the needs of our armed forces personnel, and to the way in which we as a nation should deal with them.

I do not intend to take the line that the hon. Member for Aldershot would like me to take. I do not want to engage in schoolboy banter about whether the present Government are less committed to the armed forces. We are patently not, nor would we be. In Committee, it was clear from what I said on behalf of the Government that our proposals—the proposals that we advanced to create the new clause—were based on the unique circumstances of the armed forces, and that we were clear and specific in our own mind that the mechanisms for the Armed Forces Pay Review Body would meet requirements to ensure that the armed forces were dealt with fairly in terms of their pay and conditions.

I stress that the decision to deal with the armed forces in that way was taken only because the pay review body provided a suitable mechanism to ensure that service men and women were not disadvantaged by the exemption. If we had not felt that the arrangements would meet the requirement adequately, we would have dealt with it in a different way. The review body offers a well-established and credible system which has had not only the confidence of successive Governments but, more importantly, that of the armed forces themselves. In formulating its recommendations to the Government, the review body looks carefully at a range of matters, including comparability with similarly weighted civilian jobs in the private sector.

Mr. Letwin: I am genuinely interested in the Minister's answer to my question. If he really considers the pay review body to be a sufficient safeguard, why does the Agricultural Wages Board—which has been mentioned on earlier amendments—not do the same task for agricultural workers?

Mr. McCartney: The Agricultural Wages Board is an entirely different issue. We have co-ordinated the role of the board with the legislation. We said that in Committee, and, at some point in this evening's—or this morning's—debate, my hon. Friend the Minister for Small Firms, Trade and Industry made it clear that the board would come up for review in 1999. Between now and 1999, it is

[Mr. McCartney]

not only reasonable, but sensible that the national minimum wage should interface with the agricultural wages system.

We have ensured, first, that as the Agricultural Wages Board payment is higher than the national minimum wage, if appropriate, agricultural workers will be paid the Agricultural Wages Board rate and secondly, that agricultural workers receiving less than the minimum wage will be brought up to the level of the minimum wage so that there will be no discrepancy affecting agricultural workers. They will be paid either the Agricultural Wages Board rate or at least the national minimum wage. Therefore, the point raised by the hon. Gentleman is spurious.

The Government have made it clear that any movement in civilian pay levels as a result of the introduction of the national minimum wage will be reflected in the Armed Forces Pay Review Body recommendations and feed through to service pay.

6.15 am

The review body is aware of the need to give special consideration to the circumstances of particular groups. Its 1998 review recommended higher increases for the lowest-paid service personnel. It is also open to the Government, in their economic and other evidence, to draw to the review body's attention particular factors, such as the need to take into account the relationship between the national minimum wage and service pay.

There is already a parliamentary reporting system. The review body's observations and recommendations are already published in a report, and copies are placed in the Libraries of both Houses.

The Government have every confidence in the ability of the Armed Forces Pay Review Body to take full account of the need to ensure that service pay does not fall below the national minimum wage when making its recommendations. If Opposition Members do not share that confidence, they should say so or withdraw the amendment.

Mr. Gerald Howarth: If the Minister is confident that the Armed Forces Pay Review Body will ensure that no service man receives pay below the national minimum wage, what is the point in having an exemption for the armed services in the Bill?

Mr. McCartney: I know that it is early in the morning, but we made it absolutely clear—and the hon. Member for Daventry (Mr. Boswell) agrees—that we considered it a more appropriate method of ensuring proper remuneration for our armed forces personnel. I thought that there was now a common approach on the matter across the Floor of the House. Let me repeat to the hon. Member for Aldershot that no one can claim, individually or collectively, to be the sole arbiter of pay and remuneration in the armed forces. The Government are committed to our armed forces and to providing fairness in pay and other remuneration, and we shall keep to those commitments. That is why, if the Opposition press the amendment, I recommend that the House rejects it.

I have attempted to be fair in the way in which I have dealt with the amendments; I have addressed them in the spirit in which they were moved. We had a more rumbustious debate in Committee, but this evening we have approached the issue differently. We have had the battle upstairs and the battleground has now been cleared. The smoke has now left the battlefield, we all know where we are going and the sooner that we can move forward, the better.

Mr. Boswell: My reservation about the matter is that the Minister of State carefully avoided the fact that, although there was an Armed Forces Pay Review Body, by which he set great store—as I do—the Government have not implemented its recommendations in full and immediately. Any suggestion of parity was avoided, therefore, and that is what the amendment was about.

I was concerned by the tone of some of what the Minister said in response to the helpful speech and intervention by my hon. Friend the Member for Aldershot (Mr. Howarth), who represents the home of the British Army and might have received somewhat more gracious treatment from him.

I am a modest man, not prone to wrath, but, in the context of the amendment, the House may wish to consider whether it now proceeds to a call of reveille.

Amendment negatived.

Clause 42

VOLUNTARY WORKERS

Amendment made: No. 20, in page 25, leave out lines 5 to 14.—*[Mr. Betts.]*

Clause 46

APPLICATION OF ACT TO SUPERIOR EMPLOYERS: LIABILITY OF EMPLOYERS AND OTHERS IN RESPECT OF OFFENCES

Amendment made: No. 28, in page 27, leave out lines 8 to 18.—*[Mr. Betts.]*

Schedule 1

THE LOW PAY COMMISSION

Mr. Boswell: I beg to move amendment No. 69, in page 34, line 27, at end insert—

'Disqualification by Scottish Parliament and National Assembly for Wales

6. A member of the Commission is disqualified from being—

(a) a member of the Scottish Parliament, or

(b) a member of the National Assembly for Wales.'.

I am a little disappointed—indeed, I am mortified—that, despite the efforts of some of my hon. Friends to wake up the House a few moments ago, no Ministers from the Scottish Office or the Welsh Office are present for a debate about important business that bears on Scotland and Wales. I am relatively inexperienced in the consideration of difficult constitutional matters. My sole qualifications are that I have a Scottish name and a Welsh wife. I am distressed at having to do without the assistance of Ministers from those Departments.

The amendment is consensual, so the Ministers need not have stayed away. Membership of bodies financed and serviced by the Crown may give rise to disqualification. Someone who joins a quango financed by the Government or takes up a job as a salaried civil

servant is disqualified from membership of this House. That also applies to membership of the Northern Ireland assembly, which is a dead letter at the moment. Those two cases are provided for in schedule 1, but there is no such disqualification for the Scottish Parliament or the National Assembly for Wales.

I have made inquiries about that. My hon. Friend the Member for North-East Hertfordshire (Mr. Heald) is a constitutional specialist who keeps an eye on such proceedings, on which I was temporarily unsighted. He shared my view that the issue should be sorted out in the Bill.

I then sought correspondence with the Minister's Department. We had a useful exchange; he replied promptly in order to inform consideration on Report. He replied to the effect that there was no such automatic disqualification, but that it could be extended under the provisions of the Scotland Bill and the Government of Wales Bill in due course by Order in Council. I am sure that that is the Government's intention.

We, as ever, are anxious to help the Government on their way, and the amendment would simply provide at this point, cleanly and neatly in this Bill, a disqualification from the Scottish Parliament and the National Assembly for Wales of persons who are—or happen to be at the time—members of the Low Pay Commission. It is no more and no less than that, and I hope that, at this late stage, the Government, who have shown such relative reluctance to consider and adopt our amendments, might break their duck.

Mr. Ian McCartney: I am afraid that I cannot help the hon. Member for Daventry (Mr. Boswell)—not even at this early hour. Amendment No. 69 attempts to make much ado about nothing. I have written to the hon. Gentleman about the matter, which he raised in Committee. I thank him for writing to me because it gave me an opportunity to confirm what I said.

The amendment proposes that the Bill should specify now that members of the Low Pay Commission should be disqualified from being Members of the Scottish Parliament or Members of the National Assembly for Wales. My reaction to this is: all in good time; there is no need to rush our fences.

Schedule 1 does not treat members of the Low Pay Commission any differently from members of other statutory bodies. All such members are disqualified from the Westminster Parliament by being listed in part II of schedule 1 to the House of Commons Disqualification Act 1975. The list covers dozens of bodies. It starts with members of the Advisory Committee on Hazardous Substances, and includes the council of the Advisory, Conciliation and Arbitration Service, and members of the Health and Safety Executive, the Equal Opportunities Commission, the Monopolies and Mergers Commission, and many others. The process is entirely normal.

There is also a short list of disqualified persons in paragraphs (a) to (e) of section 1(1) of the Disqualification Act, which disqualifies judges, civil servants, members of the armed forces, members of police forces and members of foreign legislatures from being Members of this House. That short list is in the Scotland Bill and the Government of Wales Bill.

Decisions about the long list of disqualified persons for the Scottish Parliament and the National Assembly for Wales do not need to be taken now, although they will, of course, need to be taken later. That could be done in a number of ways. First, a decision will need to be taken, by means of orders made by the House and the other place, on disqualification prior to the first elections to those bodies. That will, no doubt, involve debate on the position of members of various statutory bodies, including the Low Pay Commission.

If the decision on the long list were not taken at Westminster prior to elections for the Scottish Parliament, that body, once elected, could make the decision itself by means of order-making powers under the Scotland Bill. In Wales, the position is different: the order-making power is retained by the Secretary of State. Whatever the situation, it will clearly make sense to have due regard to the long list of those already disqualified from Westminster.

The terms of appointment of members of the Low Pay Commission will be determined by the Secretary of State. It would be open to the Secretary of State to draft those terms of appointment in a way that excluded Members of any Parliament or assembly, regardless of whether they were automatically excluded by those bodies themselves.

Frankly, I regard all this as hypothetical and rather arcane. The important point is that we are committed to the independence and effectiveness of the Low Pay Commission. Despite the high regard that I have for hon. Members, I do not see their talents as being suited to the non-partisan and neutral approach that the commission needs to take in order to preserve its credibility.

My response to the amendment is that the matter will all be sorted out in good time. It does not make sense to pre-empt the process by amending the Bill in the way proposed. I have every confidence that sensible people will come to sensible conclusions on disqualification from the Scottish Parliament and the National Assembly for Wales, both for members of the Low Pay Commission and for members of all other statutory bodies concerned. I therefore ask the House to reject the amendment if Opposition Members persist in putting it to a vote.

Mr. Boswell: I found the Minister of State's reply disappointing and deeply implausible. Perhaps he has been working too long on the Bill, but there has been an unanticipated coalescence between the Minister and his officials. Suddenly, the mask of McCartney—he of the curve, which we discussed earlier—slipped, and we heard Sir Humphrey's voice speaking. We had the argument that Rome was not built in a day, and that it would all be sorted out in time—and probably it will be. It could have been sorted out tonight by our amendment, but it was not to be.

Purely as a gesture of good will to the Minister, because he has done his best to respond and has worked very hard in Committee and tonight, I advise my hon. Friends, exceptionally and against my better judgment, not to press the amendment to a Division. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 2

AMENDMENTS RELATING TO REMUNERATION ETC OF AGRICULTURAL WORKERS

Amendments made: No. 29, in page 35, line 29, at end insert—

'(12) Where an order under this section fixes any particular minimum rate of wages by reference to two or more component rates, of which—

(a) one is the principal component, and

(b) the other or others are supplemental or additional components,

(as in a case where the minimum rate for night work is fixed as the sum of the minimum rate payable in respect of work other than night work and a supplemental or additional minimum rate in respect of working at night) the national minimum wage provisions of this section apply in relation to the principal component rate and not the supplemental or additional component rates.

(13) The national minimum wage provisions of this section do not apply in relation to any minimum rate which is in the nature of an allowance payable in respect of some particular responsibility or circumstance (as in a case where a minimum rate is fixed in respect of being required to keep a dog).

(14) The national minimum wage provisions of this section do not apply in relation to any minimum rate fixed under this section—

(a) by virtue of subsection (2)(d) of this section, or

(b) by virtue of section 67 of the Agriculture Act 1967 (sick pay),

unless and to the extent that regulations under section 2 of the National Minimum Wage Act 1998 make provision which has the effect that circumstances or periods in respect of which the minimum rate in question is required to be paid to a worker are treated as circumstances in which, or times at which, a person is to be regarded as working.

(15) In this section "the national minimum wage provisions of this section" means subsections (2B), (2C) and (8) to (10) of this section.'.

No. 11, in page 36, line 22, at end insert—

'(5) In section 104A of the Employment Rights Act 1996 (unfair dismissal: national minimum wage) in subsection (1)(c)—

(a) any reference to a person qualifying for the national minimum wage includes a reference to a person being or becoming entitled to a minimum rate applicable under this Act; and

(b) any reference to a person qualifying for a particular rate of national minimum wage includes a reference to a person being or becoming entitled to a particular minimum rate applicable under this Act.'.

No. 31, in page 37, line 23, at end insert—

'Section 12

6A.—(1) Section 12 (officers) shall be amended as follows.

(2) In subsection (5)(a) (power to institute civil proceedings on behalf of worker on account of payment of wages at less than the applicable minimum rate etc) the words "on account of the payment of wages to him at less than the minimum rate applicable or" shall cease to have effect.

(3) At the end of the section there shall be added—

"(8) The powers conferred by subsections (3) and (4) of this section are not exercisable in any case where corresponding or similar powers conferred by any of the enforcement provisions of the National Minimum Wage Act 1998, as they have effect for the purposes of this Act, are exercisable by virtue of section 3A of this Act.

(9) In subsection (8) of this section, "the enforcement provisions of the National Minimum Wage Act 1998" has the same meaning as in subsection (1) of section 3A of this Act.".'.

No. 33, in page 37, line 23, at end insert—

'Information obtained by national minimum wage officers

6B. After section 15 there shall be inserted—

"Information obtained by national minimum wage officers

15A.—(1) This section applies to information which has been obtained by an officer acting for the purposes of the National Minimum Wage Act 1998 and which is held by—

(a) the Secretary of State; or

(b) a government department or other body which is party to arrangements in force under section 13(1)(b) of that Act.

(2) This section does not apply to any information to the extent that the information relates to—

(a) any failure to allow holidays directed to be allowed by an order under section 3 of this Act; or

(b) any terms and conditions of employment fixed by such an order by virtue of subsection (1)(c) of that section.

(3) Information to which this section applies may, with the authority of the Secretary of State, be supplied to the relevant Minister for use for any purpose relating to this Act.

(4) Information supplied under subsection (3) of this section shall not be supplied by the recipient to any other person or body unless—

(a) it could be supplied to that person or body under that subsection; or

(b) it is supplied for the purposes of any civil or criminal proceedings relating to this Act;

and shall not be supplied in those circumstances without the authority of the Secretary of State.

(5) This section does not limit the circumstances in which information may be supplied or used apart from this section.

(6) In this section "the relevant Minister" means—

(a) in relation to England, the Minister of Agriculture, Fisheries and Food; and

(b) in relation to Wales, the Minister of the Crown with the function of appointing officers under section 12 of this Act in relation to Wales.".'.

No. 36, in page 38, line 49, at end insert—

'(12) Where an order under this section fixes any particular minimum rate of wages by reference to two or more component rates, of which—

(a) one is the principal component, and

(b) the other or others are supplemental or additional components,

(as in a case where the minimum rate for night work is fixed as the sum of the minimum rate payable in respect of work other than night work and a supplemental or additional minimum rate in respect of working at night) the national minimum wage provisions of this section apply in relation to the principal component rate and not the supplemental or additional component rates.

(13) The national minimum wage provisions of this section do not apply in relation to any minimum rate which is in the nature of an allowance payable in respect of some particular responsibility or circumstance (as in a case where a minimum rate is fixed in respect of being required to keep a dog).

(14) The national minimum wage provisions of this section do not apply in relation to any minimum rate fixed under this section—

(a) by virtue of subsection (2)(d) of this section, or

(b) by virtue of section 67 of the Agriculture Act 1967 (sick pay),

unless and to the extent that regulations under section 2 of the National Minimum Wage Act 1998 make provision which has the effect that circumstances or periods in respect of which

the minimum rate in question is required to be paid to a worker are treated as circumstances in which, or times at which, a person is to be regarded as working.

(15) In this section "the national minimum wage provisions of this section" means subsections (2B), (2C) and (8) to (10) of this section.'.

No. 35, in page 39, line 40, at end insert—

'(4) In section 104A of the Employment Rights Act 1996 (unfair dismissal: national minimum wage) in subsection (1)(c)—

(a) any reference to a person qualifying for the national minimum wage includes a reference to a person being or becoming entitled to a minimum rate applicable under this Act, and

(b) any reference to a person qualifying for a particular rate of national minimum wage includes a reference to a person being or becoming entitled to a particular minimum rate applicable under this Act.'.

No. 37, in page 40, line 40, at end insert—

'Section 12

14A.—(1) Section 12 (officers) shall be amended as follows.

(2) Subsection (4)(a) (power to institute civil proceedings on behalf of worker on account of payment of wages at less than the applicable minimum rate etc) shall cease to have effect.

(3) At the end of the section there shall be added—

"(7) The powers conferred by subsection (3) of this section are not exercisable in any case where corresponding or similar powers conferred by any of the enforcement provisions of the National Minimum Wage Act 1998, as they have effect for the purposes of this Act, are exercisable by virtue of section 3A of this Act.

(8) In subsection (7) of this section, "the enforcement provisions of the National Minimum Wage Act 1998" has the same meaning as in subsection (1) of section 3A of this Act.".'.

No. 39, in page 40, line 40, at end insert—

'Information obtained by national minimum wage officers

14B. After section 15 there shall be inserted—

"Information obtained by national minimum wage officers

15A.—(1) This section applies to information which has been obtained by an officer acting for the purposes of the National Minimum Wage Act 1998 and which is held by—

(a) the relevant Minister; or

(b) a government department or other body which is party to arrangements in force under section 13(1)(b) of that Act.

(2) This section does not apply to any information to the extent that the information relates to—

(a) any failure to allow holidays directed to be allowed by an order under section 3 of this Act; or

(b) any terms and conditions of employment fixed by such an order by virtue of subsection (1)(c) of that section.

(3) Information to which this section applies may, with the authority of the relevant Minister, be supplied to the Secretary of State for use for any purpose relating to this Act.

(4) Information supplied under subsection (3) of this Act shall not be supplied by the recipient to any other person or body unless—

(a) it could be supplied to that person or body under that subsection; or

(b) it is supplied for the purposes of any civil or criminal proceedings relating to this Act;

and shall not be supplied in those circumstances without the authority of the relevant Minister.

(5) This section does not limit the circumstances in which information may be supplied or used apart from this section.

(6) In this section "the relevant Minister" means the Minister of the Crown with the function of appointing officers under section 13(1)(a) of the National Minimum Wage Act 1998.".'.

No. 30, in page 42, line 49, at end insert—

'(17) Where an order under this Article fixes any particular minimum rate of wages by reference to two or more component rates, of which—

(a) one is the principal component, and

(b) the other or others are supplemental or additional components,

(as in a case where the minimum rate for night work is fixed as the sum of the minimum rate payable in respect of work other than night work and a supplemental or additional minimum rate in respect of working at night) the national minimum wage provisions of this Article apply in relation to the principal component rate and not the supplemental or additional component rates.

(18) The national minimum wage provisions of this Article do not apply in relation to any minimum rate which is in the nature of an allowance payable in respect of some particular responsibility or circumstance (as in a case where a minimum rate is fixed in respect of being required to keep a dog).

(19) The national minimum wage provisions of this Article do not apply in relation to any minimum rate fixed under this Article by virtue of Article 5 or 8(5), unless and to the extent that regulations under section 2 of the National Minimum Wage Act 1998 make provision which has the effect that circumstances or periods in respect of which the minimum rate in question is required to be paid to a worker employed in agriculture are treated as circumstances in which, or times at which, a person is to be regarded as working.

(20) In this Article "the national minimum wage provisions of this Article" means paragraphs (1A), (1B) and (13) to (15).'.

No. 12, in page 44, line 28, at end insert—

'(5) In Article 135A of the Employment Rights (Northern Ireland) Order 1996 (unfair dismissal: national minimum wage) in paragraph (1)(c)—

(a) any reference to a person qualifying for the national minimum wage includes a reference to a person being or becoming entitled to a minimum rate applicable under this Order; and

(b) any reference to a person qualifying for a particular rate of national minimum wage includes a reference to a person being or becoming entitled to a particular minimum rate applicable under this Order.'.

No. 34, in page 44, line 28, at end insert—

'Information obtained by national minimum wage officers

23. After Article 11 there shall be inserted—

"Information obtained by national minimum wage officers.

11A.—(1) This Article applies to information which has been obtained by an officer acting for the purposes of the National Minimum Wage Act 1998 and which is held by—

(a) the Secretary of State; or

(b) a government department or other body which is party to arrangements in force under section 13(1)(b) of that Act.

(2) This Article does not apply to any information to the extent that the information relates to any failure to allow holidays in accordance with Article 8.

(3) Information to which this Article applies may, with the authority of the Secretary of State, be supplied to the Department for use for any purpose relating to this Order.

(4) Information supplied under paragraph (3) shall not be supplied by the recipient to any other person or body unless—

(a) it could be supplied to that person or body under that paragraph; or

(b) it is supplied for the purposes of any civil or criminal proceedings relating to this Order;

and shall not be supplied in those circumstances without the authority of the Secretary of State.

(5) This Article does not limit the circumstances in which information may be supplied or used apart from this Article.".'.—*[Mr. Ian McCartney.]*

Schedule 3

REPEALS AND REVOCATIONS

Amendments made: No. 32, in page 44, line 45, column 3, at end insert

'In section 12(5)(a), the words "on account of the payment of wages to him at less than the minimum rate applicable or".'.

No. 38, in page 45, line 10, column 3, at end insert 'Section 12(4)(a).'.—*[Mr. Ian McCartney.]*

Order for Third Reading read.

Motion made, and Question proposed, That the Bill be now read the Third time.—*[Mr Betts.]*

6.30 am

Mr. Ian McCartney: I know that it is early, but it is late for those of us who have been working on the Bill since 3.30 pm yesterday—and, indeed, for those of us who have been working on it for 20 years. It has been a long time coming. It was in February 1912—86 years ago—that the then leader of the Labour party moved on the Floor of the House an amendment to the Loyal Address to the then King's Speech, calling for the introduction of a national minimum wage. It is astonishing that it has taken 86 years for us to reach this stage, but, having got here, we intend to press on with the Bill.

The Bill is a straightforward and direct attack on the scandal of low pay. We shall introduce it and establish a principle of universality, clarity and simplicity. It will be truly a national minimum wage, just in time for the 21st century. This is a priority policy, on which Labour Members are proud to have won the general election. It is right, fair, just and sensible.

I thank all hon. Members who have spoken in support of the Bill on Report, on Second Reading, and during the magnificent effort in Committee. The time is right—indeed, overdue—for a minimum wage to be introduced, on both social and business grounds. Together with tax and benefit reform, it can promote work incentives and form part of a strategy to make work pay. It will ensure greater decency and fairness in the workplace and tackle the problems of in-work poverty.

Employees deserve good terms and conditions, and protection from exploitation. This measure reflects our determination to be a force for progress and social justice.

The Government are dedicated to fairness and decent minimum standards at work for all workers, and decent minimum standards include the right to a fair day's pay for a fair day's work. We have seen the results of the policies followed in the United Kingdom during the past 18 years by the Conservatives: the largest gap between rich and poor since the days of gas lamps and the Hansom cab. Conservative policies have led to a situation where a security guard can be expected to work between 85 and 100 hours a week, at an hourly rate of £1.80, and provide his or her own dog and van.

Nearly 1 million workers in Great Britain are currently paid less than £2.50 an hour. That is the Conservatives' legacy, and they should be ashamed of it.

That is why we established, in 90 days of the Labour Government, a Low Pay Commission made up of employers, employee representatives and specialists in the field, to make recommendations for a statutory rate for the minimum wage and on other issues. The Low Pay Commission will soon complete its work and make its proposals. As soon as it has done so, the Government will act and respond quickly, to ensure that we go forward and fully implement the minimum wage as soon as possible.

Throughout debates on the Bill in the House and in Committee, we have heard the familiar old parrot cry of the Conservatives: "Low pay or no pay." That is their strategy. They have argued that job losses will follow the introduction of a minimum wage, despite the fact that there is absolutely no evidence that a minimum wage, sensibly set to take into account economic circumstances, will lead to job losses. They have lost the argument in the country and in the House. We will move forward with some speed with the introduction of a national minimum wage.

The Conservatives have also lost the argument within business. Increasingly, business in Britain sees the economic case for the national minimum wage. Businesses are sick and tired of being undercut by cowboy employers paying £1.20 or £1.30 an hour, not competing on goods and services, but simply driving wages lower and lower. Britons cannot survive in a low-pay economy. We cannot compete overseas with Vietnam on the basis of 20 cents an hour. Our country deserves better—it deserves investing in our work force and in their employability and training and the commitment to minimum standards and the production of goods and services that are world beaters. One cannot do that if one simply wants to drive down wages to the lowest common denominator.

For those reasons, businesses increasingly see the business case for the national minimum wage. That is why business abandoned the Conservatives in Committee—not one business in Britain has been prepared to put its head above the parapet and support Conservative Members, because businesses do not want to be associated any more with the concept of poverty pay. Only those Conservative business people who are native to the Conservative party have stopped by the line of, "Low pay or no pay." We will not accept that from anyone, particularly from big backers of the Conservative party who earn millions of pounds a year in the City, while condemning millions of people in Britain to such low pay. It is rank hypocrisy and the Bill has revealed the hypocrisy of Conservative Members.

Conservative Members can no longer simply state that the Confederation of British Industry and other employer organisations do not want to participate in the early implementation of the minimum wage. The CBI and others want fair implementation of the legislation. Increasingly, employers are co-operating with the Government and the Low Pay Commission to ensure that that is the case.

The Tories are left abandoned, and rightly so. They cannot get out of the time warp they are in; for nearly 20 years they thought that Britain's success relied simply on driving down the pay and conditions of its work force, when it was crying out for investment in its work force, not damaging it and destroying it. They left us with a legacy of low pay, and of unemployment, which was

twice the level that it was when the previous Labour Government left office. That is the legacy of the Tory's failed economic policies.

In closing, I want to consider what Alan Fisher and Bernard Dix of the National Union of Public Employees appreciated more than 20 years ago. In their book, "Low Pay and How to End It", they said:

"the first step in the construction of a policy to eliminate low pay must be the acceptance of the people that there is a level of wages below which nobody should be expected to work. This is an act of political commitment which has been dodged in most of the earlier discussion on low pay but which is essential if the problems of the low paid worker are to become a matter demanding an immediate practical solution rather than remaining the subject of detached academic curiosity. With public acceptance of this principle we can begin to fill out the arguments and some of the problems which confront us in the implementation of the principle in the full knowledge that we are committed to action rather than never-ending discussions."

The three crucial factors that those eminent trade unionists identified were public acceptance, political commitment and a practical solution. We now have public acceptance of the principle as shown by the result of the general election. The Bill and the setting up of the Low Pay Commission are the confirmation of our political commitment and our arrival at a practical solution. Now is the time to end the academic discussion and transform the dream into a reality. I commend the Bill to the House.

6.38 am

Mr. Redwood: I pay tribute to my hon. Friend the Member for Daventry (Mr. Boswell) for the great leadership that he has shown in Committee and tonight to try to get proper examination of this problematic legislation and to my hon. Friends the Members for South Cambridgeshire (Mr. Lansley) and for Buckingham (Mr. Bercow), who made their first appearance at the Dispatch Box and spoke extremely eloquently on the amendments that they moved. I also pay tribute to all my hon. Friends who spent much time in Committee and who, during tonight's brief debates, have tried to make some sense of this rag-bag of a Bill, which splits the Labour party—*[Laughter.]* It splits the Labour party—some Labour Members, in speaking to an amendment tonight, said that they greatly disliked aspects of the Bill.

There have been wars between Ministers. Like most hon. Members, I know that the Minister of State is not at all happy that the armed forces are to be exempted from the Bill. He and his colleagues fought the Ministry of Defence for several weeks, but their resistance crumbled and he now has to defend a proposition that he does not like. That is why he always returns to grand principles and grand statements and reminds us, genuinely, of the campaigning work that he has done on this issue over many years.

It will not wash, however. When we see the final proposals, all the exempted groups and the low level at which the minimum wage will be set compared with what Labour Members wanted, we shall know that the damaged and divided Labour party is not happy about the Bill, and that it is still in trouble trying to find out how this country's economy works.

I shall describe the context of the Bill, which is another thing that the Labour party will not want to hear. Manufacturing industry is now in grave trouble thanks to the economic policies that have been pursued in recent months under the Chancellor of the Exchequer and his Labour colleagues. Every day, I receive another letter or telephone call from someone in manufacturing industry, telling me that it is impossible to compete when sterling and interest rates are so high. People tell me that costs are the problem. The last thing that they want is an enforced large wage increase that will have an impact not only on lower pay, but on differentials, which is the likely result of the Bill.

Dr. Desmond Turner (Brighton, Kemptown): The right hon. Gentleman seems to be terribly concerned about the Bill's effect on manufacturing industry, but, to the best of my knowledge, no serious manufacturing company pays workers at a lower rate than even anywhere near what the minimum wage might offer. What is the relevance of his point? Low wages have no place in serious, modern business, so what is he talking about?

Mr. Redwood: The hon. Gentleman obviously knows more than the Minister about the level at which the minimum wage will be set—the Government have been absolutely quiet on that fundamental issue. The hon. Gentleman did not listen to what I was saying. I said that business is worried about the Bill's consequences for differentials. If, by law, the lowest levels of remuneration must be raised, the skilled and the semi-skilled who already receive more will, of course, want proportionate increases.

Even the Cabinet has worked that out. As we read in the papers the other day, Cabinet Ministers are depressed about the possibility that, in comparison with the pay of junior Ministers, their pay will increase rather modestly in percentage terms. Cabinet Ministers are saying that they need the differentials to be preserved—they want the same percentage increase as junior Ministers, even though that would mean that they would receive a much larger pay rise.

One of the big worries of Conservative Members is that the Bill could trigger a wage increase of some magnitude, which, according to the Chancellor of the Exchequer, would be deeply damaging to jobs and economic prospects.

Mr. Chris Pond (Gravesham): Given that the right hon. Gentleman supported the previous Government's decision to abolish the minimum wage system that existed at the time, and given that he has so many reservations about the Bill, will he say categorically whether—at some time in the future, in circumstances which it is difficult for us to imagine, with his party again in government—he would repeal the Bill? May we have a straight answer?

Mr. Redwood: We expect the governing party to do a lot of damage in the next three years, before going to the country. When we get nearer the general election, my right hon. and hon. Friends and I will decide which of the many undesirable measures we intend to repeal. I may well then be able to answer the hon. Gentleman's question. We will examine the whole range of damage that the Government are doing and come to a considered judgment about our first legislative programme, which we will put to the country. We will then win that general election.

Labour Members should pay more attention to what the Chancellor says and does. He recently read the riot act to the British economy and British business. He told

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everyone that if wages go up at all quickly over the next year or two economic damage will be done, hinting that he might even take retaliatory action by raising taxes or reducing public spending. He said that jobs will be lost if pay increases accelerate.

The Chancellor clearly does not know what to do, because pay increases, especially in the service sector, are accelerating. We have two economies: the manufacturing economy, which is moving into recession, with output falling, and the much bigger service economy, which is extremely buoyant, with wages rising rapidly by the standards of the recent past.

The Bill, emanating from the Department of Trade and Industry, is in complete opposition to the Chancellor's view of what we need to do on wages. It is designed to increase wages by perhaps 20 or 25 per cent. at the lowest end of the spectrum—if we knew the rate of the minimum wage, it would be easier to do the sums—with proportionate increases for the skilled people in good bargaining positions who want to preserve differentials.

The Minister tells us that that will have no impact on unemployment, but the Chancellor tells us that any wage increase will affect unemployment. He is even worried that the relatively small increases of the past year or so could accelerate just a little and cause problems. *[Interruption.]* Labour Members are now quibbling with the Chancellor. I am expressing not my view, but his; it is a view about which he made many speeches and issued a press statement, because he was so worried about accelerating wages.

The essence of the welfare-to-work programme is to try to subsidise employment—to lower its costs—so as to create more jobs. We wish the programme well, but we believe that the best way of creating jobs is to have a low-tax economy, with less regulation and law, that is more competitive and allows more small businesses to be set up and to create the jobs that are needed.

The Chancellor's scheme of lowering the costs of employment through subsidies is about to be undermined—in a couple of years, when the full impact is felt—by legislation designed to raise industrial costs.

The Minister owes the House a proper explanation of what impact the Bill will have on inflation. He should by now have a clear idea in his own mind—even if he will not share it with the House—of the likely level of the minimum wage. From his many impassioned speeches, it is clear that he wants to increase wages. That is the purpose of the Bill. He understandably wants many people to be better paid, as would I, but the argument between us concerns whether that can be done by legislation and whether the Bill will have worse consequences than he is letting on for those hoping to benefit.

Conservative Members believe that higher pay must be achieved by economic success. Some Labour Members believe that they can achieve it by a stroke of the legislative pen. They are likely to trigger a big increase in differentials and, if we are to believe the Chancellor, unemployment problems.

The Government have also been unwilling to share with the House the true costs of the measure to the taxpayer and the Government accounts. One of their forecasts suggests that the cost will be £200 million on general public sector costs, if the minimum wage were set at £3.75 an hour. That is an underestimate in itself, but we must add the much bigger figures that will tumble through to the public sector wage bill if we assume some increase in differentials. The true cost is likely to be several times the estimate of £200 million.

We need a proper explanation from the Government of what the Bill will do to their public borrowing plans and their tax-raising plans, and how the Chancellor will find the additional money at a time when the Prime Minister is lecturing everybody on how they must not increase spending and must run a tight ship.

The Government must also consider the cost of the higher unemployment that is likely to result from the consequences that I have described. At some point, there will, unfortunately, be a turn for the worse in the favourable trends of unemployment that have resulted from the Conservative economic policies that have been followed since the end of 1992. The Bill could well be one of the factors that tip the balance the other way as it makes its job-destroying progress. To the effects of the Bill must be added the action that the Government will take on trade union reform and on implementing the social chapter, which we have warned is likely to lead to further job losses.

The lack of any indication of the level of the minimum wage—*[Interruption.]* I am glad that Labour Members are still awake. It is good to see that so many Labour Members have shown enough interest in the Bill to stay with us so far. That is good of them, as we have not had a Division since 10 o'clock. They are obviously fascinated by the debate and they will have heard many fine speeches by Conservative Members.

Mr. Ian Bruce: Given that the Government have been in power since May, could it be that Labour Members were expecting that the Minister, in his speech on Third Reading, would share with us his expectations about the level of the minimum wage? The Minister kept talking about terrible poverty pay, but he would not tell us what he believes that to be.

Mr. Redwood: My hon. Friend is right. What does the Minister consider to be poverty pay? He is impassioned about it, but he cannot name a figure or even give us a ball park idea.

Mr. Pond: Would you repeal the Bill?

Mr. Redwood: I do not have to answer that question because I am not recommending a minimum wage. *[Interruption.]* The Minister is recommending a minimum wage and he should tell us the figure at which it will be set.

In 1992, Labour said that the minimum wage had to be £3.40 an hour. If that figure were updated in relation to national earnings, it would reach £4.60 an hour—a figure well above any of those that have been leaked to the newspapers as the likely level of the minimum wage. Even if we only link the £3.40 figure to inflation, it would have to be nearly £4 an hour to validate the promise made in 1992. If we believe the trade unions and what we read in the newspapers, the level is likely to be £3.60 and, therefore, the Minister's ambition will be thwarted.

The Labour party's ambitions of 1992 will have come horribly unstuck because the Treasury has had a go at them. *[Interruption.]*

Mr. Bercow: Does my right hon. Friend agree that, in addition to the absurdity of Ministers still failing to offer a view about the level of the minimum wage, it is absurd that—10 months into this Government—not one of the Labour Members who are making stupid and boisterous observations from sedentary positions has offered an independent view on the level of the minimum wage? Are not Labour Members just a bunch of tired and emotional wrecks?

Mr. Redwood: My explanation of Labour Members' conduct is that they are under the thumb of the Minister without Portfolio, who has told them not to name a figure for fear of embarrassing the Chancellor and the Government. We have Hamlet without the prince. We are invited to a meal with no food on offer, and we are not even sure how many people will be invited; there are still arguments about who should be covered by the legislation. We think that a retreat is under way on coverage and on the level of the minimum wage. The Chancellor is likely to fight on and demand a minimum wage much lower than many Labour Members would like.

As my hon. Friend the Member for Buckingham said, it is extraordinary that in a party that claims that this is a flagship measure in which it believes, not one Labour Member is prepared to name a figure for an acceptable minimum wage. I shall give way to anyone prepared to name a figure. It appears that no Labour Member will.

Mr. Pond: I was hoping to get an answer to my earlier intervention. Would the right hon. Gentleman repeal the legislation, yes or no?

Mr. Redwood: I made it clear what our answer was on that. There is no point in boring the House by going over it again. There is no answer from Labour Members on what would be an acceptable minimum wage. They cannot say that they live in fear of the bosses cutting them off. They know that the Chancellor is worried about a minimum wage that would raise anyone's pay anywhere in the country.

We have a similar problem with scope. We were told by the Minister and by the President of the Board of Trade that everyone would be covered. That was their proud boast when they first came to the House with the matter. We learn now that young people are likely to be left out, that anyone under 26 is deemed to be young for that purpose and that the promise will be broken for them. We learn that the armed forces will be left out, although the Minister was unable to explain why. He could not say why people who take such risks for our country on active service would not get the protection that he sees in this legislation; nor was he able to confirm that they would always be earning above it. *[Interruption.]* The Minister is kind to offer me his water but I have some of my own. I am sure that he will need his.

We need to see what will happen to young voters. In the run-up to the general election, I remember Labour Members telling people that they would be covered by the legislation. They said, "Vote Labour and we will legislate a pay rise for you." We objected. We doubted whether they would be able to do it and feared that some young people would be issued with a redundancy notice rather than a pay increase. Labour spokesmen reassured the electorate. They did not think that there would be redundancy notices. They were wrong about that. They carried on implying to the electors that every young person would get the full benefit of the minimum wage. Now the Minister looks grumpy, knowing that he cannot deliver. *[Interruption.]* Now he is trying to cheer up. He knows that he cannot deliver to the young people of Great Britain on that fundamental election promise.

The Minister should also think again about the position of small businesses. They are the main means by which new jobs are generated in Britain. Often, they start off with modest pay and limited hours for the job on offer and gradually build themselves up and can offer something better. He is in danger of destroying the opportunity for small businesses to get started. He is also destroying the opportunity for young people to start off in a modest job on modest pay—more modest than he or I would like—and going on to something better. The best way to get a job is to have a job. The best stepping stone to a better job is to have a not-so-good job. The Minister is in danger of removing some of those important stepping stones from the paths of many people to bigger opportunities and better jobs. Clearly, we are seeing a Government who are still divided over whether unemployment will be a serious problem. The Minister is fighting and losing a rearguard action over the question of the scope and coverage of the legislation.

We have also failed to get much out of the Minister on the question of regional variations. He must know that there are big regional variations around the country in the amount of pay offered to people; he must also know that there are big differences in the costs of living around the regions, depending on housing and transport costs and other important items in the family budget. The Bill proposes to treat everybody the same, wherever they are; it offers no recognition of the fact that different sums are needed to live to the same standard in different parts of the United Kingdom. The costs are simply not the same.

On Second Reading, I asked the President of the Board of Trade to explain to the House whether she thought a factory worker on £4.50 an hour in London was better or worse off than a waitress living outside London on £3 an hour who received free board and lodging. It is arguable that the waitress is getting more than the factory worker in London; it is certainly true that the factory worker faces high housing and other general living costs by virtue of living in the capital city. However, there has been no recognition in Committee or on Report of the regional problem. I have read all the Committee stage *Hansards* and know that the Minister failed to come up with a scheme for recognising the different costs of living and the fact that different amounts of pay are needed in order to handle those different costs. The Minister should think again about the regional issues his Bill opens up.

Mr. Forth: Following that line of argument, which I completely accept, would my right hon. Friend say that the likely or possible impact on employment levels will vary regionally and that, paradoxically, the regions that will be hardest hit and most adversely affected will be those where pay happens to be lower? Those are probably the sorts of regions that, for as long as any of us can

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remember, Labour Members have been telling us have been disadvantaged. Will not this legislation further disadvantage those regions that are already struggling?

Mr. Redwood: That is the cruel irony of the Government's position: the regions that need most help in pricing people into jobs are the regions that will suffer most from the legislation, because they will have to accept a national average. In the regions that currently have the worst unemployment and the lowest pay, there will be the biggest problem and we are most likely to see job losses; whereas in the areas that are already overheating, the minimum wage will not present the same sort of problems in terms of unemployment, but it will offer no help to people because so many of them will already receive more than the minimum wage.

In an earlier exchange, I was asked whether there were jobs being offered in my constituency below the likely level of the minimum wage. I was able to confirm that, in my constituency, which has very low unemployment and a successful economy, people are not offering or accepting jobs at less than £4 an hour, because there is no need to. That shows how economic success can deliver higher pay and it shows how the minimum wage will be an irrelevance in the most successful parts of the economy, whereas it will be a hindrance or a disaster in those parts of the country that need the most help.

I was talking about the definition of pay. We have not heard a proper explanation from the Government of how tips, bonuses, share incentives, free accommodation, free meals and other forms of remuneration will be treated. Those are complicated matters and, so that we have a fair system, the Minister should set out—before the Bill is passed—how the calculations are going to be done to ensure comparable treatment between people remunerated in different ways.

I am not sure whether the Minister has thought through the issue of piece rates and what would happen in a factory where most workers were above the minimum wage on a piece rate system, but where a few workers—perhaps trainees or those fairly new to the job—fell below the minimum wage from time to time. Would it be fair for their pay to be made up? Would that not undermine the point of the piece rate system? Is this the Abolition of Piece Rate or Incentive Pay Bill? The Minister has not told us how he would handle that problem.

The Bill reflects another well-known new Labour trait. The Labour party campaigned against quangos and argued that they are not accountable and that matters should be dealt with by elected people. We now discover that a whole area of policy will be delegated to a quango under the Bill. The Low Pay Commission will have a continuing role reviewing the level of the minimum wage. The Minister implies that he does not have a clue about what the minimum wage should be, or how wages should be calculated. That task is being delegated to the quango that the Government have established.

The Minister says that he has devoted his political life to campaigning for better wages by Act of Parliament. It is extraordinary that, when he becomes the Minister and can announce such legislation after all these years, he is mute on the fundamental issue of what constitutes an acceptable level of pay. He is happy for a quango to take away from him the privilege of introducing what he believes is an acceptable level of pay: a measure in which he can take pride.

Mr. Bercow: Does my right hon. Friend agree that the absence from the Third Reading debate of the President of the Board of Trade suggests that, far from earning her wage, which is a great deal more than the national minimum wage is likely to be, she is slumbering in her grace and favour apartment?

Mr. Redwood: It is a great pity that the President of Board of Trade has taken no formal part in these proceedings during the night.

Mrs. Roche: The President of the Board of Trade was present during parts of these proceedings. Unlike others, my right hon. Friend believes that those who have done the work in Standing Committee should get the credit for it on the Floor of the House. That is why she is such a good boss to her Ministers.

Mr. Redwood: I presume that the hon. Lady's comment was meant to be a criticism, but it was wide of the mark. I ensured that my hon. Friend the Member for Daventry received full credit. He issued the press release today, and is available to do the media interviews. I have paid tribute to him during the proceedings. I am proud of my hon. Friend's work, and he should get credit in the press for the conduct of the Committee and the debate during this night. The legislation is important, so I asked him whether I could speak to some amendments, and we agreed that we would both contribute to the Third Reading debate.

The absence of the President of the Board of Trade is all the more intriguing because she knew that I was planning to speak. It is a great pity that, once again, she cannot face the music on a measure that she is supposed to believe in. I notice that she causes merriment among Labour Members: they must be embarrassed by her absence. Her fleeting visit at the beginning of the proceedings did not extend to making any comment or to offering any support, as the *Hansard* record will show.

The quango that the Government are establishing has too much power, and it takes responsibilities away from Ministers. It is a pity that Ministers have refused all opportunities to explain whether they will overrule the quango. We do not know whether the Minister has in his mind a level of pay that would be too low and would lead him to reject the conclusions of the Low Pay Commission. We do not know whether the Chancellor of the Exchequer may veto the level of pay that the Low Pay Commission recommends, perhaps with the Minister's blessing. Unless we know that, it is difficult to judge how much power the Bill will convey to the quango. I fear that it will have too much power. Ministers should have done the honest thing and worked out in their own minds what they believe is an acceptable level of pay. They have a huge civil service staff to help them, and they could have announced the level when they introduced the Bill.

Mr. Ian McCartney: In the past, my hon. Friends have called the right hon. Member for Wokingham (Mr. Redwood) the Vulcan. After his current performance, he can be called Mogadon man. The final minute of the right hon. Gentleman's speech shows why

he is so out of touch with British business. The CBI, the Institute of Directors and every other British business organisation support the principle and the concept of the Low Pay Commission, and are working effectively with it. Only the right hon. Gentleman and his colleagues do not recognise that the commission is accepted by both sides of industry as the best way towards the establishment of a national minimum wage.

Mr. Redwood: The Minister said that my remarks just before he intervened showed that I was out of touch. They were that I wanted the Minister to make the decision, and it is interesting that he thinks that that final remark shows that I am out of touch. I would prefer the Minister to make the decision. The minimum wage began as a Labour party measure, and Labour is now trying to use the quango to cloak it with respectability. They are very worried that it will come up with either a figure that is too low, in which case the Minister will be deeply embarrassed, or one that is too high, which will worry the Chancellor because it will destroy jobs.

Business opinion is not as the Minister describes. I have heard many representations from business on the issue, and the CBI has warned that if the minimum wage is set too high, it will lead to a loss of jobs. Companies throughout the country would tell the Minister that if he sets it too high, too far above current remuneration in those companies, jobs will go. I do not know whether the Minister knows the seriousness of the problem in manufacturing. He and his colleagues seem to be doing nothing about the problems that have been created by the Government's independent monetary committee, by their taxation of savings, by their refusal to listen to the arguments against the abolition of PEPs and TESSAs, and against the taxation of pension funds and the £27,000 million tax hit on British business in the Budget. *[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. Far too many hon. Gentlemen and hon. Ladies are making sedentary remarks. I ask them to desist.

Mr. Redwood: I am grateful to you for that, Mr. Deputy Speaker.

I realise that we are running out of time. The Government did not allow enough time to debate the Bill, and my hon. Friends are frustrated that they have not been able to explore all the important matters in it in the depth that they warrant, given that it is such a lousy Bill.

The Opposition message is that the Government do not care about manufacturing or about savers. Taxing savers in the current economic situation is extremely dangerous and puts all the pressure on interest rates and sterling, and that undermines jobs and prospects in our manufacturing heartlands. The last thing that manufacturing wants is a load of moral lectures and laws from the Labour party on top of the terrible problems that are being created by high sterling and the Government's interest rate policy.

The Chancellor says that he is pursuing a policy of toughness. The Minister is about to unleash a big pay explosion as a result of the differential awards that will be needed as all the skilled groups try to have the same increase as people at the bottom of the scale. The result will be extremely damaging, and that is the opposite of what manufacturing and business needs. The Minister does not understand business opinion. He is not being open with the House and telling us the level of the minimum wage or who will be affected by the Bill. He has not even told us how wages and remuneration will be calculated for the purposes of the Bill.

The Bill is another death blow to manufacturing and it is bad news for the economy. The Government are throwing away a golden inheritance and they will destroy the job-creating machine that we left them.

7.13 am

Gillian Merron: It is 86 years since a national minimum wage was first brought before the House. The concept has been a long time in Parliament and our debate on Report has also taken a long time. Like many of my hon. Friends, I am happy to sit here for as long as it takes to pass the legislation because it is right for Britain, and that is why the electorate put us in government. The Opposition spoke throughout the early hours of the morning, but we have heard it all before. In the historic Committee on which some of my colleagues and I were privileged to serve, Opposition Members ducked and dived. The undermining of the Bill was dressed up in the form of amendments. We heard all about what we came to term the national minimum gratuities Bill, with Opposition Members believing that tips should be included in a national minimum wage. What on earth were they thinking about?

Mr. Hammond: Will the hon. Lady give way?

Gillian Merron: I believe that the hon. Gentleman has had enough time. I will not give way.

Let us be clear. It is the Opposition who have constantly opposed the national minimum wage. They have not given a direct answer as to whether they would repeal the legislation, but the absence of such an answer gives a clear message. They have been consistent. They are happy with low pay, but we are not.

On behalf of my Labour colleagues, I pay tribute to Ministers, who have shown passion and skill in dealing with the subject. Labour Members have grown accustomed to that and we expect and value that contribution, the like of which the Opposition have no experience of making.

For many years, I have been proud to represent people in the public services, first, in the National Union of Public Employees and, latterly, in Unison: people who cook, clean, care and carry for us, who do the invisible work and who are not regarded highly in our society. We are here today for them.

Mr. Gale: Will the hon. Lady give way?

Gillian Merron: I will not.

Mr. Gale: How much?

Gillian Merron: During the general election, one of my constituents, in deciding how he was going to vote, said to me that the line in the sand for him was decency, that the national minimum wage was all about decency and that that was why he would support Labour.

Mr. Gale: How much?

Gillian Merron: Let us remember that, at this stage in the debate, the constant barracking and constant

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questioning about how much the rate will be is a complete diversion. We all know that. The Low Pay Commission has been established so that we have a thoughtful, sensible and well-supported rate. We will have its report in a few short weeks and it does Opposition Members no credit that they criticise the action of a cautious and wise Government. Opposition Members seem to prefer rashness and policies that are irrelevant to the reality of the business world and people's working lives. We will not allow that.

Let us remember that this very construction will bring benefits all round. Businesses in my constituency and in the constituencies of hon. Members on both sides of the House welcome the national minimum wage because they know that it will—

Mr. Lansley: On a point of order, Mr. Deputy Speaker. The hon. Member for Lincoln (Gillian Merron) was at pains to refer to the need to declare interests. I wonder if she would care to declare an interest in relation to her entry in the Register of Members' Interests concerning the loan of a car for seven weeks from Unison, which she records as her former employer.

Mr. Deputy Speaker: That is not a matter for the occupant of the Chair. It is for hon. Members to decide what they need to declare.

Gillian Merron: It is no secret that I am very proud to be associated with Unison and its members.

Businesses welcome the national minimum wage because it will cut unfair competition, where a business undercuts the next business. That is why cleaning companies and private contractors will be pleased to have a national minimum wage. Taxpayers pay £100 a year more than they should to compensate for low-paying employers and to cover the cost of in-work benefits. Women, the majority of whom are low paid and work part time, will benefit. This country will benefit because the national minimum wage will give it a competitive edge. We will have a better trained, more stable and more productive work force. That is what we need to be able to compete.

If Opposition Members need any proof that we need a minimum wage and have not been to their jobcentre, they are welcome to come to the jobcentre in my constituency of Lincoln. They will see vacancies for night care assistants, where people are required to have experience and their own transport and to take full responsibility for £2.20 an hour. Tell me that that is acceptable. Perhaps they would like to see the advertisements for security guards, at less than £3 an hour—and they even have to supply their own dogs. Is that acceptable? I think not.

If ever I need convincing, I think back to when I was a local government worker advising on welfare benefits and debt. In one family a low-paid husband and a wife who was at home caring for the children were claiming in-work benefits. They were struggling, as many low-paid families do, with terrible debts, and I was trying to assist them. On the eve of an election—when, I regret, Labour lost—the wife said that she would be celebrating if Labour won because she would then have something to look forward to. When Labour lost, I felt that we had let her down. Today, we have not let her down; we have done something for her and for low-paid people who deserve so much better.

My hon. Friends and I were elected to this House to do the sort of work that we have done today. We came here to ensure that this Bill went through. That is what the people of this country want and we will not be diverted from that. Make no mistake—as the Opposition do—about what the people want. They want the first ever national minimum wage in this country, and it is a Labour Government who will give it to them.

7.21 am

Mr. Chidgey: I do not intend to delay the House for long, as I know that other hon. Members wish to speak.

We have come a long way since Second Reading. Dealing with this Bill has been an exhaustive and, for some of us, an exhausting experience. Throughout our debates, many hon. Members—certainly in my party as well as the Labour party—have shared a common aim: to put an end to cowboy employers undercutting their competitors by paying poverty wages which are then subsidised by social benefits paid for by the taxpayer. That has never been right and it has no place in the modern industrial economy to which we aspire and, indeed which we hope to lead in the coming century.

Ministers know that we have some concerns about certain elements of the Bill. Throughout our debates, we have made it clear that we are concerned about the mechanisms for introducing a single national minimum wage. We are concerned about the variation in the economic impact, the degree of which we do not know, that a single national minimum wage could and would have on different areas of the country.

During what has been a very long night, and I am grateful to the Minister—*[Interruption.]* It is interesting how hon. Members who have come into the Chamber only at this late stage in our proceedings should be so confident that they appreciate the finer points of the debates that have gone before.

Mr. Bercow: Will the hon. Gentleman give way?

Mr. Chidgey: I think not; we have had enough.

We have come some way during the night and I am grateful to the Minister for confirming that the issues on which I have pressed him on a number of occasions will be dealt with by the Low Pay Commission and will feature in its report. That report will precede the secondary legislation which, we are told, will set out the detailed proposals for a national minimum wage. We will grasp the opportunity to scrutinise those details.

We have come a long way in teasing out, in Committee, some of the less clear aspects of the Bill. It has been improved through an all-party contribution on new clause 1, relating to volunteers, for which we should all take credit.

The Bill will provide protection for the most abused sector of the working population—home workers. I am pleased that the Minister shares the concerns that I drew to his attention earlier about the exploitation of that particularly vulnerable employment sector.

Although we have reservations about the general application of a single national minimum wage, we shall not oppose the Bill's passage.

7.24 am

Mr. Pond: I am sad that I did not get a straight answer to my intervention in the speech of the right hon. Member for Wokingham (Mr. Redwood) about whether the Conservative party would plan, after all our debates, to repeal the National Minimum Wage Bill. I am even sadder that the right hon. Gentleman is no longer in the Chamber. However, the Leader of the Opposition is in the Chamber, and I should be happy to give way to him at any point in my speech if he would like to tell me whether the Conservatives plan to repeal the national minimum wage that we are introducing today.

Mr. Boswell: Will the hon. Gentleman give way?

Mr. Pond: No, I shall make a little progress—unless the hon. Gentleman will tell me whether the Conservatives would repeal the legislation, in which case I should be very happy to give way.

Mr. Boswell: Has it occurred to the hon. Gentleman that it will be reasonable to ask us whether we will repeal the Bill once the Government tell us what it is that we might or might not be invited to repeal? We do not know.

Mr. Pond: It was against my better judgment to give way.

In Committee, there was some confusion about whether Conservative Members had a hidden agenda in dealing with the Bill. The hon. Member for Daventry (Mr. Boswell) told us that there was no hidden agenda, but the hon. Member for Solihull (Mr. Taylor) told us that there was one—although he was not quite sure whose agenda it was. During the Committee stage, another hon. Member told us, very honestly, that the purpose of the Opposition's amendments to the Bill was to restrict the national minimum wage "as far as possible".

Conservative Members want to ensure—as their behaviour in the past few hours has been intended to ensure—that we do not have a national minimum wage in the United Kingdom. They still do not get it, do they? They do not understand that four out of five people in the United Kingdom are in favour of the national minimum wage, or that two out of three of those who still admit to being Conservative supporters—admittedly, numerically, there are not many of them—say that they favour a national minimum wage. Conservative Members continue to oppose the legislation. They do not understand that it is not only a matter of basic social justice but makes good business sense.

Opposition Members have told us in today's and yesterday's debates and in Committee that they are not in favour of sweated labour. In Committee, the hon. Member for Daventry told us that he had seen a sweatshop only in Romania. That might present a little challenge for his local press in Daventry—perhaps to discover whether they can uncover something that might look like a sweatshop. Every hon. Member will have to admit that, in the absence of a national minimum wage, we all have among our constituents people who are earning pitifully low pay.

While working at the Low Pay Unit, I saw at first hand, during 18 years of Conservative government, the effects of low pay. Although Conservative Members now tell us that they are not in favour of sweatshop economics, I saw at the sharp end the impact of their policies: abolition of wages councils; and sweatshop economics which led us to a situation in which—as the Minister told us earlier in the debate; I, too, commend Ministers for their work on this Bill—pay inequalities in the United Kingdom are now wider than they were in 1886, when figures were first collected, and have increased faster than in any other industrialised country. That is part of the reason why, shamefully, the numbers of those in poverty in the United Kingdom trebled under the previous Administration.

Despite the enormous economic and social costs of the previous Government's policies, those policies have had no benefit. One might have thought, listening to the right hon. Member for Wokingham, that the sweatshop economics that the previous Government pursued have provided a nirvana of job creation and competitiveness. In fact, those policies created far fewer jobs for the nation than were created for countries that provided a decent level of pay and a minimum wage. We slipped down the competitiveness league, and eventually, in terms of national income per head, we were 11th out of 15 member states of the European Union. If that is economic success, I would hate to see economic failure. We must take Opposition Members' arguments with a pinch of salt—or more appropriately, perhaps, with a salt mine. Their aim is to continue the discredited policies that we saw when they were in government.

Let me remind the House why we have sat here throughout the night to make sure that there is a national minimum wage. Let me give some examples that have recently been encountered by the Low Pay Unit, the organisation for which I used to work. An economics graduate is working for a firm of London solicitors for £1.75 an hour. An 18-year-old with NVQ 2, working in a private nursing home for adults with special needs in Yorkshire, earns £1.50 an hour. A 20-year-old employed as a stablehand in the east midlands earns 66p an hour.

We have sat here throughout the night, and we sat through two Committee sittings for more than 20 hours, to ensure that those people receive the decent minimum wage that they deserve. Let me remind the House why Opposition Members have sat here throughout the night. They have gone through the theatre—the fiasco—of pretending to scrutinise legislation, while going round and round, intervening on each other, to make sure that those people do not have the national minimum wage to which they are entitled. Labour Members will not let it happen.

7.31 am

Mr. Gale: I will be brief, because the hour is late. [HON. MEMBERS: "Early!"] It is late in the evening.

What we heard from the Minister was an unreconstructed rant from the 1970s. It was a time warp, returning us to the Trades Union Congress that we all used to know and loathe. The Labour party has clearly learnt nothing from those days. It has not learnt that, if people are to be paid more money, that money must be earned by the company concerned before it can be paid.

The Minister for Small Firms, Trade and Industry said in a disparaging speech that it did not matter, but of course it matters how much the figure is. We have sat here all night asking over and over again what that figure will be, but not one clone—not one radio pager—is prepared to tell Labour Members what to say.

The hon. Member for Gravesham (Mr. Pond) is not prepared to tell us how many Kentish jobs the Bill will cost, although he has been working on it for years in the

[Mr. Gale]

Low Pay Unit. We are told that we have been looking forward to this for 70 or 80 years, but no one is prepared to put a figure on it, and that is what matters.

I will vote against the Bill, because it will cost my constituents jobs. I came here to represent my constituents' interests, and I do not believe that it is in their interests to be put out of work by any meaningful figure. If the Minister tells us that it will not be a meaningful figure, I will say that we have wasted the entire night, and that some of my colleagues have wasted a great deal of time on the Bill. If it is to be a figure of the kind that has been bandied about in private on the Opposition Benches, industries and businesses in my constituency are very concerned indeed. As my right hon. Friend the Member for Wokingham (Mr. Redwood) said, there will be a ratchet effect. Wage costs will go up and up and up.

I represent a part of the south-east that has historically had high unemployment. I want my constituents to earn more: I want to see more money in their pockets, so that they can put more money into retail industries in my constituency. However, that money must be earned. I do not want an unrealistic wage, at whatever level, to be imposed on the seaside industries that I represent, on the agricultural workers and casual workers whom I represent or on those working in the toy industry—a highly competitive industry, which is seeking to deal with overseas competition and costs that companies are already finding it very difficult to meet. If those people are to be put out of work by the Bill—as I believe they will—I would be doing them no favours by voting for it. If Labour Members are prepared to name a figure now, we shall know where we stand. If they are not, I fail to see how they can go into the Lobby in support of this nonsense.

Mr. Tam Dalyell (Linlithgow): While the hon. Gentleman is on the question of naming, can he name the toy firms in his constituency?

Mr. Gale: I can and I am proud to do so. Hornby Hobbies is one of the most respected toy companies in the country. The managing director wishes to raise the wages of his employees. He is a new managing director who has turned the company round. It went into liquidation, it was bought out of liquidation and it recovered. It is a proud international name, but it is competing with assembly workers around the world. Good, part-time jobs employing my constituents are being sent overseas because British companies cannot compete with the wage costs.

If my constituents working for that firm will be placed out of work by the legislation, the Government and the legislation will be doing them no favours whatever. They, and Labour Members' constituents, will find that their jobs have gone and the small husband-and-wife businesses that were considering taking on a young person will work longer hours because they cannot afford to take on another employee. That is not creating work; it is destroying jobs and that is what the legislation and the Government will do.

7.36 am

Mr. Jim Murphy: It is good that the right hon. Member for Wokingham (Mr. Redwood) joined us this evening. It was good of him to set his alarm and wake from his slumber. It was good of him to slip his suit over his pyjamas, but it was very bad manners for him to nod off in the middle of his own speech. He has since sleep-walked back to his office, no doubt to prepare for the rest of his busy day. It is a shame that he is not in his place, but perhaps the hon. Member for Daventry (Mr. Boswell) will comment on what I have to say.

My hon. Friend the Member for Gravesham (Mr. Pond) asked the right hon. Member for Wokingham whether he would repeal the legislation, but the Opposition would not make a commitment three years in advance. I wonder whether that could be reconciled with other comments by the right hon. Member for Wokingham, who seemed perfectly eager and determined to comment in principle on opposing and repealing other legislation for a decade and beyond. I refer in particular to the European currency.

The Opposition lectured us on the impact on young people of a national minimum wage. That rhetoric does not fit well with an Opposition who objected to the single greatest job creation and opportunity enhancement project this century, in the shape of the new deal. We accept no lectures from them on opportunities for young people.

I have sat here throughout the debate this evening, and watched the Opposition pass the baton of filibustering from Back Bench to Front Bench and back again. It is now twenty minutes to 8 in the morning. It says something strange about the Chamber that this is the largest number of hon. Members that I have ever addressed, and that we are all gathered here at twenty minutes to 8 in the morning.

Although I feel a little jaded after listening to Opposition speeches throughout the night, I feel most sorry for my hon. Friend the Member for Eltham (Mr. Efford), who has been sitting here all evening waiting for the Adjournment debate on his local fire service. I feel equally sorry for the Minister who is waiting to reply to that debate. I wish my hon. Friend every success with his Adjournment debate.

I have a couple of quick comments, because I know that time is not an ally this morning. The hon. Member for Aldershot (Mr. Howarth) said that his town was the home of the armed forces, and that the Bill would bode ill for the people of Aldershot. Every constituency is the home of the armed forces, because we all have constituents in the forces. They will all be affected by the findings of the pay review body.

Like many hon. Members, I would have been affected by a national minimum wage in the past 18 years. I was affected by the Conservatives' repeal of the wages councils in 1993. Since then, I have worked night shifts, I have worked in shops and I have worked for very low wages. I bore the brunt of the previous Government's policies.

I do not accept the claim of Conservative Members that a minimum wage will lead to a reduction in the number of jobs, and will create unemployment. Again, I cite the Conservatives' record in government. In 1993, they abolished the wages councils, claiming that that would create jobs. The facts do not bear that out. Of course various economic circumstances have an impact on jobs, but let us examine one important fact: in the year before the abolition of the wages councils, nearly 18,000 new

jobs were created in this country; in the year after the abolition, that number went down to 5,000. The abolition of the wages councils did not have a positive impact on the level of unemployment.

Mr. Lansley: Does the hon. Gentleman accept that unemployment has gone down every month since 1993? Does he not attribute that to the economic policies of the previous Government, including labour market flexibility?

Mr. Murphy: No, I do not agree with the hon. Gentleman. There was a sharp reduction in job creation after the abolition of the wages councils. The Conservatives doubled the number of unemployed when they were in government. We shall not accept any lessons from the Conservatives on unemployment, because they failed to implement any programmes for change for the young unemployed, and failed to bring in a minimum wage—indeed, they did the opposite.

I welcome the comments of my hon. Friend the Minister earlier this morning, or late yesterday evening, on unfair dismissal. It is crucial that no one should be sacked or victimised for exercising their legal right to demand the national minimum wage. That right must be protected in law.

Much was said in Committee about benefits. One of the main reasons why I support the Bill is that we shall no longer have to subsidise low pay. Crucially, no longer will taxpayers have to subsidise employers who pay poverty wages to people who work long hours. No longer will we have to subsidise families who have the dignity of going to work, but then have to suffer the indignity of signing on to make up for their poverty wages.

Many of us sat up all evening listening to the debate, some of us participating in it. Many of the lowest-paid workers throughout the country work night shifts. One night shift in the House is an evening and morning well spent if, at the end, the scourge of poverty pay is ended for hundreds of thousands of people in every town and city throughout the country.

7.44 am

Mr. Hammond: One issue with which Ministers would have no difficulty in agreeing is that we have had an extensive debate on the Bill over the past few weeks. My right hon. Friend the Member for Wokingham (Mr. Redwood) summed up very eloquently the concerns we still have at the end of that debate.

The Government will, of course, get their Bill through; there has never been any doubt about that. That ought to be the end of story, but, because of the unusual structure of the Bill, there will be yet another chapter in the saga when the Low Pay Commission reports and Ministers come back to the House with the regulations, which, for the first time, will allow us to understand what the Bill means in substance. Those regulations will put flesh on the skeleton that is all we have before us at the moment.

The debate has been quite extraordinary. Although it has been extensive, the key piece of information has been missing—the piece that we all need to make any sense of the Bill. It is only when we obtain that vital piece of information—what the rate is to be—that we will be able to understand at last what the national minimum wage legislation really means.

Despite the Minister's uncharacteristically churlish opening remarks, the debate in Committee and on Report has, to a large extent, been good natured. Often, it has been constructive, and there has been a good deal of consensus across the Committee and the Floor of the House. Given that we stated on Second Reading our principled objection to the legislation, our objective in Committee was to try to improve the Bill. I hope that the Minister will accept that, if we have not always agreed, we have at least attempted to be constructive, and to suggest areas of concern as we have seen them in the practical operation of Bill.

The issues of principled objection remain, as well as many practical concerns about the detailed operation of the Act. We are convinced that the Bill will cost jobs, fuel inflation and damage public services. The degree of damage can be assessed and debated only when we have the vital missing pieces of information. Assuming that the Secretary of State accepts the Low Pay Commission's recommendations and puts them before the House in the form of regulations, we will finally have a chance to debate the issue on a fully informed basis. That debate may be more substantive than the debate that we have had over the past 100 or so hours, including proceedings in Committee and on Report.

I have been very brief, as is my wont. If I may, I would like to steal one of the Minister's favourite expressions. I do not feel that I am about to be parted from the National Minimum Wage Bill. It is more a case of au revoir, because I am sure that we will be visiting it again when the regulations come before us.

7.47 am

Mr. Healey: This Bill was badly needed, and is long overdue. It brings Britain into line—finally—with other modern economies, and gives us for the first time a national minimum wage. To borrow a well-worn phrase, the Bill is tough on low pay, and tough on the causes of low pay. The Bill will stop cowboy companies driving down wages and driving down standards in other workplaces. There is a strong correlation between low pay and low staff morale and motivation. There is a strong correlation between low pay and high rates of staff turnover. There is a strong correlation between low pay and low levels of training. Moreover, there is no future for this country in competing with the world's worst economies, when we must compete with the best.

For my constituents, the Bill may well be the most important piece of legislation we pass this Parliament. In Rotherham, between 1981 and 1991, we lost 12,000 coal and steel jobs, and gained 9,000 service sector jobs. Our employment structure and pay structure changed. Our economy is increasingly characterised by low-paid, part-time and temporary work.

Last year's jobcentre survey showed that half of all full-time vacancies paid less than £4 an hour, and that one in 10 paid less than £3 an hour. One man was so incensed by what he saw at the jobcentre that he ripped away one of the jobcentre cards and brought it to my surgery. It gave details of a £1.85-an-hour, six-day-week job for a security guard. [HON. MEMBERS: "Shame."] Those trends are mirrored throughout the country and the economy.

The aim of the Bill is simple: to achieve a universal national minimum wage. That principle was reiterated throughout the time in Committee, in the face of a stream

[Mr. Healey]

of amendments tabled by Conservative and Liberal Democrat Members, seeking to punch holes in that principle. They wanted variations by region, by sector and by occupation. They wanted variations by size of firm. The principle of a universal national minimum wage was reinforced tonight on Report, not least by the amendments we passed to prevent employers from penalising or dismissing employees as they move toward eligibility for minimum wage protection.

Many of my hon. Friends have worked in the employment field. We are familiar with those hire-and-fire employers who have been given freer and freer rein throughout the 1980s and early 1990s. We are familiar with their practice of firing people, days or weeks before they complete two years of employment and become entitled to protection from unfair dismissal. That is why the amendments on which we voted tonight were so important: they reinforced the basic principle of the Bill.

I look forward to the publication of the Low Pay Commission report in May. I am disappointed by the grudging recognition that Conservative Members have given to the work of the commission, which has done a thorough job, and will produce an authoritative set of recommendations. Conservative Members miss the point: the Low Pay Commission is part of an important policy and political process, which they fail to understand.

The Bill is a tribute to the Minister—and his work in opposition and in government—because he, and the Government, have moved employers to accept the principle of the national minimum wage, and then to become involved in helping to prepare plans to implement it, preparing the consensus on which the Bill and legislation relating to it must be based. That is why, in Committee, Conservative Members were bereft of the critical briefings and draft amendments that they might have expected, especially from employers' organisations.

Unions, too, have moved. They have moved to accept that a fixed formula is not the way ahead. They have moved to accept that they also must become involved in helping to prepare plans and achieve a consensus for the Bill's implementation. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order.

Mr. Healey: Those Conservative Members are the last of Britain's pressure groups that are unable to come to terms with the principle of the national minimum wage. They cannot come to terms with the fact that public opinion has left them behind. After 86 hours—

Mrs. Laing *rose—*

Mr. Healey: After 86 hours in Committee and 15 hours on Report, I want to see the end of the national minimum wage being kicked around as a political football. I want to see the beginning of the national minimum wage as a permanent feature of the British economy as we move into the next millennium.

7.54 am

Mr. Lansley: After participating in the lengthy Standing Committee and the Report stage, I am grateful for the opportunity to say a few words on Third Reading.

I am glad that the Minister of State is here, because I suspect that he is a little like Queen Mary Tudor: that, when he departs—I pray many years hence—and they open him up, instead of "Calais", they will find "national minimum wage" written on his heart, so profound has been his commitment to it. I fear that, in the long run, like Queen Mary Tudor, he is committed to a lost cause. He may fight over it for generations, but in the long run he will lose it.

I did not get a chance to speak on Second Reading. Way back then, I thought that I would put my points in the debate, but would be willing to listen. The points that I intended to make were, first, that the academic evidence suggests that the minimum wage costs jobs, and, secondly, that it hits the unskilled and those without training and skills the hardest. The minimum wage does not merely set a floor—it is a floor with edges, and people fall off it. Some people are lifted up by it, but others fall off.

All those arguments came up in Committee, but time and again, rather than an attempt to respond with evidence and argument, all we had from Labour Members were assertions and bluster. They voted for the minimum wage, and they must have it. The terracotta army has been given its orders. It will march in the direction of the national minimum wage and do what it has to by the mandate presented to it, but not on the basis of evidence.

What deeply depressed me was that, from the point of view of the Government, the heart of the matter was that they wanted to lift people out of poverty by introducing the national minimum wage, yet the evidence from the Institute for Fiscal Studies and others was clear—that the minimum wage is a bad device to alleviate poverty. Often, it is directed not towards those in the lowest income groups, but towards the thousands of working partners, who are in households that are not particularly poor. The benefit of the minimum wage is greatest for the middle deciles by income, not the lowest. The beneficial effects that Ministers have suggested the national minimum wage would have on poverty simply are not there.

Ministers could have accepted that in Committee, and said that they wanted to make the minimum wage work better. They could have seriously debated the rate and, for example, home and agency workers, where there are abuses. Conservative Members recognise that abuses are committed by certain employers which have to be dealt with, and we engaged in that debate. However, Ministers would not provide information on which a serious debate could take place. Throughout, it was suggested that the minimum wage could be set at £3.50, £4 or £4.50. Who was to know where it was to be set? We introduced amendments designed to set a ceiling on the level, but the Government would not accept them.

Now the Government argue that business organisations accept the national minimum wage. I have represented business organisations, and I can tell the House that they accept that the Government are going to have their Bill—just as Conservative Members know they will. At the risk of repeating myself from another debate—it applies here just the same—

Mr. Jim Fitzpatrick (Poplar and Canning Town): Will the hon. Gentleman give way?

Mr. Lansley: No, because time is short—*[Laughter.]* As the hon. Gentleman knows, in 100 hours I gave way

every time anyone asked me. In Committee, his colleagues were told never to give way. I remember the number of times that I stood up and had to sit down again because they would not give way.

I must tell the Minister that, just because Labour Members kow-tow to the emperor, that does not mean that he is wearing any clothes. When the time comes, he will see. It will not be a pretty sight—we will find that the Minister wears no clothes.

7.59 am

Mr. Boswell: I may have spent 100 hours in Committee and on Report closely associated with the Minister, but he leads me irresistibly to think of Lenin, who asked the essential question, "Who, whom?" Even given the time that we have spent in our deliberations, some very important questions have not been answered—Ministers have fallen over backwards to avoid answering them. We have been told no national minimum wage rate, no details of the coverage of remuneration, no specification of pay reference periods and no details of the mechanism of uprating. At the end of 100 hours, we simply do not know the answers.

Every time that there has been a difficulty—for example, as recently as the one in the debate on honoraria—the matter is referred magically to the Low Pay Commission. The Government have been a blend of Lenin and the fairy godmother.

Mr. Fitzpatrick: Will the hon. Gentleman give way?

Mr. Boswell: No, I shall not give way, as I have a number of points to make and I have been giving way for 100 hours.

The Government have not been able to run away from the overall economic difficulties that will arise because of the Bill. The Confederation of British Industry has continued to point out that, even if the rate was set as low as £3 an hour, there would be problems if differentials were not compressed. It is also concerned about record keeping and the reversal of the burden of proof.

Such concerns are echoed especially in the more vulnerable parts of the private sector—hospitalities, charities, horticulture and remote businesses and industries. Less explicitly, concerns have also been expressed about the impact on the public sector, particularly caring.

At the end of this amazing process we are left, as others have said, with Hamlet without the prince—we still have not elicited that elusive rate. We have at least secured the publication of the Government's advice to the Low Pay Commission, although not until 600 other bodies and individuals had given it evidence. We do not have Hamlet, but we do have the first grave-digger.

It would have been much better if the Low Pay Commission—given that the Government were going to create it anyway—had been invited to take evidence, deliberate and report. Ministers could have decided at what rate they wanted the minimum wage to be set and the other details—which will eventually have to be put into regulations—and then brought them to the House as the full monty, for a proper set of debates.

Instead, the Bill has been conducted most extraordinarily. In Committee, we debated the sittings motion on the first day, but we did not sit on the following Thursday afternoon. The week after that, one debate was curtailed when Labour Members moved the closure, which the Opposition voted against, as we wanted to debate the Bill. Then the Afrika Korps rolled into town and tried to steamroll the Bill overnight. Labour Members should have known that my hon. Friends were made of sterner stuff. They had many points of substance to raise and, my goodness, they raised them.

Given that the Bill seemed only to be an enabling Bill, it is amazing that it has had to be so heavily amended—by both the Opposition and the Government. It would have been much wiser to have allowed more time for the remaining stages.

I have learnt in Committee and on Report that, in addition to the general economic case against the Bill, which has been so well deployed by my right hon. Friend the Member for Wokingham (Mr. Redwood), we have been left with enhanced worries about the way in which the Bill will operate in practice. My hon. Friends and I are still extremely unhappy about how it will affect charities, although the provisions are now considerably better than those that were first proposed. We are deeply disappointed about therapeutic earnings. We remain concerned about record keeping, enforcement and penalties. The Agricultural Wages Board is left with a gross untidiness, and there is real anxiety about double employments, well exemplified by Mr. McSporran of Gigha, who had 14 jobs at once.

There is real concern about spouse employments. Governments are ill advised to start regulating the economic or any other relations between spouses. There is uncertainty about the commission. Above all, there is uncertainty about whether the under-26s will have a lower rate or a training rate and whether others will join them.

All that uncertainty arises because of the complexity of a modern economy, to which the Government have not alerted themselves. There are more things in heaven and earth than are dreamt of in their philosophy. The Government have tried to fit a modern economy into a narrow and constricting mould.

Of course there is a political attraction for Ministers in choosing one rate. If only the real world were so simple. The Government are learning. First, they had to exempt the armed forces. There has been no explicit information, but it is clear that they have completely filleted the Bill. By destroying its universality, they have destroyed its integrity.

The essential moral equivocation of the Bill, which we pointed out in the very first Committee sitting, remains and will remain at least until the rate is stated and any exemptions or lower rates for the under-26s are revealed.

The choice is simple. If the national minimum wage is set at a safe rate dictated by the Chancellor of the Exchequer, it will not make much difference. The result will be political disillusionment among Labour Members. It would have been far better to adopt the Opposition's approach of a minimum income.

If, alternatively, the minimum wage is set at a high rate—say £4 an hour or more, which would still be well below the £4.60 that would be consistent with Labour's previous election pledge—it will damage significant sectors of the economy, including, for example, the care sector and tourism, which are great generators of jobs. Through the effect on differentials, it will run the risk of cranking up wage-cost inflation. The evidence from

[Mr. Boswell]

Incomes Data Services only this week is that it is already doing so. All that is the natural result of a Government whose policies are driven by soundbites: the louder they sound, the more their policies turn out to bite. Ministers have, throughout this extraordinary consideration of the Bill, been strong on rhetoric and weak on answers. The damage to jobs comes later.

We have been implacably opposed to the Bill all along. We sought, and modestly achieved, certain improvements in Committee, but we remain implacably opposed to the Bill and will shortly have the pleasure of voting to decline it a Third Reading. There it is.

8.7 am

Mrs. Roche: As I said consistently in Committee and throughout this evening, we have had a full and interesting debate. It is good that we can do so. I must, however, say to the hon. Member for Daventry (Mr. Boswell), for whom I have some regard, that his last gesture, in throwing down a copy of the Bill, was petulant.

The Conservative party has learnt nothing and forgotten nothing. It has not learnt the lessons of 1 May. It has not learnt that the policy of a national minimum wage is deeply popular. The Conservatives say that they want no minimum wage—yet. They say that they want a high-wage economy—but not yet. They say that they want economic efficiency and partnership—but not yet.

I am extremely and eternally grateful to the team who have worked with us in Committee to bring about the national minimum wage. I know that my hon. Friend the Minister of State will agree that it has been one of the great experiences of our parliamentary lives to work with such a wonderful and dedicated team and to have the support of our right hon. and hon. Friends this evening.

Conservative Members may sneer but, for all Labour Members, this Bill is why we came into politics, why we joined the Labour party and why we are proud to be part of this Government.

Mr. John Home Robertson (East Lothian): I join other hon. Members in congratulating my hon. Friend and her team on the work they have done on this important Bill. She mentioned teamwork, but has she received any information about the attitude of the Scottish and Welsh nationalists to the Bill? I have not seen them tonight. Do they support the Bill?

Mrs. Roche: I am deeply disappointed that the Scottish and Welsh nationalists are not here, because the Bill will introduce a national minimum wage that will bring great benefits throughout the United Kingdom.

I wish to emphasise the intention behind the Bill, in case anybody is still mystified. The Bill is part of the Government's overall employment relations strategy, which aims to encourage greater adaptability at work, a greater sense of partnership in the workplace and decent minimum standards of fairness at work for all, enforceable in law. In our Third Reading debate this evening, we have heard passionate contributions—I make no apology for describing them as passionate—from my hon. Friends the Members for Lincoln (Gillian Merron), for Gravesham (Mr. Pond), for Eastwood (Mr. Murphy) and for Wentworth (Mr. Healey), who all talked from their experience about what poverty wages mean to the men and women whom they represent.

What have we heard from the Conservatives? We have heard the same old stories. They made the same arguments that they made when equal pay for women was debated. They claimed that equal pay legislation would mean a reduction in jobs for women. In reality, women's employment increased overall. The Conservative party has learnt nothing and forgotten nothing, and that is typical.

The Conservatives have told us that small firms will suffer. They are so unambitious for the small firms in our country which do so much work for our economic wealth. The Conservatives deem small firms second class, but the small firms will not forget what they have done. The Conservatives were rejected by the small firms. Indeed, the hon. Member for Chesham and Amersham (Mrs. Gillan), who speaks on small firms for the Opposition, has said that her party had failed to make the arguments. She also said, with admirable honesty, that the Conservatives would produce no policy on small firms in the future because they had got it so wrong in the run-up to the election. Why should we listen to them?

The minimum wage has both a business and a social justification. If I may borrow a phrase from my hon. Friend the Minister of State, it is an idea whose time has come. The Bill has the simple aim of providing a wage floor, set by the Government, below which workers cannot be paid. That is a simple idea, but it has thrown up a vast number of issues—as the length of our debates bears witness.

Mr. Fitzpatrick: I am grateful to my hon. Friend for giving way, especially as two Conservative Members had opportunities to give way but declined them. I can only imagine that that is a measure of their last-ditch efforts to defend the previous Administration's policy of creating a low-skill, low-wage economy in this country. Does my hon. Friend agree that this policy is central to our new Government's social exclusion policy which will treat British workers with dignity? The creation of a national minimum wage is long overdue. It is testimony to the difference between Conservative Members, who treated the British people with contempt—

Mr. Deputy Speaker: Order. The hon. Gentleman must not attempt to make a speech on an intervention.

Mrs. Roche: I understand well the points that my hon. Friend made. What Aunt Sallies the Conservative party has put up. The hon. Member for Daventry—this was not worthy of him—was worried that there were terrible enforcement measures. Where did they come from? They are, of course, based on previous enforcement provisions enacted by the Government in which he served as a Minister, as did the right hon. Member for Wokingham (Mr. Redwood). They said nothing about draconian enforcement then. The Conservative party has learnt nothing and forgotten nothing.

I look forward to the progress of the Bill in another place. We will watch its deliberations. I remain confident that there will be a good debate there, despite the confusion and complications spread by the Opposition. The minimum wage is above all a practical measure

designed to deliver to the people we represent. It is about people who are held down and treated unfairly. It is about company managers who need, and wish, to be free from the fear that a competitor will undercut them by recruiting a desperate labour force. The Conservative party's opposition to the Bill shows how out of touch it is with business. The Bill is a practical, hard-headed business measure, but it is practicality and hard-headedness with justice and fairness thrown in.

When the Bill becomes an Act, as it surely will, it will take its proper place alongside the other landmark legislation introduced by previous Labour Administrations. When my political life and awareness began, I looked at those past Labour Administrations with great admiration. They influenced my young life. This will take second place only to the setting up by a Labour Government of the national health service, whose anniversary we will celebrate this year. What more fitting tribute than to wish the Bill's passage well. I commend it to the House.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 214, Noes 124.

Division No. 194] **[8.16 am**

AYES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Ashdown, Rt Hon Paddy
Atkins, Charlotte
Austin, John
Barnes, Harry
Beard, Nigel
Benn, Rt Hon Tony
Benton, Joe
Berry, Roger
Best, Harold
Blears, Ms Hazel
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Corbett, Robin
Corbyn, Jeremy
Cox, Tom
Crausby, David
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Drew, David
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Efford, Clive
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fitzpatrick, Jim
Fitzsimons, Lorna
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Gardiner, Barry
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Grocott, Bruce
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Healey, John
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jamieson, David
Jenkins, Brian
Jones, Helen *(Warrington N)*
Jones, Jon Owen *(Cardiff C)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McFall, John
McNulty, Tony
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Marshall–Andrews, Robert
Merron, Gillian
Michael, Alun
Michie, Bill *(Shef'ld Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Hara, Eddie
O'Neill, Martin
Organ, Mrs Diana
Osborne, Ms Sandra
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Roche, Mrs Barbara
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Russell, Ms Christine *(Chester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Sheerman, Barry
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, John *(Glamorgan)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth *(Clwyd W)*
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Tyler, Paul
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
White, Brian
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Winnick, David
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Mr. Clive Betts and
Mr. Kevin Hughes.

NOES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Baldry, Tony
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Bruce, Ian *(S Dorset)*
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*

Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Gale, Roger
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gorman, Mrs Teresa
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Waller, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Sir David Madel and
Mr. Stephen Day.

Question accordingly agreed to.

Bill read the Third time, and passed.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the Questions on the three motions.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Urban Development

That the draft London Docklands Development Corporation (Transfer of Functions) Order 1998, which was laid before this House on 21st January, be approved.

That the Urban Development Corporations in England (Area and Constitution) Order 1998, dated 19th January 1998, a copy of which was laid before this House on 27th January, be approved.

Local Government

That the draft Local Authorities (Transport Charges) Regulations 1998, which were laid before this House on 9th February, be approved.—*[Mr. Jamieson.]*

Question agreed to.

Road Traffic Reduction (United Kingdom Targets) Bill [*Money*]

Queen's recommendation having been signified—

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Road Traffic Reduction (United Kingdom Targets) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenses of the Secretary of State which are attributable to the Act.—*[Mr. Jamieson.]*

8.28 am

Mr. Eric Forth (Bromley and Chislehurst): The next few items on the Order Paper are important, and the House will want to give them proper consideration. They are money resolutions and Ways and Means resolutions following from private Members' Bills. [*Interruption.*]

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Would right hon. and hon. Members who are not staying to listen to the debate please leave as quickly and as quietly as possible out of courtesy to the right hon. Member for Bromley and Chislehurst (Mr. Forth)?

Mr. Forth: These matters require to be considered by the House. They are in no sense automatic or trivial. There is an increasing trend for private Members' Bills to give rise to the expenditure of a large amount of taxpayers' money. That would be bad enough, but a trend that is well exemplified by the measure before the House is also contained in the following measures, as we shall see when we examine them.

Clause 3 of the Road Traffic Reduction (United Kingdom Targets) Bill states:

"There shall be paid out of money provided by Parliament any expenses incurred by the Secretary of State under or by virtue of this Act."

That is the clue to what we are being asked to do in this measure as in other measures relating to, let us remember, private Members' Bills. We are being asked to sign a blank cheque, and we are given no estimate of the amount that will require to be expended in pursuance of this private Member's Bill.

We must get some idea from the Minister of how much of the money is already being spent in the Department on the items that are covered by the Bill. I suspect that some of them are fairly easy to justify. Clause 2(3)(a) refers to "emissions of greenhouse gases;" those are almost certainly dealt with already within the Department. However, it might be useful for us to be given some idea of the cost of that. Similarly, other items in clause 2 such as "effects on air quality" are probably already covered. Clause 2(3)(c)refers to "effects on health". That is a broad category and we must know more about it.

Mr. Nicholas Soames (Mid-Sussex): Does my right hon. Friend agree that, as in the matter of greenhouse gases, which covers many strands of policy, the health issue will cover not only the Department of the Environment, Transport and the Regions, but the Department of Health? Would not it be appropriate to have a Health Minister in the House to explain in detail the extent of the overlap, what it costs and how it is administered?

Mr. Forth: I am grateful to my hon. Friend for raising that matter. I intended to deal with it later, but I shall deal with it now because it gives rise to a problem. Perhaps there is a defect in the money resolution arising from the issue that my hon. Friend raises. The money resolution states:

"for the purposes of any Act resulting from the Road Traffic Reduction (United Kingdom Targets) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenses of the Secretary of State".

I assume that that means the Secretary of State for the Environment, Transport and the Regions, because that is the logical conclusion, but, perhaps as a result of the items in the Bill that give rise to the money resolution, other Secretaries of State may be required to spend extra money in pursuance of the Bill's requirements.

Perhaps the money resolution is defective in that regard or inadequate. I assume that the reference in the money resolution is to the Secretary of State for the Environment, Transport and the Regions, but perhaps the Minister will clarify that. We need to be reassured that if the Bill becomes an Act, all the items will somehow be covered by just one Department and one Secretary of State. In that case, to refer again to my hon. Friend's point, how can the effect on health be properly dealt with by the Secretary of State for the Environment, Transport and the Regions without any contribution by the Secretary of State for Health?

Clause 2(3)(d) is probably simpler than those to which I have referred because it refers simply to "congestion". I assume that that is not a bodily congestion, which might be a health matter, but traffic congestion, although it does not say that. We are being asked to accept that the Secretary of State will prepare a report on the adverse impact of road traffic congestion. That is a complex matter, and perhaps it has already been dealt with in the Department. The House will wish to know from the Minister about each of these headings and about how far the Department is already dealing with these matters.

Mr. Andrew Rowe (Faversham and Mid-Kent): My right hon. Friend is on an important point. My county council, for example, has ascertained that the second largest cause of traffic congestion is the journey to school. One of the consequences of that is that the council is seriously considering policy changes that will directly affect the budget of its local education authority. Therefore, the money resolution may be defective in that, as far as I can see, it makes no reference to costs falling on other Government Departments as a direct consequence of the attempt to reduce congestion.

Mr. Forth: I am grateful to my hon. Friend. He has again anticipated what I was going to say. I am obviously so predictable—

Mr. Soames: On a point of order, Mr. Deputy Speaker. May I draw your attention to the hon. Member for Leeds, East (Mr. Mudie), the Deputy Chief Whip, who is forcing Labour Members to leave the Chamber against their wishes, like underpaid and underfed sheepdogs? Do you agree that this legislation is important and deserves the scrutiny of the House? The hon. Member seems to think that, merely by driving new Members who are keen to please him out of the Chamber, that will stop my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and me examining in some detail the issues that are before us. I tell the Deputy Chief Whip that it

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will not alter the position in any way if we have to speak to an empty House, except for the admirable and distinguished Minister. We will go on speaking because we believe that this is worthy of examination.

Mr. Deputy Speaker: Whether hon. Members remain in the Chamber is not a matter for the occupant of the Chair.

Mr. Soames: Further to that point of order, Mr. Deputy Speaker. This is a serious point. It is not whether hon. Members remain or not, but whether they are being told to leave the Chamber by the Deputy Chief Whip. He went up to them and said, "Go," and a very obedient group of ladies who were keen to please him left with their tails between their legs. Is that not monstrous?

Ms Joan Walley (Stoke-on-Trent, North): Further to that point of order, Mr. Deputy Speaker. As someone who has just come into the Chamber because of the matter that we are discussing, may I put it on the record that I have sat with my hon. Friend the Member for Leeds, East (Mr. Mudie), the Deputy Chief Whip, and he said nothing of the sort? May I make it clear that those of us who, unlike the hon. Member for Mid-Sussex (Mr. Soames), to my knowledge, have sat through all the proceedings of the Bill—

Mr. Deputy Speaker: Order. I repeat: this is not a matter for the occupant of the Chair. This is a brief debate and I suggest that we proceed with it.

Mr. Forth: Indeed. I do not want to prolong my remarks because many of my hon. Friends wish to make a contribution, about which I am glad. My hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) had anticipated the point that I wished to cover and it is important. I was going to skip forward to clause 2(3)(g), which has the heading "other social impacts", which is the broadest possible term that one can imagine.

I have worked out that one of the aims of road traffic reduction must inevitably involve the item that has come to cause so much congestion: the transport of young children to school by their parents, which is an important part of traffic. If the Bill, were it to become an Act, will reduce that element, those children will have to get to school somehow. My hon. Friend the Member for Faversham and Mid-Kent has made a crucial point.

Mr. Soames: To follow up the point that was made by my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe), by extension, there is no reference anywhere in the money resolution to the apportionment of money that will be required to undertake the survey. Clearly, the Department of the Environment, Transport and the Regions has its own mechanisms for doing traffic surveys. It will, I am sure, subcontract them to county and district councils. Surely in this case, councils will need to be repaid for their work in subcontracting that business from the Department.

Will my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) turn his mind to that and also tell us what he believes will be the impact on the Bill of European legislation on greenhouse gases?

Mr. Forth: My hon. Friend makes very important points. One of them, certainly in the context of the money resolution, is how far we can identify the costs arising from the Bill's requirements—that is the first question that must be answered. The second involves the apportionment of the costs not only across several Government Departments, but, as we have now identified, across local government. As my hon. Friend said, local government may well be involved in the surveys to underpin the reports that will be required under the Bill.

It has also been pointed out that additional transport costs may well fall on local authorities that have to transport to school children who would otherwise be taken by their parents, but who will be discouraged from doing so if the Bill becomes law.

Mr. Jonathan Sayeed (Mid-Bedfordshire): As the money resolution leaves everything to the Secretary of State, and given the Government's propensity to give more money to urban than to rural authorities, is it not likely that money will be taken from rural authorities and given to urban authorities? Yet rural authorities have a much greater need to transport children long distances, by road, to school.

Mr. Forth: My hon. Friend makes a crucial point. One of the difficulties—I was about to say nonsenses, but I will say difficulties at this stage—inherent in the whole business of a seductive-sounding Bill to make further provision for road traffic reduction targets, is that if the targets are to be meaningful, they will have to be highly discriminatory between rural and urban traffic, to use the broadest possible terms.

The targets would have to identify the elements of traffic that were to be reduced in an ideal world, according to the sponsors of the Bill. That requires a high level of differentiation which I think will be difficult, and therefore expensive and complex. Following on from that will be all the implications of the flows of finance across Departments, from the Government down to local authorities, in an undoubtedly discriminatory way. The Bill would be used to justify a further skewing of support for local authorities away from rural areas, where the congestion is almost certainly less—although we do not know that yet because the surveys have not been carried out—and towards the urban areas.

My hon. Friend the Member for Mid-Bedfordshire (Mr. Sayeed) made a crucial point, which illustrated the extent to which an apparently seductive and attractive Bill, to which many hon. Members wanted to attach their names because it sounded so good—

Mr. Soames: My right hon. Friend has, as usual, and in his own seductive way, got to the core, the heart, indeed the nub of the Bill. This Bill commands considerable support. I have received a large number of letters from my constituents in favour of it. I do not know whether my right hon. Friend has had the same experience.

However, what we are seeking to do is not something that may or may not be popular, in public terms, in relation to what may or may not be a good piece of legislation. It is our job to analyse the money resolution

and decide whether it goes totus porcus. Does my right hon. Friend agree that, within the money resolution, there should be—

Mr. Deputy Speaker (Mr. Michael Lord): Order. That intervention is far too long.

Mr. Forth: I think that I am grateful to my hon. Friend for what he said. I hope that he will try to catch your eye, Mr. Deputy Speaker, to expand on the interesting concept that he has just introduced to the debate. Perhaps the term that he has just used leads us on to the question of biodiversity. I suspect that it does. I am not sure that I know what biodiversity means, and I certainly do not know what it means in the context of the Bill.

We are being asked to vote money to support a Bill that tasks the Secretary of State for the Environment, Transport and the Regions to produce a report involving targets for the effect of traffic on land and biodiversiy. That goes rather wide of what any of us might have imagined would be in a Road Traffic Reduction (United Kingdom Targets) Bill.

I can understand references to greenhouse gases or to the European context, to which we must return later. I can also understand references to air quality, health, congestion, danger to other road users and other social impacts—under which I had intended to deal with the point about schools. However, I really am struggling when it comes to understanding "land and biodiversity".

Mr. David Maclean (Penrith and The Border): Will my right hon. Friend allow me?

Mr. Forth: Yes, of course.

Mr. Maclean: As one of those who was at Rio and negotiated the original treaty, I can say that biodiversity is the wealth of our wildlife. My right hon. Friend will be aware that, in the context of this Bill, less wildlife would be squashed by car tyres if there were less traffic on country roads. I assume that that is the meaning of that provision in the Bill.

Mr. Forth: I am grateful to my right hon. Friend. I thought that he might come to my rescue on the matter. However, in helping me, he has given rise to another thought: yet again in one word—biodiversity—is contained implications that, one might well imagine, could lead to considerable costs in the Department of the Environment, Transport and the Regions in working out how many items of squashed wildlife were involved, to provide a target, or the implications of targeting, for the Bill's broad purposes.

Mr. Rowe: My right hon. Friend may be unaware that when my hon. Friend the former Member for Basingstoke—Sir David Mitchell—was a Transport Minister, one of the achievements of which he was proudest was his authorisation of construction of underpasses for some of the busiest roads in Britain, to enable hedgehogs, badgers and otters to cross roads. The cost was absolutely enormous. It may well be that, in trying to protect our nation's biodiversity, we are being asked to sign an enormous cheque.

Ms Walley: On a point of order, Mr. Deputy Speaker. No Opposition spokesman is on the Opposition Front Bench, as Opposition Front Benchers are absolutely dissociating themselves from this farce.

Mr. Deputy Speaker: That is not a matter for the Chair.

Mr. Forth: Indeed, Mr. Deputy Speaker, we are debating private Members' legislation. It is therefore entirely appropriate that the House, as a collection of private Members, should consider the Bill, which is exactly what we are doing.

At this point, I shall have to introduce a tiny element of discord into my comments—which I shall soon draw to a close, as I suspect that colleagues would like to speak. I am not sure that I agree with the comments just made by my hon. Friend the Member for Faversham and Mid-Kent—but only to the extent that he assumes that the Bill's provisions might give rise to a need to provide more tunnels for hedgehogs to cross roads so that they are not squashed. I understand his reasoning, but I approach the matter from a different angle, and am perhaps keeping more faith with the Bill.

The Bill states that we want to attempt to reduce traffic, which will be done through targets, reports, surveys and investigations. We may consequently reduce the need for hedgehog tunnels under roads to the extent that traffic is reduced, as there would be less risk of hedgehogs suffering from traffic. I therefore have to disagree with my hon. Friend the Member for Faversham and Mid-Kent, but only in that respect.

Mr. Soames: Is my hon. Friend aware that the National Federation of Badger Groups—the groups exist across the country—is one of the prime sources of information—*[Laughter.]*

Mr. Deputy Speaker: Order. I remind the House that we are debating a serious matter.

Mr. Forth: It is a very serious matter, and I can only assume that, in his comments, my hon. Friend the Member for Mid-Sussex (Mr. Soames) is taking me back to biodiversity. His comments also dealt with the comments made by my right hon. Friend the Member for Penrith and The Border (Mr. Maclean). Furthermore, I suspect that there is probably the odd squashed badger and hedgehog to attest to the truth of my hon. Friend's comments.

Mr. Soames: I was trying to make a serious point. The National Federation of Badger Groups, which is the architect of much of the work that was mentioned by my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe), would be able to help the hon. Member for Stoke-on-Trent, North (Ms Walley) in her task. The groups are manned by volunteers who love badgers, and who would be quite prepared to do such a count for free.

Nevertheless, does my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) agree that the type of research work that will have to be done to get a

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detailed feel for the total impact of traffic congestion on wildlife, let alone on human beings, would be an extremely costly measure, and that that cost should be far more clearly stated in an order?

Mr. Forth: Of course my hon. Friend is right. Let me, however, draw his attention to a provision in clause 2(2):

"The Secretary of State is not obliged to specify targets . . . if he considers that other targets, or other measures, are more appropriate for the purpose of reducing the adverse impacts of road traffic".

That would worry me somewhat, but subsection (2) goes on to say:

"but in that case the report must explain his reasoning and include an assessment of the impact of the other targets or other measures on road traffic reduction."

In some ways, I am encouraged by that. At least it provides a degree of flexibility in the Bill, which I am sure that we all welcome. But it opens up the prospect of further costs, because the work involved in examining whether "targets or other measures" are involved will be considerable.

Mr. Sayeed: I shall be delighted if I can save my right hon. Friend from being badgered by my hon. Friend the Member for Mid-Sussex (Mr. Soames).

May I ask my right hon. Friend a serious question? There is no specification about the amount of money involved. We are not told where it will come from. Is there not a considerable danger that, in such a money measure, the money will be taken from other very necessary and very admirable causes?

Mr. Forth: My hon. Friend makes an important point, which underpins the debate and gives me an opportunity to wind up my remarks.

We are being asked the same thing, not just here but in subsequent business that we must submit to the same degree of scrutiny. We are being asked it for the same reason. In all these cases, a private Member's Bill, having been passed, is submitted to a money motion—something which, as I recall, rarely occurred some years ago, but is now a matter of routine because nearly all private Members' Bills seem to involve considerable expenditure.

We are asked to nod such motions through, because they come after the main business and are assumed to be matters in which we should not take much interest. But—for the reason given by my hon. Friend the Member for Mid-Bedfordshire—we should take at least as much interest in them as we do in most other matters. They involve the expenditure of taxpayers' money, and therefore may well involve—if we believe the Chancellor's claim that he will keep a tight rein on public expenditure as a whole—our old friend "choices and priorities".

My hon. Friend is right. Given that the Bill may become an Act and impose on this Secretary of State—or several Secretaries of State—additional expenditure, we really must know what other items of expenditure will be forgone by the Government in order to give effect to its provisions. Until I am much more satisfied than I am now, I am loth to give my consent.

8.52 am

Mr. Nicholas Soames (Mid-Sussex): I wish, very briefly, to support the views expressed by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth).

My mind goes back to the days when my party was in power. In those days, Bob Cryer and the hon. Member for Bolsover (Mr. Skinner) always contested money motions, to the great advantage of the House of Commons. Even after a long sitting to which a number of hon. Members on both sides of the House have contributed, we should not necessarily give the nod to a measure just because it is 8.50 am, and let a money motion sail through the House.

One of the most distinguished things about Bob Cryer—in a long and not undistinguished parliamentary career—was his devastating ability, on almost every Bill, to speak fluently for up to 45 minutes. I always used to stay to listen to him, because he was so good at what he did. He was a pleasure to hear, and I for one miss him greatly. I am delighted that he sent the House such a fine wife and such a splendid son, and I am surprised not to see them here this morning. The hon. Member for Bolsover assures me that Bob Cryer's son is a chip off the old block, and I am disappointed that he is not here to support us this morning in holding this high-handed, arrogant, big-headed Government to account.

The main points that I want to make about the motion are connected with public expenditure, as one would expect, and particularly, with clause 2(3), which states:

"In preparing the report the Secretary of State shall have regard to the adverse impacts of road traffic, including"

paragraphs (a) to (g). As my right hon. Friend the Member for Bromley and Chislehurst said, they are extremely onerous charges, particularly with regard to the impact of emissions of greenhouse gases, given the appalling road traffic congestion.

In my constituency of Mid-Sussex and in my old constituency of Crawley, some of the roads running through that very prosperous and beautiful part of the world are, as the Minister knows, absolutely jammed solid every morning.

Mr. Rowe: My hon. Friend may be unaware of one of the interesting elements of social impact as, only relatively recently, Age Concern informed me that something like 60 per cent. of women above a certain age have never had a driving licence. As the Government are preoccupied with social exclusion, gender equality and so on, it must be within their targets to enable women who are excluded by the absence of a driving licence to have one. That suggests that there should be more rather than fewer cars. Therefore, the requirement in the Bill that every year the Secretary of State should publish a report aimed at looking at the social impact of traffic reduction would have to take that into account, too. It would have to be wide-ranging and potentially very expensive.

Mr. Soames: My hon. Friend is completely right. Such a project would indeed be onerous.

I am a 90s man. I am equipped, chiselled and born to be part of the cutting edge of the 1990s. As we move towards the millennium, I feel very much part of contemporary times, but even I do not feel that it is right, and nor do I have the courage, to speculate as to why fewer women than men have driving licences. It would not be sensible for a Conservative Member to do that.

I have my own theories, but I could not repeat them in the House of Commons. Nevertheless, the survey proposed by my hon. Friend would be extremely costly.

The effects on air quality represent vast possible expense. My right hon. Friend the Member for Penrith and The Border (Mr. Maclean) was a delegate at the Rio convention. Because of my admiration for him and my dedication to conservation and the preservation of wildlife, I have always carried around with me a little piece of paper that my right hon. Friend gave me with the Rio declaration printed on its centre pages.

I am sure that some of my hon. Friends remember our late lamented colleague, the former Member for Watford, now Lord Garel-Jones, who sadly, was translated into another place. We all remember that he used to carry around in his pocket a list of the cads in my party who voted against various pieces of Government legislation. I do not do that. I am a 90s man. I carry round in my pocket the Rio declaration. Some of my hon. Friends will find that very strange. They will think, "What is that fellow Soames carrying around? He is not into eating bats' droppings and stuff. He is a proper person." However, I carry around the Rio declaration. I would urge the Minister to study the Rio declaration with care if she intends to bring before the House of Commons onerous legislation that imposes the most extraordinary and expensive demands on God knows who. We are not told who will pay for any of it.

Mr. Sayeed: The taxpayer.

Mr. Soames: Yes, but we are not told which taxpayer. We are not told whether it will be the county council, the district council or central Government. How will the county councils be repaid? How will the National Federation of Badger Groups be reimbursed for all its work?

Mr. Forth: I can help my hon. Friend. The resolution says:

"it is expedient"—

ha, ha—

"to authorise the payment out of money provided by Parliament of any expenses of the Secretary of State which are attributable to the Act."

Members of Parliament are being asked to sign a blank cheque for the Secretary of State, which may carry tax implications for all citizens, to support the rather greeny aspirations of the Bill.

Mr. Soames: We certainly are. My right hon. Friend is correct. We are signing a blank cheque. Clause 2(3)(a) to (g) shows enormous potential costs. The clause says:

"In preparing the report, the Secretary of State shall have regard to the adverse impacts of road traffic, including"

the measures listed in paragraphs (a) to (g).

Principle one of the Rio declaration is:

"Human beings are at the centre of concerns for sustainable development."

Who could disagree with such a splendid aspiration? Sentence two is:

"They are entitled to a healthy and productive life in harmony with nature."

Living in harmony with nature in 1998 is not cheap. Most of us do not live in harmony with nature. My right hon. Friend the Member for Bromley and Chislehurst lives in harmony with nature. My right hon. Friend the Member for Kensington and Chelsea (Mr. Clark) certainly does—he is an expert, a champion of wildlife and conservation and a forward-thinking conservator. My hon. Friend—what is your seat, Chope?

Mr. Christopher Chope (Christchurch): Christchurch.

Mr. Soames: My hon. Friend the Member for Christchurch (Mr. Chope) is a living example of someone who lives in harmony with nature, but it is not cheap. The list in the Bill includes emissions of greenhouse gases, effects on air quality and effects on health. When we consider the vast number of illnesses known to be caused by traffic congestion and the awful build-up of pollution and smog, we have to ask how the Secretary of State, in conjunction with the Department of Health, will pull together all the statistics. Will that not be a hugely costly operation?

Mr. Nigel Evans (Ribble Valley): Does my hon. Friend agree that, while nobody could fail to support the main thrust of the Bill, the problem is in clause 3? It says that

"There shall be paid out of money provided by Parliament any expenses incurred by the Secretary of State under or by virtue of the Act."

My local authority could have duties placed on it by the Secretary of State. It is having a 12 per cent. increase in council tax this year—three times the rate of inflation. Because of the lack of detail on who will pick up the tab on each of the requirements of the Bill, it could be extremely expensive.

Mr. Soames: My hon. Friend raises an important point. There is just a whimper of opposition to us. No Labour Member is rising to debate the idea that the Secretary of State for the Environment, Transport and the Regions should be given a blank cheque—a blank cheque—at a time of great public expenditure restraint, to undertake a survey, which, in my judgment and that of my right hon. and hon. Friends, will cost millions of pounds.

The Minister will chastise those of us who have sought to give a little more examination to the issue, saying that we are mobbing the issue up. We are not. We are dealing with a very important question. In the old days, when Bob Cryer was in the House, every money resolution was examined, to the embarrassment of my Government, in the most formidable way, with support from other Labour Members. What do we hear today from the Labour poodles? There is not a word from the running dog lackeys of the Labour Whips. All we hear is silence. We could be in the Chinese assembly for all the riot and disorder that we are hearing. Look at them giggling and laughing. We hear not a word—not a word. They are cutting single-parent benefit; they are cutting here there and everywhere; they are sticking to the most vigorous and robust public expenditure policies, attainable only by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), who laid the preparations for the Labour Government, which are so good that they are sticking to them. What do we hear from them: not a word on the prospect of the Secretary of State being given a blank cheque.

[Mr. Soames]

I hope that the Minister will, in a detailed exposition, set out with absolute clarity every penny that she expects to spend in the furtherance of this—I am sure—admirable private Member's Bill. The House has a right to know; the House needs to know—if we do not hold it to account, who will—how much the Bill will cost.

9.4 am

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson): I trust that I will not disappoint the hon. Member for Mid-Sussex (Mr. Soames). I was not going to castigate him; I was going to sympathise with him.

The House has become used to the naked ambition that is invariably displayed by the right hon. Member for Bromley and Chislehurst (Mr. Forth), whose desire to be restored to that cabinet of shadows is such that, at the behest of his Whips, he will walk into the House at any hour of the day or night to speak on any subject that they put in front of his nose with the same lack of seriousness of approach.

In this debate, we saw a move in the ambition stakes. We were privileged to see the first run of a new Little and Large—the Little and Large of the House of Commons—featuring the right hon. Member for Bromley and Chislehurst and the hon. Member for Mid-Sussex. I say with all generosity to both the right hon. Gentleman and the hon. Gentleman that, although I appreciate their desire to entertain the House and their motives in paying absolutely no attention to an extremely serious Bill and the money resolution which the Bill requires before it can be put on the statute book, their act needs a great deal more rehearsal.

We were privileged to hear from Conservative Members a litany of disapproval of the money resolution, which is vital to a Bill which is surely vital to the country's health and well-being. The right hon. Members for Bromley and Chislehurst and for Penrith and The Border (Mr. Maclean) and the hon. Members for Faversham and Mid-Kent (Mr. Rowe), for Mid-Sussex, for Mid-Bedfordshire (Mr. Sayeed) and for Ribble Valley (Mr. Evans) all stood up to express their deep concern about what they perceived to be a blank cheque in the money resolution on the Road Traffic Reduction (United Kingdom Targets) Bill. There was not one word from them on the costs that are already being incurred by the failure of their Administration for 18 long years to do anything about reducing road traffic or to introduce any policy which would have brought about some form of integrated transport.

Conservative Members are expressing concerns about the mayhem that is being wrought on wildlife, particularly in rural areas, yet they formed the Government who privatised buses, which reduced the services running in rural areas, and who privatised railways, which has reduced any kind of public transport in those areas virtually to nil or to that which is totally useless to the people who need it. One cannot say that one is surprised. As my hon. Friend the Member for Crewe and Nantwich (Mrs. Dunwoody)—regrettably, she is not in the Chamber—would say, their brass neck on any subject beggars belief.

The money resolution covers the eventuality of any expenses arising for the Secretary of State which are attributable to the Bill. Such expenses might include the cost of commissioning surveys. As the hon. Member for Ceredigion (Mr. Dafis), the Bill's promoter, said on Second Reading:

"The economic costs of congestion are enormous—between £15 billion and £20 billion."

That figure is from the Confederation of British Industry. The hon. Gentleman went on:

"Maddison and Pearce put the cost higher than that in the study, 'The True Costs of Road Transport'".

The effect on health, which particularly concerned some Opposition Members, is also directly linked to an ever-increasing number of vehicles on our roads and the inevitable pollution of the air that we breathe.

Mr. Rowe: On a point of order, Mr. Deputy Speaker. I wonder whether you have had any intimation from the promoter of the Bill that he would not be present when his Bill was being discussed. Is it not a normal courtesy of the House that, when something as important as the money resolution relating to a private Member's Bill is being discussed, the private Member whose Bill it is, is present?

Mr. Deputy Speaker: That is not a matter for the Chair.

Ms Glenda Jackson: Thank you, Mr. Deputy Speaker. I am certain that the hon. Member for Ceredigion did not think that any Member of the House would speak against the money resolution. The Bill had all-party support. It has cross-party sponsorship. The Bill will bring massive improvements to the health and well-being of people in this country. *[Interruption.]* I have already pointed out to the hon. Member for Ribble Valley, who, from a sedentary position, said that he wished to know how much the money resolution would cost, that the existing cost to the country of congestion on our roads is estimated to be between £15 billion and £20 billion.

On Second Reading, the hon. Member for Ceredigion said:

"A recent Department of Health report says:

'We have clearly underestimated the true overall effects of air pollution.'"—[*Official Report*, 30 January 1998; Vol. 305, c. 622.]

Mr. Soames: I want the hon. Lady to break the habit of a lifetime and give a straightforward answer to the following question. She is asking the House of Commons to vote through on the nod a money resolution which says:

"There shall be paid out of money provided by Parliament any expenses incurred by the Secretary of State under or by virtue of this Act."

I understand that the hon. Lady regards it as an impertinence for anyone to question her about anything to do with the payment of public funds, but will she now tell the House how much the Bill will cost? That is the purpose of the debate. She has not been here very long; she is not familiar with the ways of the House. If she were familiar with them, she would not have started her speech in the impertinent manner that she did. Will she now answer the question—how much money is she inviting us to—

Mr. Deputy Speaker: Order. There is no need to personalise the debate in this way.

Ms Jackson: Thank you, Mr. Deputy Speaker, but I thought it was quite touching. The hon. Gentleman could not keep his own argument together. First, he asked whether I would break the habits of a lifetime; then he said that I had not been in this place very long. Then he said that I regarded requests from everyone as an impertinence. I say to him in all honesty, it is only his requests that I regard as an impertinence because his approach to the money resolution, and to the Bill, has been to attempt to treat the whole thing as a farce—indeed, to present himself as a farceur to the House. He may have the build for it, but he certainly does not have the timing.

There are concerns, some of which were expressed by Conservative Members, on the issue of health. The hon. Member for Ceredigion said on Second Reading that the Department of Health report says:

"the deaths of between 12,000 and 24,000 people a year are 'brought forward'"

and that

"Children, the elderly and the poor suffer most."

He also said:

"According to Dr. Ian Roberts of the child health monitoring unit at Great Ormond Street Hospital for Sick Children, more than 6 million children are at risk because of the volume of traffic on our roads."—[*Official Report*, 30 January 1998; Vol. 305, c. 622-23.]

Mr. Forth: Instead of quoting the absent promoter of the Bill, will the Minister simply tell us whether she does, or does not, know how much the Bill would cost her Department were it to become an Act? It would help us enormously if we were given even that much information. If she could give us an estimated figure, that would be even more helpful, but if she simply told us, as a matter of open government, whether she knows what the Bill is likely to cost—

It being three quarters of an hour after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *put the Question, pursuant to Standing Order No. 52 (Money resolutions and Ways and Means resolutions in connection with Bills):—*

The House divided:— Ayes 150, Noes 11.

Division No. 195] **[9.13 am**

AYES

Ainsworth, Robert *(Cov'try NE)*
Ashdown, Rt Hon Paddy
Atkins, Charlotte
Austin, John
Beard, Nigel
Benton, Joe
Best, Harold
Betts, Clive
Blears, Ms Hazel
Boateng, Paul
Bottomley, Peter *(Worthing W)*
Bradley, Keith *(Withington)*
Brand, Dr Peter
Breed, Colin
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burgon, Colin
Butler, Mrs Christine
Campbell, Menzies *(NE Fife)*
Casale, Roger
Cawsey, Ian
Chapman, Sir Sydney *(Chipping Barnet)*
Corbett, Robin
Cox, Tom
Cryer, John *(Hornchurch)*
Cunningham, Jim *(Cov'try S)*
Dafis, Cynog
Dalyell, Tam
Davey, Valerie *(Bristol W)*
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dismore, Andrew
Drew, David
Drown, Ms Julia
Efford, Clive
Ennis, Jeff
Fatchett, Derek
Field, Rt Hon Frank
Fitzpatrick, Jim
Follett, Barbara
Foulkes, George
Gardiner, Barry
George, Andrew *(St Ives)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Goggins, Paul
Griffiths, Jane *(Reading E)*
Grocott, Bruce
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Hanson, David
Harris, Dr Evan
Healey, John
Hepburn, Stephen
Hesford, Stephen
Hinchliffe, David
Home Robertson, John
Hoon, Geoffrey
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Kennedy, Charles *(Ross Skye)*
King, Andy *(Rugby & Kenilworth)*
Leslie, Christopher
Levitt, Tom
Linton, Martin
Livsey, Richard
Lloyd, Tony *(Manchester C)*
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McFall, John
Maclean, Rt Hon David
McNulty, Tony
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marshall-Andrews, Robert
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Mudie, George
Murphy, Jim *(Eastwood)*
Norris, Dan
O'Brien, Bill *(Normanton)*
Olner, Bill
Organ, Mrs Diana
Osborne, Ms Sandra
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Rapson, Syd
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooney, Terry
Ruane, Chris
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Soley, Clive
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stoate, Dr Howard
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth R *(Harrow W)*
Touhig, Don
Turner, Dennis *(Wolverh'ton SE)*
Tyler, Paul
Walley, Ms Joan
Webb, Steve
White, Brian
Williams, Mrs Betty *(Conwy)*
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Jane Kennedy and
Mr. Graham Allen.

NOES

Atkinson, David *(Bour'mth E)*
Chapman, Sir Sydney *(Chipping Barnet)*
Clark, Rt Hon Alan *(Kensington)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Gummer, Rt Hon John
Hogg, Rt Hon Douglas
Lloyd, Rt Hon Sir Peter *(Fareham)*
Rowe, Andrew *(Faversham)*
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas
Wells, Bowen

Tellers for the Noes:
Mr. Eric Forth and
Mr. Jonathan Sayeed.

Question accordingly agreed to.

Resolved,

That, for the purposes of any Act resulting from the Road Traffic Reduction (United Kingdom Targets) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenses of the Secretary of State which are attributable to the Act.

Shooters Hill Fire Station

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kevin Hughes.]*

9.24 am

Mr. Clive Efford (Eltham): I have waited nearly 12 hours to deliver my speech. Now that the deliberate attempts by Conservative Members to talk out this Adjournment debate have collapsed, we can get to the serious issue of the threatened closure of Shooters Hill fire station.

I thank my hon. Friend the Minister for the way in which he has approached the issue and for taking considerable time to discuss it with a delegation that came to his office to make representations against the closure. I recently received a letter from him that set out the criteria by which he will make his decision. He said that the matter had been widely publicised, that the authority had considered it properly, and that the fire service inspectorate had given its opinion that national standards of fire cover would be maintained. I have placed in the internal mail of the House 1,100 letters to my hon. Friend, collected over the weekend, to underline the strength of feeling on the issue in my constituency.

I hope to demonstrate through that correspondence and through this debate that the London Fire and Civil Defence authority does not meet the criteria that my hon. Friend set out in his letter to me. Why do we bother to consult the local community around a fire station such as Shooters Hill if we do not take people's representations seriously and make them aware of the proposals? Is the consultation designed merely to satisfy the wider public, away from the immediate vicinity, or is it a genuine attempt to address local people's serious concerns?

When we were elected, the credibility and standing of politicians were at a low ebb. One of the Government's tasks must be to restore that credibility, so we must treat consultation exercises seriously and not leave people feeling that they are nothing but a sham.

The LFCDA's decision was based on a consultation process that started in December 1995 and ended on 31 January 1996. The resulting document was considered at a meeting of the authority's policy and resources committee on 8 February, and then at a full meeting of the authority on 22 February. Given that the consultation started only in December, that Christmas intervened and that the closing date was 31 December, the process may not have been sufficient.

Furthermore, the local authority was asked on 21 December for its comments. I do not have to point out to my hon. Friend the Minister that that was unreasonably close to Christmas. Even worse, the local authority was asked to consult all the local groups, so it would have had to circulate the LFCDA's proposals, receive the comments and return them by the closing date at the end of January. That was clearly insufficient time.

My hon. Friend the Member for Erith and Thamesmead (Mr. Austin), who was then the hon. Member for Woolwich where the fire station is situated, also made representations against its closure. He wrote to the chair of the LFCDA and to the Secretary of State. He also initiated an Adjournment debate on the subject on 9 February 1996. A further debate on fire services was held on 13 March, which my hon. Friend the Minister will recall, as he took part in it.

Given that so much attention was paid to the issue in the House, which is only across the river from the headquarters of the LFCDA, the Minister will be surprised to learn that the objections raised by my hon. Friend the Member for Erith and Thamesmead were not recorded in the report to the LFCDA, which was made on 22 February. The council met on 15 February and passed a letter to the authority on 16 February. Its objections were also not recorded in the report that was sent to the authority on 22 February. The consultation arrangements were wholly inadequate, and I know that the chief executive of the London borough of Greenwich has written this week to the authority to make that point.

The LFCDA's decision to close Shooters Hill fire station, taken this week, is based on the consultation that took place in December 1995 and January 1996. That consultation was flawed because it did not accurately record the objections. Although some of them were received later than the closing date of 21 January, they were in time to be considered at the meeting of the authority on 22 February.

More important, as I have said, the decision has been based on that consultation. Because the objections of the local council and the Member of Parliament were not known and the consultation with local people was not sufficient, none of the objections is recorded in the current report before the LFCDA. Therefore, its decision is flawed.

The report that went to the LFCDA in October 1997, and led to the decision to close Shooters Hill fire station, did not take account of any developments in the area. For instance, it did not consider the development along the waterfront from Deptford to Thamesmead. It did not address the Creekside development, the Woolwich dockyard, the Royal Arsenal or the development at Thamesmead. It did not even consider the imminent development at the Queen Elizabeth II hospital.

I am sure that hon. Members will be surprised to learn that the report made no mention of the millennium experience, which will have 75,000 visitors on peak days and 35,000 visitors on non-peak days. The transport infrastructure that has been put in place—the docklands light railway and the Jubilee line extensions—was also not considered. All those developments may be subject to special measures, but they will still have an impact on the fire cover for the local area. Each time the issue has been raised with the LFCDA, it has claimed that it will not affect its ability to meet Home Office-recommended response times. That might be the case if the response times are measured from point A—the fire station—to point B or the location of the incident. Given the expansion and development in the area, that decision does not take account of the possibility that point C might need attention at the same time that the fire station is dealing with point B. That aspect is causing great concern in the local community.

I suggest that members of the LFCDA did not have all the facts before them when the decision was taken. For that reason, the report was flawed. It did not record the opposition of the council or the MP. The Minister cannot consider that public consultation was adequate and, therefore, the subsequent decision based on that was flawed and, I believe, challengeable. It also said that there was no need for reconsultation because there had been no significant developments. I have been told by the LFCDA that its decision is out of time for a challenge,

but I suggest that there are significant grounds, as the section 19 request has not been granted yet by the Minister.

Local people fear that the service is being shaped by financial considerations. The 1995 Audit Commission report, "In the Line of Fire", referred to pensions and warned of the extreme financial pressure that would be placed on fire services throughout the country. Local people worry that their fire station is being closed not because of rationalisation of the service but because of financial constraints. That puts local people and property in danger. They are also concerned that too much emphasis is placed on property rather than people in calculating response times and the ability of the fire service to cover an area.

People feel that the assumptions made in the report to the LFCDA in October are woefully inadequate and that the failure of the previous consultation, and the failure to report honestly the concerns that were raised by the local authority and Member of Parliament, have seriously called into question other assumptions that were made in the report. Those are genuine feelings of concern in my constituency. I suggest that the Minister cannot grant the section 19 request of the LFCDA.

9.36 am

Mr. Nigel Beard (Bexleyheath and Crayford): My hon. Friend the Member for Eltham (Mr. Efford) has outlined the anxiety of people who believe that the millennium experience, with its car parks and increased traffic, will distract fire cover from residential calls. That is part of the background to the debate.

There is no doubt that the closure of Shooters Hill fire station is driven by difficulties with the London fire and Civil Defence Authority's pension funds. Were there no such difficulties, I doubt whether the closure would have arisen. This year's financial settlement in increasing support to the LFCDA has recognised the difficulty, but the LFCDA decided to use the extra money not to avoid shutting the station but to overcome the imbalance in its pension fund this year. It feels that, without some guarantee of the future, it has a fiduciary duty this year and subsequently to ameliorate the imbalance.

I recognise that the LFCDA operates within the rules laid down for it, but it is wrong for London's fire cover anywhere to be influenced or determined by the exigencies of the pension fund. I accept the Minister's assurances that provision, even with the closure of Shooters Hill fire station, will meet national minimum standards. Why, however, should cover above minimum standards be determined not by the appraisal of fire risks but by the number of firemen who have been injured and had to retire early, a bulge in past recruitment that is causing a retirement bulge now and the fact that firemen live longer in retirement than was anticipated when the actuarial foundations of the fund were laid? To accept those factors as legitimate influences on fire cover in south-east London is tantamount to accepting that, within limits, cover is determined by chance.

That cannot be a sound or acceptable basis on which to administer public service and recruit public confidence. I should like to make three requests of the Minister: to set aside the proposal to close Shooters Hill fire station; in the meantime, to urge the LFCDA to use the cash it has to overcome this year's pension difficulties; and to review the fire brigade pension arrangements and produce a lasting solution to an endemic problem in time for next year's settlement.

9.40 am

Mr. John Austin (Erith and Thamesmead): My hon. Friend the Member for Eltham (Mr. Efford) has clearly set out how he feels the consultation was flawed in the way in which the decision was taken. He has just handed to me a copy of the LFCDA report that went to the committee on 2 February 1996. It refers to the fact that 267 responses, excluding petitions, had been received. In fact, the leader of the fire authority told my hon. Friend that 900 responses were received. I responded to the authority in writing, which was acknowledged by the leader of the authority on two occasions and I submitted an objection from the police consultative committee in Greenwich, but none of that was reported at the time to the authority.

The main concern is the area represented by my hon. Friend around Shooters Hill, but the fire station covers not only its own ground, but surrounding areas. It is in the centre, surrounded by Woolwich, Plumstead, Eltham, Lee Green, Bexley, East Greenwich and Sidcup fire stations—all of which, with the exception of Plumstead, are one-appliance stations. If Shooters Hill station were to close, it would mean that, whenever two appliances were called out, whether on a two-fire or a one-fire call, there would be an entire sector left without cover.

Mr. Jim Fitzpatrick (Poplar and Canning Town): May I draw my hon. Friend's attention to the fact that there are several Labour Members here who are concerned about the future of the London fire service, but there is not a single Opposition Member present?

Mr. Austin: I note my hon. Friend's comments.

My hon. Friend the Member for Eltham commented on the effect on the wider area. The following structures are on the major incidents plan involving Shooters Hill fire station: Eltham palace, the A102 motorway, the Blackwall tunnel, the Thames barrier, Erith oil works, Charlton Athletic's football ground, the Valley, the millennium site and all the developments that have taken place along the waterfront since the report was received.

The speed with which an appliance arrives on the scene of a fire is vital to safety, not only for the occupants of the buildings, but for the firefighters themselves, because their lives are at risk when their arrival is delayed. I shall quote some examples, which I know the Minister has, because I sent them to him. When there was a fire at Eastcote primary school, the first appliance arrived in five minutes, the second in seven; for a fire at Long Walk housing office, the first arrived in three minutes, the second in seven; for a fire in Shooters Hill itself, the first arrived in four minutes, the second in seven; for a fire in Warland road in Plumstead, the first arrived in four minutes, the second in seven; for a fire in Elmdene road, the first arrived in three minutes and the second in six. If Shooters Hill fire station had been closed, I doubt whether those areas would have got even one appliance within 10 minutes.

I shall compare two incidents: the first took place when Shooters Hill had two appliances and the second when it had only one. Six years ago, there was a fire in Rowton

[Mr. Austin]

road, and four people had to be rescued from upstairs bedrooms. The crew worked well: they passed the people on to the second crew, who carried out first aid and essential resuscitation. All four survived.

Two years later, when Shooters Hill had only one appliance, there was a serious fire in Llanover road. Again, the crews worked magnificently and did all they could, but four children did not survive. I cannot say with any certainty that, if there had been two appliances at Shooters Hill, those children would have lived, but there is a nagging question in the mind of everybody living in the area—what would have been the outcome if that cut had not been made?

My hon. Friend the Member for Bexleyheath and Crayford (Mr. Beard) referred to the pension provision. The Minister will know that I raised that matter during the debate on the Queen's Speech in 1994 and in the debate on the fire services. I acknowledge that the Minister has been as good as his word. This year's fire settlement, with the additional cash for the fire and civil defence authority, was the best settlement in years. I do not believe that when the Minister gave that extra money he expected it to be stashed away in the reserves: he expected it to be spent on fire cover for the people of London, and that is what we expect.

9.44 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): I congratulate my hon. Friend the Member for Eltham (Mr. Efford) on securing the debate. The House will admire his patience in sitting through the night to raise this issue of importance to his constituents.

I am pleased that firefighters in London have decided against taking industrial action on the proposals to change fire cover in London. Whatever their motive, such action would have had the most costly and damaging consequences for Londoners.

I fully understand the concerns of hon. Members and their constituents about the quality of their local fire service. That was emphasised again last week when I met my hon. Friend with my hon. Friends the Members for Erith and Thamesmead (Mr. Austin) and for Bexleyheath and Crayford (Mr. Beard), both of whom have contributed to the debate. They were with a delegation of residents from the area served by Shooters Hill fire station, who expressed their concerns about the proposed closure of the station. My hon. Friends and their constituents made it clear that they take this issue very seriously.

The fire service is a local authority service. Statutory responsibility for providing an efficient fire service rests with the local fire authority. In the case of Shooters Hill, that is the London Fire and Civil Defence Authority. It is for the authority to keep its fire cover provision under review and to set its budget at such a level that will allow it to discharge its statutory responsibilities.

It is important for the House to know that the proposal to close Shooters Hill fire station—and, indeed, the Barbican station—has its origins in a fire cover review by the London fire brigade. The aim of the review was to ensure that fire cover was provided on a strategic basis, deploying all the brigade's resources in the most effective and efficient way. It recognised, in particular, that appliances at any individual fire station were not the only resources available to that locality.

On section 19 applications, the legislation provides safeguards to ensure that statutory responsibilities continue to be met. Section 19(4) of the Fire Services Act 1947 requires that a fire authority cannot reduce the numbers of fire stations, fire appliances and firefighting posts without the express consent of the Home Secretary, who has a specific role in considering section 19 applications. He grants approval only if he is satisfied, first, that the proposals have been sufficiently widely publicised, in sufficient detail and with adequate time to enable any interested party to make representations; secondly, that representations have been considered by the fire authority; and, thirdly, on the advice of Her Majesty's inspectorate of fire services, that the national standards of fire cover will be maintained.

There is no statutory right of consultation, but the existing guidance makes it clear that the Home Secretary considers it desirable that there should be appropriate consultation.

My hon. Friend the Member for Eltham dealt in some detail with the consultation arrangements made by the authority. That is primarily a matter for the authority, but the consultations on the fire cover review were extensive: 194 bodies were consulted, including hon. Members, MEPs, London boroughs, staff associations and others. The authority is itself a representative body made up of 33 members drawn from each of the London boroughs and the City.

The section 19 guidance makes it clear that the Home Secretary will take into account any representations that are made directly to him. The volume of letters that we have already received makes it clear that the authority's proposals are widely known and that the opportunity to make representations has been taken. The fact that I have received another 1,100 reinforces that point.

My hon. Friend spoke about new developments in the relevant areas. I know that the authority monitors new developments and keeps under review its assessment of fire risk. We have sought the advice of Her Majesty's inspectorate of fire services on the substantive issues that were raised in representations to us, including those that were made to me last week in correspondence on new developments. Because of the importance of the matters that have been raised by this application and the number of representations, we have sought the personal advice of Her Majesty's chief inspector of fire services.

Levels of fire cover are determined locally against national, recommended standards of fire cover. Those standards dictate the initial responses to a fire in terms of weight and speed of attack. The area that is served by Shooters Hill fire station is predominantly C risk, but it was made clear last week that just under 30 per cent. is classified as D risk. We shall not approve any proposals for Shooters Hill unless we are entirely satisfied that the national fire cover standards will be maintained. Shooters Hill already relies on neighbouring fire stations to meet the agreed standards of fire cover. In particular, the stations at East Greenwich, Plumstead, Woolwich, Eltham, Lee Green and Bexley supply second pumping appliance cover for the B risk area. I think that my hon. Friend would acknowledge that.

It is the responsibility of the fire authority to set a budget that will allow it to meet its legal obligations. In setting its budget for 1998-99, the London Fire and Civil Defence Authority will have taken into account the local government finance settlement and the criteria that were proposed for council tax capping. As part of that settlement, we are increasing the fire service share of standard spending assessment in England by £61.6 million. That is a 5 per cent. increase. It is a good settlement for the service and I am proud of it.

Under the proposed capping criteria, London was able to set a budget for 1998–99 up to £12.5 million, which is 4.7 per cent. higher than in 1997-98. That compares with an increase of 3 per cent. last year, 2 per cent. the year before, and 0.5 per cent. the year before that. If the authority thought that it could not otherwise meet its statutory duties, it was open to it to set a budget that was higher than the proposed capping limit and to apply for redetermination of the cap. It has chosen not to do so. That decision was entirely for the authority.

The application for my right hon. Friend the Secretary of State's approval for the closure of the Shooters Hill station has now been under consideration for four months. I make no apology for the time that we have taken. Such an application raises sensitive issues and it is important that that they and the many representations that we have received are given the most careful consideration. However, it is important to state a vital principle. These decisions are taken locally—in this case by the London Fire and Civil Defence Authority. The role of Ministers is limited to being satisfied on advice from Her Majesty's chief inspector of fire services that such decisions do not affect a brigade's ability to meet its statutory obligations.

In fairness to the authority, it is right for us to aim to make a decision as soon as possible, but, before doing that, I shall want to reflect carefully on the points that have been raised in the debate and on any other information that my hon Friend passes to me.

Question put and agreed to.

Adjourned accordingly at seven minutes to Ten o'clock.

House of Commons

Tuesday 10 March 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

LLOYDS TSB BILL *[Lords]*

Order for Second Reading read.

To be read a Second time on Tuesday 17 March.

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

The Secretary of State was asked—

BBC World Service

1. **Mr. Cranston:** What assessment his Department has made of the role of the BBC World Service in raising the UK's profile in British export markets. [31794]

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): The BBC World Service raises the UK's profile in British export markets in two ways. A survey of British business leaders has shown that, through its role as the most trusted international broadcaster, the World Service helps to create a climate favourable to British trade. In addition, the World Service enhances the UK's profile with its reports on the latest developments in science, industry and commerce and presents a picture of Britain attractive to international business.

Mr. Cranston: I thank my hon. Friend for that reply, which acknowledges that the BBC World Service is a real asset on the world stage for this country. My hon. Friend is aware that the BBC World Service is now operating in an environment in which competitors are bringing on the internet and using television and modern forms of radio broadcasting such as FM and digital. Will he lend his support to the strategy of the BBC World Service to meet the challenge from those competitors by using on-line television and modern forms of radio broadcasting?

Mr. Fatchett: I agree with my hon. Friend in his comments about the value of the BBC World Service. It is now broadcasting in 44 languages and reaches more than 140 million people throughout the world. Its reputation is well established. My hon. Friend raises a number of important points about the development of the service. The chief executive had a recent meeting with my right hon. Friend the Foreign Secretary and will have a further meeting with my noble Friend Baroness Symons to discuss the future. All the issues to which my hon. Friend referred will be taken into account in those discussions.

Dr. Julian Lewis: Is the Minister aware that to remain competitive in the new environment, the BBC World Service believes that it needs a very modest cash injection spread over four years? Is there any hope of that injection being given?

Mr. Fatchett: I realise that the hon. Gentleman was not a Member of Parliament under the previous Government, but he will know what happened to the BBC World Service under them. It was constantly subjected to cuts by the Conservative Government and during that period morale fell considerably. The hon. Gentleman will be delighted to know that morale has now increased. There is a good relationship between the Government and the World Service and funding will continue to be discussed with it. No announcements will be made without the World Service's knowledge.

Mr. Howard: Is not short-wave transmission of the BBC World Service to China jammed? Is that not a vivid manifestation of China's attitude to human rights? Is it not an utter disgrace that, next month at the United Nations Commission on Human Rights in Geneva, for the first time in 10 years, the United Kingdom Government will not support a resolution to draw attention to China's record on human rights?

Mr. Fatchett: I am delighted to hear the right hon. and learned Gentleman taking up human rights. When the Government have made a stance on this issue on other occasions, he has been critical. We are always pleased to see a convert on these issues. The United Kingdom, under the Labour Government, has entered into a constructive dialogue with China on human rights. Mary Robinson, the United Nations High Commissioner for Human Rights, will visit China. That was announced during the visit of my right hon. Friend the Foreign Secretary. We have a record on dialogue with China on human rights of which we can be proud and we shall continue to play a constructive role.

Middle East Peace Process

2. **Mr. Fabian Hamilton:** If he will make a statement on Britain's role in the middle east peace process. [31796]

6. **Mr. Gapes:** If he will make a statement on the prospects for a comprehensive peace settlement between Israel and its neighbours. [31800]

10. **Sir Sydney Chapman:** If he will make a statement on progress with the middle east peace process. [31805]

14. **Mr. Quinn:** What plans he has to visit the middle east to discuss the peace process. [31811]

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): With the presidency of the European Union, we have launched an intensive European effort to restore momentum to the middle east peace process. In a speech last Thursday, I set

out an EU initiative on the peace process, in three parts. First, I detailed six immediate steps that must be taken to restore confidence in the peace process. In particular, I called on the Government of Israel to make substantial, credible and urgent further redeployments of troops. At the same time, I called on a 100 per cent. commitment from the Palestine National Authority in respect of security.

Secondly, I pledged the EU to provide practical assistance to remove the obstacles in the path of progress. Under the UK presidency, the EU has agreed to renew financial assistance to the peace process which would otherwise expire this year. We shall now work for a joint effort by Europe, the United States, Israel and the Palestine National Authority on how that aid can best boost the peace process.

Thirdly, we shall undertake intensive diplomatic action to break the current deadlock. On Sunday I leave for a tour of Israel, the Palestine National Authority, Egypt, Jordan, Syria and Lebanon. I shall be pressing, in all six places, the urgent importance of restoring progress towards an agreement that provides peace with security for Israelis and peace with justice for the Palestinians.

Mr. Hamilton: I thank my right hon. Friend for that answer. I hope that he will accept my congratulations on his attempt to restart the Oslo peace process with his speech of 5 March. Does he agree with Ziad Abu Ziad, one of Yasser Arafat's deputies, who has said that to be a true friend of Israel one must also be a friend of the Palestinian people? Will my right hon. Friend pass on our congratulations to President Ezer Weizman—a man very much involved in the peace process—on his re-election as President of Israel?

Mr. Cook: I am happy to associate myself with my hon. Friend's congratulations to President Weizman, who has always been a friend of the peace process. My hon. Friend also highlights an important part of the whole issue. At the election, the Israeli people voted for a Government who promised to deliver peace with security. The great majority of Israeli people know very well that there can be no security for them if there is no peace. That is why, in working for a resumption of the peace process, we are working with the overwhelming majority of Israelis.

Mr. Gapes: When my right hon. Friend goes to Syria, will he emphasise to the Syrian Government the importance of Syria's being engaged in the process? Does he agree that if there is to be a comprehensive settlement in the middle east it is not just a question of the relationship between Israel and the Palestinians? All the states neighbouring Israel must also recognise Israel and come to a peace settlement with Israel if there is to be lasting peace in the region.

Mr. Cook: I shall be taking to Damascus the very message that my hon. Friend suggests. It is important that Syria play its part too. The Syrian Government's negotiating position is that they want to start again from where they allege the negotiations broke off under Yitzhak Rabin—an Israeli withdrawal from the Golan heights. It is, however, difficult to make progress from that starting point in present circumstances.

My hon. Friend rightly draws attention to the importance of other dimensions of the peace process. I very much hope that it will be possible to persuade Prime Minister Netanyahu to make concrete his verbal assurances of interest in an Israeli withdrawal from southern Lebanon.

Sir Sydney Chapman: I welcome Israel's proposal to withdraw troops from southern Lebanon. The Foreign Secretary said in his speech last Thursday that no peace plan would be complete in the middle east if it neglected the Syrian and Lebanese tracks. When he goes to Syria, will he put it to the Syrian Government that since Israel is prepared to get out of southern Lebanon, Syria ought to get out of Lebanon?

Mr. Cook: The hon. Gentleman makes a fair point—one of the keys to solving the Lebanese situation and tragedy is to be found in Damascus. I shall certainly raise that issue while I am there. My progress in Damascus will probably be greater if Israel will act on its promises and complete the withdrawal, which the hon. Gentleman seemed to imply had already taken place.

Mr. Quinn: Does my right hon. Friend agree that there is much frustration among hon. Members at the lack of progress in the peace process in the middle east? Why is there no opportunity for him to visit the kingdom of Saudi Arabia, so that it may help to bring about a rapid and successful harmonisation in the middle east?

Mr. Cook: I am happy to tell my hon. Friend that I visited Saudi Arabia last month. The focus of that visit was to discuss the then confrontation with Iraq, but we did, of course, touch on the peace process. My hon. Friend will be aware that across much of the middle east an unfair comparison was made between our robust approach to Iraq and our alleged weakness towards Israel. I very much hope that the clear, resolute approach that I took in my speech and the comprehensive visits that I am making to the region next week will make it abundantly clear to all that Britain takes fully its responsibility under the resolutions on the middle east—as we do under the resolutions on Iraq.

Mr. Menzies Campbell: I, too, commend the Secretary of State on the terms of his speech last week, in particular his recognition of the importance of Syria and Lebanon and his call for an immediate halt to the settlements. As he knows, the settlements are in breach of resolution 242, which sought to provide a homeland for the Palestinian people. Does he accept that not only are the settlements wrong in international law, but they are a continuing and damaging source of provocation to Palestinians?

Mr. Cook: The hon. and learned Gentleman makes a fair point and one that is central to the peace process. Mr. Netanyahu has sought an early resumption of final status talks. I would welcome the possibility of proceeding to final status talks, but it will be extremely difficult to engage the Palestine National Authority in final status talks unless some concrete progress can be seen on the ground, in particular an end to provocations such as the expansion of the settlements. We have

continually condemned such provocation and I hope during my visit next week to visit Har Homa and to express that view there in person.

Mr. Wilkinson: When the Foreign Secretary goes to Israel on behalf of the EU presidency to try to bring about peace, will he bear in mind the extent to which the Israeli people have grievously suffered from terrorism? Does he believe that the standing and authority of the European Union and Her Majesty's Government will have been enhanced in the eyes of the Israeli Government by the Government's decision not to accede to the extradition request of the German authorities in respect of Miss McAliskey, who was arraigned under terrorism charges in the federal republic? Will he bear it in mind that the European Union should be seen to encourage the rule of law and to be resolute in cross-border co-operation against terrorism?

Mr. Cook: My general impression is that the middle east peace process already suffers from too many linkages being made. To make a linkage to peace in Northern Ireland is to ensure that no progress is made. On that case, it has been made perfectly clear that the release was on humanitarian and medical grounds. It in no way diminishes the long-standing position of Britain in resolute opposition to terrorism. While I am in the Palestine National Authority I will make it clear that progress on the peace process must be matched by tough progress on security as well.

Dr. Palmer: Will my right hon. Friend take the opportunity of his visit to encourage progress towards the construction of a Palestinian airport in Gaza? We have seen press reports suggesting that the Israeli Government are ready to move on that. Does my right hon. Friend agree that it would be a substantial step forward, which would encourage Palestinians to feel that the process was working in their favour too?

Mr. Cook: There are four interim agreements on which progress could be made, which would help immensely to boost the political process. One is the airport; another would be the industrial estate on the border; the third would be the sea port; and the fourth would be the southern free passage. Europe currently puts a great deal of financial assistance into the peace process. We put in twice as much as the United States. I would like to see our money targeted more on helping projects that would break through the obstacles to the peace process. I shall explore in particular how Europe's commitment to continuing aid can be used to unblock the obstacles to the airport and the sea port. My hon. Friend is quite right: if we could achieve that, not only would it be a visible help to the Palestinian economy, but it would go a long way towards building confidence between the parties to the peace process.

Mr. Faber: I, too, return the Foreign Secretary to his speech of last week, particularly to the six key steps that he rightly identified as marking the start to unblocking the peace process—five of which I believe require joint or unilateral action by Israel. Can the Foreign Secretary confirm that, during his meeting with Mr. Netanyahu at the weekend, the Prime Minister forcefully pressed all five of those issues? Did he seek, and indeed receive, any commitments from the Israeli Prime Minister? If he did not receive any assurances, what action do the Government propose to take to bring further pressure to bear on the Israeli Government to see that the demands are met, and within what time scale?

Mr. Cook: I thank the hon. Gentleman for saying that they are the right six steps: I am glad that the approach has bipartisan support. I am glad also that the hon. Gentleman asked that question as it gives me the opportunity to rebut some of the claims that I understand have appeared in the Israeli press in the past 24 hours to the effect that the Prime Minister took a different position from me in my speech last week. I am pleased to tell the House that there is absolutely no difference between the Foreign Office and No. 10 on this issue: every word in my speech was cleared and discussed with No. 10 before the speech was made.

The whole Government stand behind the speech and the points that I spelled out in it. As to what further pressure is now required, I discussed with my opposite number, Madeleine Albright, on Monday where we go from here. We shall jointly increase pressure for a positive response from Israel.

Zambia

4. **Mr. Goggins:** What representations he has made about the state of emergency in Zambia. [31798]

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): We have urged the Zambian Government quickly to complete their investigations into the coup attempt, to charge or release detainees, to address claims of torture and to lift the state of emergency soon. We note that most of the detainees have now been charged.

Mr. Goggins: I thank my hon. Friend for his reassuring answer. Does he agree that last October's failed—some might say rather pathetic—coup attempt in Zambia is symptomatic of a country that spends four times as much on debt relief as on health care, which is rife with corruption and where, in the words of ex-President Kaunda, there are no jobs, only people dying of hunger? Will my hon. Friend assure the House that the Government will do everything within their power to encourage good governance and sensible economic reform in that country so that the impoverished people of Zambia can look forward to a more hopeful and stable future?

Mr. Lloyd: In many ways, the real tragedy of Zambia is that the present Government seemed to be making real progress, so when the attempted coup took place and President Chiluba quite correctly told his people to go about their business, it was all the more bizarre and surprising that he then announced a state of emergency. Even more deplorable was the continuation of that state of emergency in January.

We want Zambia to get back on a proper path of reconstruction for the benefit of its people. However, that will mean lifting the state of emergency and bringing to speedy and fair trial those who have been detained. Before the rest of the world is ready to begin the real process of helping those who are most impoverished by the situation

in Zambia, the Zambian Government must commit to a drive against corruption and to the restoration of constitutional order.

Mr. Wells: What representations have Her Majesty's Government made to the Government of Zambia, and particularly the President, on behalf of ex-President Kaunda? Is it not outrageous that, first, he has been banned from standing in Zambian elections and, secondly, as I understand it, he remains under house arrest? If he has been charged, I do not believe that he has been brought to justice. That is thoroughly anti-democratic and something that we cannot possibly support.

Mr. Lloyd: I make it quite clear that former President Kaunda is only one of some 100-plus people who were detained initially without charge. I am glad to inform the House that subsequently the former President has been charged—although we are very concerned about the nature of the charges that have been laid. They include having knowledge of a conspiracy to overthrow the Government, which is very unusual. I cancelled my visit to Zambia at the time of the former President's detention because it would have been impossible to go ahead in the circumstances. We shall continue to urge the Zambian Government to lift the state of emergency and ensure that the former President, as well as all the other detainees, has a fair and speedy trial.

Mexico

7. **Helen Jones:** What representations he has made to the Government of Mexico about human rights in Mexico. [31801]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary discussed the human rights situation in Mexico with the new Foreign Minister, Mrs. Green, on 12 February in Panama City. He made clear our concerns that those arrested in connection with the massacre in Chiapas should be brought to trial and that there should be no immunity for those with connections with municipal or state government. I discussed human rights issues with Mrs. Green's predecessor last November.

Helen Jones: I thank my hon. Friend for that reply. Does he agree that one of the best ways to protect human rights in Mexico is to support the growth of free and independent trade unions, which already receive support from the Trades Union Congress and other democratic unions? What plans does he have to assist trade unions in their development?

Mr. Lloyd: I agree with my hon. Friend. The development of a fair and democratic society in Mexico depends not only on the growth of proper, democratic political parties and a political system but the growth of civil society more generally. The trade union movement in Mexico is an important component—as it is in this country, certainly under this Government—in underwriting the freedoms of the people of Mexico. I met the Mexican trade unions when I visited Mexico just before Christmas and had long and interesting conversations with them about the future of democratic and free trade unions in that country.

Iraq

8. **Mr. Ian Taylor:** If he will make a statement on the role played by the EU presidency in the negotiations over the situation in Iraq. [31802]

Mr. Robin Cook: As we have the presidency of the European Union, Britain has maintained close contact with our partners throughout the crisis. In early February, I chaired a special meeting of the General Affairs Council on Iraq. On the weekend of the Secretary-General's visit to Baghdad, the General Affairs Council agreed a policy statement that welcomed the outcome, insisted that Iraq comply with Security Council resolutions and noted that the international community had needed to show firm resolve to achieve agreement.

My right hon. Friend the Prime Minister spoke in person or by telephone to the Heads of Government of many other European member states and all the major nations. In New York, the United Kingdom worked closely with Sweden and Portugal, which are currently members of the Security Council, in co-sponsoring the resolution that more than doubles the oil-for-food programme.

Mr. Taylor: Although the Foreign Secretary finds close proximity with Madeleine Albright exhilarating and, over the Iraq affair, there was absolutely no doubt that our interests and those of the United States were very much in harmony, will he recognise that that will not always be the case? What practical steps is he taking to ensure moves to more effective common European foreign policy? In what aspects will that be likely to be deployed during the EU presidency and immediately thereafter?

Mr. Cook: I am not sure that exhilarating is quite the word that I would choose to describe it, but it is a great asset for Britain that the two Foreign Secretaries work closely together and often share each other's thinking.

On the wider question of common foreign and security policy, during the short period of our presidency we have already demonstrated large agreement in taking forward initiatives. For instance, we now have a new common position on Iran, and I hope that on the basis of that common position in Europe we shall be able to bridge some of the transatlantic gulf. We also acted speedily to find both a foreign and a domestic response to the emigration of Kurdish refugees from Turkey and Iraq. We took a quick initiative in relation to Algeria. The Minister of State, my hon. Friend the Member for Leeds, Central (Mr. Fatchett), led a troika to Algeria and, over the past week, we have been working hard to ensure that Europe is in the lead in response to the current crisis in Kosovo. I shall discuss all those issues and others with my Foreign Minister colleagues when I welcome them to my home town of Edinburgh at the weekend.

Mr. Winnick: Do our EU partners fully accept that if the Iraqi regime breaks the agreement which, fortunately, has been reached, there will be most serious consequences, as stated in the latest United Nations Security Council resolution, and the most serious consequences will mean precisely that—there will be no second chance?

Will my right hon. Friend consider further the possibility of humanitarian relief to the first victims of that criminal regime—the civilians? Is there any possibility of aid being flown in, albeit only on the basis that we are satisfied that it will be used for civilians, particularly children, who are undoubtedly suffering—not from sanctions, but from the Iraqi Government's policy?

Mr. Cook: I can confirm that the resolution that we drafted and presented to the Security Council makes it clear that if Iraq breaks the agreement there will be the severest consequences. We resisted attempts to produce a lesser phrase.

My hon. Friend raises an important issue that we must now address: the humanitarian needs of the people of Iraq. In my speech last Thursday I set out our intention as presidency of the European Union to convene a meeting with the European nations, some leaders of the Arab world and non-governmental organisations to work out how we can make best use of the doubling of the oil-for-food programme that we have steered through the United Nations. It is not enough to ensure that that money is not mis-spent; we must ensure that it is spent properly. If Saddam Hussein blocks our initiative to bring medicine, food and humanitarian relief to his people, it will be clear to all the world that it is not the west or the international community but Saddam who is responsible for their suffering.

Mr. Howard: Is not the simple truth that there was no agreement in the EU about the nature of action to be taken on Iraq and that contrary to the question just asked by the hon. Member for Walsall, North (Mr. Winnick), France revealed in the discussions at the Security Council an interpretation of the resolution that differed sharply from that of the UK Government? Why does not the Foreign Secretary say in a straightforward manner that there was no agreement in the EU on that, instead of indulging in self-satisfied waffle?

Mr. Cook: If the right hon. and learned Gentleman is genuine about putting pressure on Iraq and wants Saddam Hussein to listen to the international community, it might be responsible for him to tell Saddam Hussein and the House the self-evident truth that the great majority of members of the EU shared Britain's position and that when Kofi Annan went to Baghdad he went with the agreement of all five permanent members. The right hon. and learned Gentleman undermines the efforts of the international community when he tries to suggest that there are deep divisions.

Mr. Dalyell: Does my right hon. Friend's answer to my hon. Friend the Member for Walsall, North (Mr. Winnick) mean that he rejects the view of the Chinese ambassador to the United Nations, that in no way does the Kofi Annan agreement give authority for Anglo-American—

Mr. Winnick: It does.

Mr. Dalyell: My hon. Friend is very sure that it does; I am just asking the question. Does it give authority for Anglo-American military action without going back yet again to the Security Council?

Mr. Cook: I would say gently to my hon. Friend that when we want legal advice we may look elsewhere than to the Chinese ambassador at the United Nations. He himself voted for the resolution, which is explicit: if Iraq breaks the agreement, there will be the severest consequences.

EU Enlargement

9. **Mr. Pickles:** Which countries will be represented at the EU enlargement summit on 12 March. [31803]

Mr. Robin Cook: The Luxembourg European Council agreed that the member states of the European Union, the 10 countries of central Europe that have applied to join the Union, Cyprus and Turkey should be invited to participate in the European conference.

Accordingly, my right hon. Friend the Prime Minister has invited his colleagues in those countries to attend the first meeting of the European conference, which he will convene in London on Thursday. It is expected that the conference will agree to practical co-operation in areas of immediate relevance to the public, such as combating the drugs trade and organised crime, improving the environment and building competitive economies. The European conference will be important chiefly because it represents an historic first step towards a stronger, enlarged European Union and a final end to the division of Europe which has scarred our continent for half a century.

Mr. Pickles: Does the Foreign Secretary agree that the progress made by the Polish people since the fall of communism has been truly breathtaking, and that there is great vitality among the upcoming leadership there? Does he believe that it is in the interests of not only Poland, but this country and the strengthening of the European Union that Poland should become a member? Given that not all our partners share our enthusiasm for Polish entry, will he give an undertaking to the House that sufficient momentum will be built up under the British presidency to ensure that any qualifications and problems can be quickly addressed?

Mr. Cook: I can assure the hon. Gentleman that Britain fully backs the enlargement of the European Union and recognises that Poland is a prime candidate for enlargement. I said that in a speech in Warsaw when I visited that city just before Christmas. In the past three days, I have spoken twice to the Foreign Minister of Poland, who currently occupies a position of great importance as the chairman of the Organisation for Security and Co-operation in Europe for the whole of Europe. We are working closely with him and with his Government, and we shall be delighted to assist them in the process of negotiations because we regard the negotiations not as confrontational, but as between two partners seeking a common objective—the enlargement of the European Union, and stability and democracy throughout central Europe.

Mr. Dismore: Does my right hon. Friend agree that it would be in the best interest of all Cypriots if Cyprus were to accede to the European Union? In that context, will he take the opportunity to confirm that accession talks will not be dependent on or linked to progress in peace negotiations and, in particular, that accession talks will not be subject to veto by the regime in northern Cyprus?

Mr. Cook: I can confirm that there will be no veto for the regime in northern Cyprus. However, the people of

northern Cyprus have more to gain than anybody else in Cyprus from EU membership as their income level is currently a quarter of that of the Greek Cypriot part of Cyprus. For those reasons, we have urged the Government of Cyprus to bring a mixed delegation of Greek Cypriot and Turkish Cypriot negotiators. I am pleased to say that there are signs that President Clerides and his Government are willing to do that. I regret to say that the present stubbornness on the Turkish Cypriot side may prevent that from happening.

Mr. Streeter: Does the Foreign Secretary recall saying, on 14 January, that the Government would be working hard to strengthen relations between the EU and Turkey? Does he recall the Prime Minister saying, in December last year, that he wanted to see Turkey as a closer partner in Europe and as part of the European conference that would be held in Britain in the next year? Does he accept that Turkey's decision to boycott the conference on Thursday represents a major diplomatic failure by the Government? Will he tell the House what he intends to do to secure Turkey's future involvement in that vital process?

Mr. Cook: If the hon. Gentleman says that in Ankara, he will be given a robust raspberry by the Government there, who know perfectly well how hard Britain has worked to involve Turkey and to resist the Luxembourg conclusions which they have found so offensive. I discussed this with my opposite number in Turkey over the weekend. Turkey is invited and it is for that country to decide whether to attend. It has decided that, in view of the conclusions of the Luxembourg conference, it will stand by the view it expressed then that it will not be coming. My colleague, the Minister of State, my hon. Friend the Member for Leeds, Central (Mr. Fatchett), and I have agreed that after the European conference, we will look for other ways in which to take forward our dialogue, probably through the association partnership, on which the Commission is about to produce interesting and detailed proposals.

Mr. Pike: Does my right hon. Friend recognise that the people of Romania welcome the fact that he has indicated that it is possible for that country to get on to the fast track for entry into the European Union? Will he be meeting President Constantinescu of Romania this week to spell out what steps need to be taken in Romania to ensure that it can enter the European Union on the earliest possible date?

Mr. Cook: I am pleased to say that Romania will be one of those participating in the European conference. Like all the other conference members from central and eastern Europe, it will participate in a meeting with the Prime Minister, and its Foreign Minister will participate in a meeting with me. I have met the new Foreign Minister of Romania to discuss how we take forward the enlargement process. The Foreign Office has agreed to provide specific technical expert help to the Romanian Foreign Office to help it build up expertise for the negotiations. My hon. Friend's first point is quite right; just because negotiations start with six specific members does not mean that those six will be the first across the line. All 11 have every incentive to make as much progress as possible. Those who get in first will be those who have made the most progress.

Iraq

11. **Mr. Leigh:** If he will make a statement on Iraq. [31806]

12. **Mr. Alan W. Williams:** If he will make a statement on progress towards removal of weapons of mass destruction in Iraq. [31808]

13. **Mr. Robin Cook:** Britain played a key role in drafting Security Council resolution 1154 which was adopted unanimously by the Security Council last week. It provides a clear endorsement by the whole of the international community of the agreement between the Secretary-General and the Iraqi authorities. The resolution makes it clear that if Saddam Hussein breaks the agreement, there will be the severest consequences. I am pleased to report that inspections resumed in Iraq last Friday. International inspection has made good progress in halting the Iraqi nuclear and missile programmes. The United Nations Special Commission has now dismantled more weapons than were destroyed during the Gulf war. However, the Iraqi capacity for chemical and biological weapons production remains immense. We are determined that such a capacity cannot be left in the hands of Saddam Hussein, who has repeatedly used chemical weapons in the past and cannot be trusted not to use them in the future.

Mr. Leigh: Is the Foreign Secretary satisfied that Iraq is fully complying with the UN accords? Would he like to comment on the accusation that it is fairly worthless allowing inspectors into presidential sites because, by the time of inspection, they will be cleared of any weapons of mass destruction, which will be taken elsewhere? Therefore, there must be continued access. Can the Foreign Secretary confirm that if, at any future date, the Americans decide to use force, we shall stand four square with them?

Mr. Cook: The answer to the last point is that we remain in constant contact with the United States. We stood resolutely together during a confrontation, and we will do so if there should be a future confrontation. I am not sure whether I shall disappoint the hon. Gentleman if I say that inspections have been proceeding well over the three days since Friday. There is no question of one-off inspections—that was one of Saddam's initial bargaining positions, and it was one of the issues on which he was forced to climb down. The agreement represents a success for our strategy and, if properly carried out, will enable us to halt him in developing weapons of mass destruction.

Mr. Williams: It is seven years since the Gulf war, and it has taken that long for UNSCOM to uncover these chemical and biological weapons. Does my right hon. Friend agree that the present inspection crisis has to be resolved in a matter of weeks or months rather than years, that those weapons must be rendered harmless and that, if Iraq co-operates, economic sanctions can be lifted in that time scale?

Mr. Cook: The resolution we drafted and presented to the Security Council makes it clear that there is light at the end of the tunnel for the Iraqi people. Sanctions

can be lifted if Saddam carries out the obligations to which he has again signed up. The reason we are here, seven years on from the original resolution, is precisely because Saddam has practised a continuous programme of deception and concealment. I cannot accept that we should put a deadline on when the inspectors withdraw; when they withdraw must be decided by when they have finished their business. However, I agree that it could be done in weeks if Saddam Hussein would, for once, honestly accept his responsibilities and fully co-operate with inspectors.

Mr. Cash: The Foreign Secretary and the Government deserve congratulations on the solidarity they have shown with the United States over Iraq. To refer to a previous question, may I ask the right hon. Gentleman to indicate what sort of phone calls the Prime Minister had with the other member states in Europe? Furthermore, what did the Prime Minister mean in his statement to the House the other day when he said that we had support from the EU member states? What specific and practical military commitments were the other member states prepared to make to support the United States and the United Kingdom in what could have turned out to be the necessity for direct military action?

Mr. Cook: I am happy to answer the hon. Gentleman's question. Belgium and the Netherlands provided a frigate for the fleet; Denmark provided transport aircraft; Sweden was willing to provide medical and logistical troops for support; and Portugal, Spain and Germany offered and made available use of their bases for planes flying on to the Gulf. Those European nations that were asked to help all did so.

Ann Clwyd: Given the growing support among our European Union partners and many other countries in the world for the indictment of Saddam Hussein and some of his closest associates before an international criminal court, has my right hon. Friend thought about some of the other ideas proposed by the Iraqi opposition, which include lifting the sanctions in northern Iraq, supporting the installation of a provisional Government in northern Iraq and installing a no-drive zone in that area to protect it in the same way as the no-fly zone is protected?

Mr. Cook: This is an issue that we keep constantly under discussion, not just among ourselves, but with our partners. However, what my hon. Friend asks for involves a step that can be taken only with great seriousness and solemnity. We are very much aware that when people in Iraq were invited to rise up in 1991, they were then abandoned and there were many casualties among those who had taken us at our word. For that reason, there is a grave responsibility on us not to encourage people to take action which we then cannot follow through.

Agenda 2000

13. **Mr. Boswell:** What activities in relation to Agenda 2000 have been initiated under the British presidency. [31809]

The Minister of State, Foreign and Commonwealth Office (Mr. Doug Henderson): The Council has approved the framework regulation for the accession partnerships, which will be the principal plank of the EU's relationship with the countries of central and eastern Europe over the coming years. We shall launch the European conference, which will bring together the member states and candidate countries, in London on Thursday.

We expect the Commission to table draft regulations for the reform of the common agricultural policy and the structural and cohesion funds, and proposals for the future financing of the EU on 18 March. Those are only the most immediate activities. We expect that the Cardiff European Council in June will record good progress on Agenda 2000 during our presidency.

Mr. Boswell: Although the Minister will have heard the discouraging noises coming from Brussels last week about the possible withdrawal of Community support for aid to the British regions, will he ensure, in the forthcoming conference and subsequently, that he sits down with our existing partners in Europe so that any burdens of transfer to the applicant countries under Agenda 2000 are fairly shared and so that British interests are robustly represented?

Mr. Henderson: I am happy to reassure the hon. Gentleman that the position that he outlines is the one that the Government will adopt. As we support the enlargement process, it is important to have a funding system, which means that some of the structural funds must find their way to central and eastern European countries to help them. That means that less funding will be available from the structural cake for the existing European Union states, so it is important to have a fair burden share. That will be a principal objective in our negotiations.

Mr. Bill O'Brien: Does my hon. Friend accept the great importance of the structural funds to many of our regions, particularly Humberside, because of the economic development of those regions? Will he assure the House that during our presidency, he will lay the foundations necessary to ensure fairness and equity in the distribution of the structural funds so that our regions may continue with their economic progress?

Mr. Henderson: I hope that I can reassure my hon. Friend that a principal objective in our negotiations will be to seek a fair solution, part of which is that areas within the European Union that have similar characteristics and a similar need for help will get help. Many areas near my hon. Friend's constituency would qualify, and I hope that we can protect them on the basis of achieving a fair settlement.

Mr. Gill: The Minister mentioned reform of the common agricultural policy; he will appreciate that to get any fundamental reform of the CAP will require unanimity. What realistic prospect is there of achieving unanimity in the European Union at present?

Mr. Henderson: There is a growing recognition in the European Union that the current agricultural policy is wasteful and that a better way in which to support agricultural interests in the Community could be found. That is recognised in many countries that have previously

taken a pretty reactionary view. The prospect of enlargement will force the European Union to look at agricultural policy. I believe that with tough negotiation and perseverance, we can begin to make progress towards bringing agricultural prices in Europe down towards world prices, which will be good for the consumer. Finding the right sort of support for agricultural interests will give the greatest support to those parts of the industry with the greatest need.

Mr. Skinner: Is my hon. Friend aware that we have been talking about reform of the common agricultural policy ever since Britain joined the Common Market on 1 January 1973? I do not see it coming any nearer. If it ever comes about that a policy is presented here in Parliament to reform the CAP, those 142,000 people, or however many went on the countryside march, will be knocking at every single door here, telling the British Government that they do not want it. All those Tory and Liberal Democrat Members of Parliament who theoretically support CAP reform will say, "No, we can't afford it."

Mr. Henderson: I am grateful to my hon. Friend, but I had thought that he was more of an optimist and would be looking forward to changes in agricultural policy. I think that he can reassure me that, in the event of large numbers of sectional interests arguing against changing agricultural policy, he will be able to persuade many millions of consumers in our country that some of the changes, at least, will be in their interests—and they will turn up to show their support.

Departmental Commercial Sections

15. **Ms Jenny Jones:** If he will make a statement on his Department's commercial sections' priorities for 1998–99. [31812]

Mr. Fatchett: Our priorities will be to implement a new export initiative based on the recommendations of the Export Forum, and to continue to make the Foreign Office more businesslike through interchange with the private sector.

Ms Jones: I thank my hon. Friend for that answer. What action is he taking to ensure that the relevant overseas posts are aware of the new priorities in this Government's export drive? What arrangements will be put in place to ensure that, in future, all commercial inquiries are dealt with quickly and effectively?

Mr. Fatchett: On the final point, we work closely with our colleagues in the Department of Trade and Industry and we will ensure that there is an improved service for potential exporters. It is fair to say that the Foreign Office has become more commercially minded. More than one third of our full front-line staff time is now devoted to export and commercial activity. We have 217 commercial posts, and we are determined to ensure that we become more businesslike and are more successful in selling Britain. We have to improve on the record of the previous Government; we shall do so and are taking all the right steps to do so.

Mr. Soames: I thank the hon. Gentleman for his reply. Does he agree that the Foreign Office has, for a long time, been moving towards becoming much more commercial? When I had anything to do with the Foreign Office, I was always very impressed by its effectiveness in promoting British trade. Will the Minister acknowledge the extraordinarily powerful role that is played by defence in commercial diplomacy, not just in terms of weapon sales—where, clearly, the expertise of the British forces and the sophistication of their equipment commands ready markets overseas—but through a range of other goods and services, where the skills of our forces are well deployed in showing how they work so well?

Mr. Fatchett: I am grateful to the hon. Gentleman for his opening remarks. I will certainly ensure that those remarks are drawn to the attention of those staff involved in commercial activities. It is important for all of us that we continue to make strong efforts to promote Britain's exports. As the hon. Gentleman knows, defence sales are an important part of Britain's export activities and an important signal of Britain's export technology. We regulate those sales in a manner that has always been exercised by Government. Although we are determined to do that, we shall ensure that there is due process and due support for export industries, including the defence industry.

Bosnia

16. **Ms Southworth:** When he next intends to visit Bosnia. [31813]

Mr. Robin Cook: I am pleased to be able to tell my hon. Friend that I visited Bosnia on 4 March. I was encouraged by the significant progress that has been made—particularly on the key issues of corruption, black-marketeering and poor transparency in the use of public funds, which I highlighted on my visit in July. It is a sign of the new mood in Bosnia that I was invited to address an assembly of the Republika Srpska—the first Foreign Minister to do so.

The new Government of Prime Minister Dodik have made more progress on the Dayton peace process in two months than his predecessor did in two years. However, much remains to be done. I stressed during my visit the need for more rapid results in the return of refugees to their homes, and the central importance that Britain attaches to the prosecution of all those indicted for war crimes. If we want to build a future for Bosnia based on ethnic tolerance, we must be resolute in bringing to justice those who committed the atrocities of ethnic cleansing.

Ms Southworth: I congratulate my right hon. Friend on the dramatic changes that have occurred in Bosnia since last summer. I congratulate him also on the moves that have been made towards implementing the Dayton treaty, which is so important to so very many people. Does he agree that those changes are a vindication of the tough stance that he and his colleagues took at their meeting, last June, in Sintra?

Mr. Cook: I am grateful to my hon. Friend. I agree that the progress that has been made in Bosnia is entirely the result of the resolute approach from outside Bosnia, coupled with the will of many people in Bosnia for peace. One of the central challenges that we now face, if we are to secure and stabilise that peace, is to ensure that we

also tackle the regional dimension provided by Bosnia's neighbours. One very important message that I sent in Sarajevo is that there is no map of Europe that has on it any place for a greater Croatia or a greater Serbia.

Algeria

18. **Mr. Waterson:** What assessment he has made of the human rights situation in Algeria following the recent EU troika mission. [31815]

Mr. Fatchett: The Government continue to be concerned about the situation in Algeria. We discuss human rights in our bilateral contacts with the Algerians and as the European Union presidency. We are encouraging parliamentary exchanges, greater access by international media and visits by United Nations rapporteurs to strengthen democracy and the rule of law in Algeria.

Mr. Waterson: I thank the Minister for that answer. Does he agree that it is an absolute disgrace that, in this day and age, a country such as Algeria is being terrorised and brutalised, that many people are being murdered in terrorist activity, and that those atrocities have so little resonance in the world outside? Is there not more that we could do, as an individual nation and through the European Union, not only to put the spotlight on those dreadful atrocities, but to try to end them?

Mr. Fatchett: In our presidency, the United Kingdom has already taken one initiative on behalf of the European Union, responding to public concern in Europe. I led a European Union troika visit to Algeria. We established a political dialogue with the Algerian Government—part of which was to discuss the terrorist situation there—which we hope will continue. On behalf of the European Union, I invited the Algerian Minister of Foreign Affairs to come to London during the United Kingdom presidency to meet my right hon. Friend the Foreign Secretary.

Mr. Corbyn: Has the Minister had an opportunity to discuss the proceedings of the parliamentary human rights group, which held an open meeting to take evidence on abuses of human rights in Algeria from a wide variety of sources—although the ambassador himself refused to attend? Is he aware that much of the evidence received by the group seemed to suggest that many of the human rights abuses and illegal killings in Algeria emanated from the army or from elements in Algerian society that are close to the army, and that there must be a very robust exchange with the Algerian Government if we are to put a stop to the killings there?

Mr. Fatchett: I have had the opportunity to read that evidence, which was shocking. It again made the point that, sadly, life is cheap in Algeria, and that too many lives have been lost there. During my visit to Algeria, I stressed to the Algerian Government that it was important for them to be open and accountable in their human rights record. I also suggested that the United Nations special rapporteurs should visit Algeria, so that they have an opportunity to report on some of the issues that have been raised by my hon. Friend. I think that that is very much the best way for the Algerian Government to deal with all the allegations and potential criticisms that have been made of them.

EU Enlargement

19. **Mr. McNulty:** What progress he has made towards achieving enlargement of the European Union; and if he will make a statement. [31816]

Mr. Doug Henderson: Our preparations for enlargement are on schedule. In two days, we will inaugurate the European conference. We will launch the accession process in Brussels on 30 March, and accession negotiations with six candidates will begin the next day.

Mr. McNulty: I welcome the Government's initiative in holding the conference between EU member states and applicants this Thursday. Can my hon. Friend assure me that enlargement will remain a top priority throughout the United Kingdom's presidency, and in years to come? Does he agree that we have learnt something that the Tories have never learnt—that it is not possible to be serious and positive about enlargement while being negative about the European Union?

Mr. Henderson: That is a good point. The difference between our approach to enlargement and that of the previous Government is that we believe that enlargement is important for the security of Europe and for its economic prospects. We do not favour it simply as an alternative to the deepening of the European Union.

Kosovo

3.30 pm

The Secretary of State for Foreign and Commonwealth Affairs (Mr. Robin Cook): With permission, Madam Speaker, I will make a statement on the crisis in Kosovo.

On Monday, I chaired a meeting of the six-nation contact group, which consists of Britain, the United States, the Russian Federation, France, Germany and Italy. The group met in London at my invitation. We issued a comprehensive statement, copies of which have been placed in the Library.

The whole House will share the grave concern expressed by all nations at the contact group meeting about the events in Kosovo of the past two weeks. The security operations around Dreniza in the last week appear to have left at least 80 dead. It is simply not credible that all those killed were terrorists. Of the 51 corpses released yesterday by the Serb police, less than half are believed to have been men of military age. The local press reports that 12 were children, 13 were women and four were elderly men.

Belgrade cannot claim that such extra-judicial killings are a purely internal matter. The international community has a legitimate right and a duty to condemn such gross violations of human rights. Europe has a particular responsibility to reduce violence in the Kosovar region before it produces instability in neighbouring countries.

I visited Belgrade last Thursday. I made it clear that I did so not just on behalf of Britain, but as the presidency of the European Union. I regret to tell the House that President Milosevic sought to present the events in Kosovo as a legitimate police response to terrorism. Britain's record against terrorism is firm and resolute. We strongly condemn the use of violence for political objectives, including the terrorism of the self-styled Kosovo Liberation Army. Terrorism, however, cannot be used as a pretext for the indiscriminate use of force against the civilian population.

While I was in Belgrade, I spoke to leaders of the Kosovar people, including Dr. Rugova. That leadership advocates a peaceful pursuit of legitimate political views. The international community does not support separatism in Kosovo; we do demand that Belgrade provide enhanced and real autonomy for Kosovo, without which the demands for independence are only too likely to grow. It is the tragic irony of Kosovo that its people enjoyed more autonomy under the communists than they have under President Milosevic.

On Monday, the contact group approved a lengthy statement expressing our dismay at the current repression and condemning the excessive use of force. We approved a 10-point action plan to stabilise the security position in Kosovo. Let me highlight four key objectives.

The first is justice. We urged the prosecutor of the war crimes tribunal to investigate the recent violence in Kosovo, and we invited independent forensic experts to investigate the allegations of extra-judicial killings. Those responsible for repression in Kosovo are now on notice that they cannot act with impunity.

The second objective is international monitoring within Kosovo. We called for access to Kosovo for the Red Cross and for all embassies of the contact group in Belgrade. We also supported a new mission by Felipe Gonzalez as the personal representative of the chairman of the Organisation for Security and Co-operation in Europe. If Belgrade has nothing to hide, it has nothing to fear from an increased international presence.

The third objective is regional security. The contact group agreed to arrange an early meeting with representatives of neighbouring countries, in particular to determine how to enhance the monitoring of their borders. After yesterday's meeting, I phoned the Prime Minister of Albania and the President of the former Yugoslav republic of Macedonia. Both expressed strong support for the contact group statement, and President Gligorov gave a warm welcome to our commitment that an international military presence must continue on the border with Serbia after the current United Nations mandate expires in August.

The Minister of State, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), will tomorrow visit Tirana and Skopje as a representative of the presidency of the European Union in order to discuss what more can be done to strengthen their security.

The fourth priority of our action plan is sanctions against Belgrade. The contact group resolved to take specific sanctions to underline our condemnation of its acts of repression and to encourage it to co-operate with the action plan. We endorsed four measures for immediate action.

The measures are: a resolution in the UN Security Council for a comprehensive arms embargo against the Federal Republic of Yugoslavia, including the supply of weapons to terrorists; a refusal to supply equipment that might be used for repression or terrorism; denial of visas for senior Ministers and officials responsible for repressive action; and a moratorium on official credit for trade and investment, including privatisations, which are currently vital in maintaining the Yugoslav budget.

Five members of the contact group agreed to all those measures with immediate effect. I spoke by phone at the end of the meeting to Mr. Primakov, the Russian Foreign Minister. He agreed that Russia could support with immediate effect the arms and equipment embargo and would be willing to consider the denial of visas and the moratorium on official credit if there was no progress in Kosovo within two weeks.

We have given President Milosevic 10 days to withdraw the paramilitary forces from Kosovo and to commit himself to a process of dialogue with the leadership of the Kosovar community. If President Milosevic takes those steps, we will immediately reconsider the sanctions that we have adopted. If he fails to do so, the contact group will take further measures, including a freeze on the funds held abroad by his Government. The contact group meets again on 25 March to assess the Belgrade Government's response.

While I was in Belgrade, I also met representatives of the Serbian opposition, and gave an interview to the independent B92 broadcasting station, which has had material support from Britain. It is important that we recognise that many people in Serbia also reject the police action over the past two weeks, and want their country to accept the human rights standards of a modern European democracy.

We also want the day to come when we can welcome the Federal Republic of Yugoslavia into the family of democratic nations of Europe. We cannot do so, though,

unless Belgrade starts to behave by the standards of modern Europe. It is for President Milosevic now to decide whether the future of his state and its people will be deepening isolation from Europe or enhanced co-operation. I ask for the backing of the whole House for a firm message to President Milosevic and his Government that the essential first step must be to stop the violence now.

Mr. Michael Howard (Folkestone and Hythe): May I thank the Foreign Secretary for making his statement, and echo on behalf of the Opposition his condemnation of the appalling violence of the past few days? We join him in condemning the continuing repression that has caused such suffering to the majority Albanian community in Kosovo.

Like the Foreign Secretary, we condemn all violence, including that of the Kosovo Liberation Army, and welcome Dr. Rugova's continued commitment to peaceful negotiation. Will wider economic sanctions, along the lines of those that were in force before the Dayton agreement was reached, follow if Serbia does not abide by the terms proposed by the contact group? Does the Foreign Secretary consider there to be a role based on the Macedonia model for United Nations monitors in Kosovo? What progress has been made in securing access to the affected area of Dreniza to allow medical and humanitarian aid to be given?

What prospects does the Foreign Secretary see for a return to the autonomy enjoyed by Kosovo before 1989? Does he agree that Kosovo's unique position makes it crucial to the stability of the region, and, given recent remarks by President Tudjman of Croatia, does he share my anxiety at reports that Serbian Croats have also been rounded up? Can he confirm recent reports that there is growing evidence of ethnic cleansing in the Sandzak area—not in Kosovo, but on the Serbian side of the border with Bosnia east of Sarajevo? Has he had reports that women and children are arriving in Tuzla, in buses, from that area?

Will the Foreign Secretary say what steps are being taken to keep the situation under review so that the suffering of the majority population in Kosovo is brought to an end, and the danger to the stability of the region is kept to a minimum?

Mr. Cook: I thank the right hon. and learned Gentleman for his support. It is welcome to be able to speak for both sides of the House when discussing an issue of such importance in international forums, and President Milosevic should not underrate the degree of unity in the western community.

It is indeed the case that we shall consider wider economic sanctions if there is no progress on the matter between now and 25 March, when the contact group meets again. We have specifically committed ourselves to examining a freeze on the assets of the Governments outside Serbia and Montenegro.

Other steps must be considered. One of the criteria by which we shall judge on 25 March whether sanctions should be further imposed is whether President Milosevic has co-operated with the action plan, a key part of which is increased monitoring throughout Kosovo, particularly in the most affected areas. That is why our statement calls for Organisation for Security and Co-operation in Europe monitors and representatives of contact group embassies in Belgrade to be admitted to the region. I hope that we can at some stage secure a European Union presence in Kosovo, which would increase the openness of the region.

We have not at present managed to put medical and humanitarian assistance into Kosovo, which is a matter that we want to pursue in a broader dialogue with the Belgrade Government. We are pressing to put monitors in to find what can be done.

We have not had reports of an exodus from Sandzak. Our ambassador to Belgrade frequently travels throughout the Federal Republic of Yugoslavia, and was in Kosovo last week. We shall keep the situation under close review, and report to the right hon. and learned Gentleman as soon as we receive evidence of any such exodus, but he is right to say that ethnic cleansing continues throughout the former Yugoslavia.

While I was in Banja Luka, it was confirmed that a significant number of refugees from eastern Slavonia continue to arrive, where we wound up the United Nations mission on the ground that we had achieved stability and security for the minority Serb population there.

While in Sarajevo, I deeply deprecated the speech made by President Tudjman, which suggested a return to the politics of ethnic hatred and ethnic confrontation. My hon. Friend the Minister of State will visit Zagreb on his tour of the Balkan countries, and will make it plain that the way forward for the Balkans is through ethnic reconciliation, not ethnic cleansing.

Mr. John Austin (Erith and Thamesmead): My right hon. Friend will be aware of the warm support from the Albanian and Kosovar communities in London for his swift response to and condemnation of the ethnic violence of the Serbian authorities. He referred to the actions of President Rugova, who has used every constitutional and democratic means, and has been an advocate of non-violence. Is he aware of President Rugova's intention to hold elections on 22 March? What action will the contact group take to ensure that those elections proceed peacefully, so that the democratic wishes of the Albanian majority may be determined?

Mr. Cook: I am grateful to my hon. Friend for his words about the speed with which we have responded. We have all learned lessons from the period in 1991 when the international community failed to respond with determination and speed; for that reason, we are anxious to try to ensure that we bring pressure to bear when the situation can be contained, rather than when it has deteriorated.

My hon. Friend is also absolutely right to say that Belgrade is fortunate in the leadership of the Albanian community in Kosovo. I met several of them while I was in Belgrade, and I was humbled by the moderation, reason and good sense of many of them in situations of intense provocation.

The elections on 22 March are what are termed parallel elections, which is to say that they are not official elections: we do not recognise those elections; we are turning a blind eye to those elections. While I was in Belgrade with President Milosevic, I urged him also to

[Mr. Cook]

turn a blind eye to such elections, in order that they may be organised and may go forward among the local people without disruption from Belgrade.

Mr. Menzies Campbell (North-East Fife): May I from these Benches support the right hon. Gentleman's determination to send a firm message to President Milosevic? However, does he agree that, in spite of his best efforts, there is unwelcome gap between the legitimate and robust language of condemnation used by himself and Madeleine Albright at the weekend and the measures adopted so far by the contact group?

Does the right hon. Gentleman further agree that it would be unfortunate in the extreme if we were to allow the achievements in Bosnia over the past two years to be undermined in any way by instability in the region? Has NATO made any assessment of the consequences for Bosnia if there is continuing unrest in Kosovo? Has NATO made any assessment of the steps it might take, if invited by the UN, to assist in the restoration of order in Kosovo?

Mr. Cook: I met the Secretary-General of NATO, Javier Solana, yesterday, and discussed the situation with him. However, at a time when we are trying to de-escalate the violence and promote peaceful political dialogue, it may not be helpful to escalate what consequences may be necessary some way down the track, if the situation were to deteriorate. We are all focusing now on finding a diplomatic and political solution. If NATO has a role to play, it may well be in the follow-on force in the former Yugoslav republic of Macedonia, when the UN mandate expires in August. That is currently the only military commitment that might be in contemplation.

The hon. and learned Gentleman pointed to a gap between rhetoric and action. I should be the first to say that it is important that we are not complacent about how much has been achieved; indeed, the situation in Kosovo remains as disturbing as it was when we called the contact group.

One of the tragedies of the events of the past two weeks is that their legacy will make it more difficult to achieve the reconciliation which is our objective. However, in the 10 points of the action plan, the four points of sanctions are a robust response—much more robust than the response of the international community in the early days of the collapse of Yugoslavia, and possibly a more robust response than I would have been prepared to put money on before we had the meeting on Monday.

That meeting was five hours of intense talks, which produced substantial support, not only for robust rhetoric, but for a clear statement of our resolve expressed through specific action. I urge hon. Members not to underrate the extent to which that will increase pressure on Milosevic, especially if he is unable to finance future privatisations.

Mr. John Home Robertson (East Lothian): As one of the many people who took part in relief work in Bosnia and who witnessed scenes that were a disgrace to European civilisation during four dreadful years, before NATO took a grip on the situation in that country, I urge my right hon. Friend not to allow time for any further atrocities to take place in Kosovo. Can we depend on him to insist on firm, urgent and resolute action, and, if necessary, intervention by the European members of NATO?

Mr. Cook: As I said in answer to the previous question, any question of military intervention has not been contemplated, and is not on the agenda. We seek to ensure that we achieve progress that averts the need for military intervention. Nor would such military intervention, if it were to happen, have a simple or uncomplicated impact on the region as a whole. It is much better that we make progress on the strategy that has been adopted by the contact group, but I agree with my hon. Friend: if we had intervened earlier in the conflict in Bosnia, we might not now be dug in for several years' presence, putting together a country that we allowed to fall apart.

Mr. Eric Pickles (Brentwood and Ongar): Does the Foreign Secretary agree that the methods used by the security forces bear a sad resemblance to things that we have seen before? However, does he agree that perhaps one significant difference is that the war crimes tribunal is now well established? There was much cynicism about it 18 months or a year ago, but there can be no doubt about how effective it is going to be. Does he believe that a clear message must go out that, no matter how high or how low a person is in a particular country, people who have committed or ordered these atrocities will eventually face justice?

Mr. Cook: I am delighted to agree entirely with the hon. Gentleman. At Dayton, President Milosevic signed up to an obligation to co-operate with the International Court in The Hague. Its writ runs throughout the whole of former Yugoslavia, including Kosovo. There is therefore nothing to prevent the court from seeking to indict people who it believes may have committed an offence under its terms.

The hon. Gentleman is right to say that we have managed to make serious progress at The Hague. One third of the people who have been indicted by the prosecutor have been arrested and brought for trial at The Hague. That is more progress than we could have dared hope for a year ago, and I echo his words. People who remain indicted and have not yet been brought to justice should consider surrendering themselves, because there is no hiding place in the international community for those who break the law of that community.

Mr. Tam Dalyell (Linlithgow): Is the Foreign Secretary aware that even those among us who are most cautious about military intervention must recognise the appalling complexity and, indeed, peril of the situation that we have to face? In the light of the Minister of State's visit to Skopje, I recall that, two years ago, when the all-party arts and heritage group went to Thessalonika, we were harangued on the issue of greater Macedonia. What will be said about the Macedonia position? Are we talking to the Government of Greece, a European partner, which has an immediate stake in this, and what is it saying?

Mr. Cook: My hon. Friend raises a point that is an important part of the complexity of the situation, which is why I keep using the tortuous mouthful, "the former Yugoslav republic of Macedonia"; if I did not, I would receive a letter from the Greek ambassador, so I am very

happy to stick to the terms of that agreement. I am pleased to say that, over the past year, relations between Greece and the former Yugoslav republic of Macedonia have considerably improved. They would be at one on the issue of ensuring that instability in Kosovo does not spill over the border.

My colleague the Foreign Secretary of Greece was in Belgrade. I will meet him on Friday when he attends the meeting of European Union Foreign Ministers in Edinburgh, and I am arranging to have a bilateral with him to discuss the position. In the meantime, I seize with delight the opportunity for my hon. Friend and me to bat on the same side again.

Mr. Martin Bell (Tatton): Is the Foreign Secretary aware of the effect of broader sanctions on the Serbs last time, which was to reward the black marketeers and racketeers and to punish and sometimes to kill the poor, the sick, the weak and the old? Can we be very careful before going down that road again?

Mr. Cook: The hon. Gentleman's words are wise and fair. It is not just the ordinary people of Serbia but Serbia's neighbouring countries who have concern on that matter. We have received representations from one or two of them expressing their deep concern that the effect of sanctions was to promote smuggling and black marketeering in their countries. That is a down side that must be fairly reflected in any decision that we make.

We must seek to impose sanctions that do not hit the poorest but hit the elite to whom we are trying to get the message across. That is why the initial list includes an arms embargo, a denial of visas to top people and the withdrawal of credit for the financing of privatisations. That is crucial to the Government of Yugoslavia, but is not so important to the daily shopping list of its people.

Mr. Andrew Tyrie (Chichester): Further to the earlier remarks about the Macedonian problem, does the Foreign Secretary agree that the key task now from the west's perspective is to stop the spread of this conflict throughout the region, and that Macedonia is the linchpin in that task? Does he think that 700 front-line troops—the UN troops at present in Macedonia—are remotely enough to protect Macedonia from the spread of the conflict? Does he support the urgent request that President Gligorov has often made in public and in private that the UN presence be replaced by more sizeable NATO forces at the key strategic points on the frontier with Kosovo?

Mr. Cook: There may be only 700 troops and they may therefore be of limited immediate military effect on a very difficult border, but they are overwhelmingly American troops, and that immensely concentrates the minds of Belgrade if they ever think of doing anything on that border.

I spoke to President Gligorov yesterday after the contact group meeting. I am pleased to say that he said several times that the result was a good one. He was particularly pleased that we had obtained a commitment to a follow-on force after August. For the first time, Russia raised no objection to that. In the current state of Kosovo, that is an important step forward. Precisely what that follow-on force might be has yet to be resolved, but we now have strong international commitment to making sure that it continues.

Mr. Douglas Hogg (Sleaford and North Hykeham): Does the right hon. Gentleman accept that the main objective of policy, at least for the present, must be to re-establish the autonomous status that Kosovo enjoyed before 1989? Will he take every opportunity in his discussions with Dr. Rugova and others to stress that the separatist solution would not receive the backing of the western community, and that the western community would not support an independent state of Kosovo or any union between Kosovo and the adjoining states, other than, of course, Serbia?

Mr. Cook: I agree with the right hon. and learned Gentleman that there is no map for a greater Croatia or a greater Serbia, and equally there must be no map for a greater Albania. We said in the statement of the contact group yesterday, and I repeated in my statement this afternoon, that it was not our position to support an independent Kosovo. Of course, if Belgrade does not respond to the legitimate political demands of the people of Kosovo—for instance, to have control over their own education and to be taught in their own language—that will fuel demands for independence.

The right hon. and learned Gentleman mentioned restoration of the pre-1989 autonomy. When I discussed that with some of the younger Albanians from Kosovo, they said that, while that would be welcome, for it to work there would need to be changes within Serbia. A successful solution to the crisis does not simply require greater autonomy for Kosovo. It also requires more freedom of expression, more pluralism, more democracy and more participation of the people within Serbia in the political process.

Mr. John Randall (Uxbridge): I thank the Foreign Secretary for speaking to the independent radio station B92, as I have been involved with its efforts to maintain independence during the period of repression. While I in no way condone the actions of the Serbs, I urge that we remember the importance to the Serbian national identity of the whole region of Kosovo. The battle of Kosovo is as important to Serbian history as Magna Carta is to England.

Mr. Cook: Yes, I have had that view expressed to me several times in Belgrade. The battle was fought in 1389: the Serbs lost. The case was made to me by President Milosevic that Kosovo was the spiritual home of the Serb kings. I respect people's identity with their cultural history—it should be handled with dignity—but that is a difficult basis on which to found a territorial claim so many hundreds of years later.

When I was interviewed by the people at B92, I was impressed by the fact that they were as lively, cosmopolitan and pluralist in outlook as young people in any other country of Europe. In that generation there is hope for the future of Serbia and the Balkans—but they must be given the opportunity to express themselves.

This week, the Belgrade Government make an important series of decisions about the awarding of radio frequencies for the independent stations. I very much

[Mr. Cook]

hope, particularly at this moment in history, that they will not close down any of the independent stations by denying them a frequency.

Dr. Julian Lewis (New Forest, East): The Foreign Secretary has referred to mistakes made in the past. I welcome the broad thrust of his remarks this afternoon, but does he agree that one mistake made by politicians on both sides of the House and by certain parts of the Foreign Office in the past was to regard President Milosevic as a moderating force on the excesses of the Bosnian Serbs? Does the right hon. Gentleman agree that, far from being a moderating force, he was an instigator of those excesses? Would he further agree that it is unwise to say "never" to the use of force, because, if the atrocities get worse, force will have to be used?

Mr. Cook: I know that the hon. Gentleman's wing of his party does not regard the Foreign Office as really having been a part of the previous Government—but I am afraid that it was. If errors were made last time, they are errors for which Ministers in power at the time must accept responsibility.

Mr. John Wilkinson (Ruislip–Northwood): The Foreign Secretary is to be commended on his prompt response in going in person to Belgrade to confront the malign reality in power there. Can he state unequivocally that, for a settlement to endure, it will ultimately have to be based on the fundamental democratic principle of self-determination for the people of Kosovo?

Is it not that principle which distinguishes our system in the free part of Europe from what has existed in the Republic of Yugoslavia in the past, be it under communism or under the rump that remains? Can he assure the House that he will keep together the contact group—not least the Americans, who should maintain a military presence in whatever force is located in Macedonia in the medium and longer term?

Mr. Cook: The hon. Gentleman is absolutely right: it is important to maintain unity, and we shall work hard to do so. I felt that yesterday's discussions, particularly my phone call with Foreign Minister Primakov, demonstrated the extent to which peer group pressure now produces a much more common front among nations in the international community. I am pleased that we managed to achieve that much agreement.

The hon. Gentleman is also right to say that there is a long way to go; we must watch the situation with the greatest of care. I assure the House and the hon. Gentleman that we will do so.

Adoption and Fostering

4.3 pm

Mr. Julian Brazier (Canterbury): I beg to move,

That leave be given to bring in a Bill to require local authorities, when considering adoption or fostering, to make use of married couples unless they can show that no such couples are available who meet the needs of the child; and for connected purposes.

I am grateful to Members of all parties who have agreed to co-sponsor my Bill.

We have a special responsibility to unwanted children. Not only do they have no voice of their own, but it is very sad that any child should be without a loving home. We all read from time to time, with a shudder, of young lives that have been ruined by physical and sexual abuse, drug taking or child prostitution. We are failing the most vulnerable and defenceless members of our community.

Perhaps the worst features are the horrendous statistics associated with children in care—the very children whom the state has taken as its own responsibility. The occasional inquiries into the torture and abuse of children in some children's homes represent only a small part of the total picture. We know, of course, that there are many workers in children's homes who struggle to provide a decent life for some very difficult and damaged children, but the overall statistics for children leaving care are terrible.

A child leaving care is 50 times as likely as a typical youngster of the same age to end up in prison, and far more likely to become a drug addict. Perhaps most shocking is the fact that a quarter of all the girls who have been in care became pregnant while they were in care, and one in seven are pregnant at the point of leaving care. The abuse among boys is at much the same level.

Those evils are passed on to the next generation. We remember the tragic case of Rikki Neave, the six-year-old who was repeatedly beaten, tortured and finally choked to death by his natural mother, herself a graduate of our so-called system of care.

Yet there is one highly underrated institution that serves so many of those children so well: adoption. Studies from the United States, Australia, New Zealand and this country have shown the astonishing success of adoption. Adopted children not only do much better than those in care, which is perhaps to be expected because some of the most damaged children must be kept in care, as no one wants to adopt them; children adopted from care also do very much better than those children from care who are returned to their natural parents.

Perhaps most surprising of all, the studies show that damaged children adopted from care by married couples do better on average than children who have never been in care, who are raised in certain categories of natural family, including those raised in single-parent families headed by a young, never-married mother.

However, adoption has collapsed numerically. From 21,000 adoptions 20 years ago, the figure was down to less than 6,000 last year. I draw the attention of the House to three features of current adoption practice, besides the dramatic fall in the absolute numbers.

First, while most adoptions are still with married couples, there is a growing tendency for some local authorities to place children with individuals who are in other forms of union. There was the celebrated case last

year, for example, of the 11-year-old boy whom Southwark sought to place with a homosexual who was in a supposedly stable relationship with another man. What was Southwark trying to achieve?

I believe that we should be tolerant towards adult unions of all sorts, where only adults are concerned, but a child of 11 does not have the mature sexuality that would allow it to make a free choice as to the sort of sexual relationship in which it wants its minders to be involved. Indeed, I do not know whether the child in that case tried to make such a choice. Children must not be allowed to become the pawns of some social workers in the battle that they are fighting for their own social and political agenda.

The institution of marriage, even in this era of divorce, is still an astonishing success. A child born to a married couple has a better than four in five chance that 10 years later its parents will still be together. On the other hand, according to the latest British household panel survey, a child born to a couple who are not married but in an allegedly stable relationship has only a one in five chance of his parents remaining together for 10 years—unless they subsequently marry.

So many married couples who are unable to have their own children would dearly love the opportunity to adopt a child and, in some cases, are willing to adopt very damaged children from the care system. It is sad to hear that such couples are often denied that opportunity. In one case, a mixed race couple were denied the opportunity to adopt a coloured child because social services in the authority concerned considered that they had suffered insufficient racial harassment to provide a good home for the child. What nonsense.

Alongside the practice of placing some children with unmarried individuals in other relationships and imposing unfair restrictions on some married couples who would dearly love to adopt, there is a third feature of adoption that I believe has been insufficiently examined: the financial risk to a family who take on a severely emotionally damaged child from care. I am at present dealing with a constituency case involving a married couple who adopted two girls who had been severely sexually abused. One of the adoptions succeeded, but, sadly, after a long struggle, the couple were forced to relinquish the other girl back into care.

At the time of adoption, the parents were forced to take on the full legal responsibilities that natural parents would assume. That is fair enough when a child is adopted at birth. However, the social services department is pursuing this couple for an enormous bill for the care of the second child, even though the couple have provided a good home for one child and struggled very hard with the other. That hardly seems just.

That brings me to the specific proposals in my Bill. First, local authorities should be required to consider adoption for all children who have been taken into care as a result of being severely physically or sexually abused, putting the interests of the child, not the natural parents, first. Secondly, wherever possible, adoption should be granted to married couples unless it can be shown that no suitable married couple are available.

Thirdly, when adoption is not an option—probably because a child is so damaged that no one can be found to take him on—the alternative should be fostering by a married couple. I do not deny the splendid work done by some individual carers. However, where possible, it is best that fostering should be undertaken by married couples, for the reasons I have outlined.

Fourthly, when children are adopted out of care, the authority should have to sign a financial waiver so that, if an adoption fails and the child returns to care, the parents are not put at financial risk. Finally, the Bill seeks to give the Secretary of State the power to intervene when a local authority fails to follow these rules, and to give that authority's control over adoption to a voluntary agency.

In our country today—

Madam Speaker: Order. The hon. Gentleman's 10 minutes have expired. I understand that there is opposition to the Bill.

4.13 pm

Mr. Hilton Dawson (Lancaster and Wyre): In rising to speak against the Bill, I sincerely congratulate the hon. Member for Canterbury (Mr. Brazier) on at least raising in the House the tremendously important subject of fostering and adoption. I come from a professional background of managing fostering and adoption, and have great sympathy with the hon. Gentleman's genuine, obvious desire to ensure that children in care are given the security, consistency, respect, consideration, guidance and all-round care they need.

I would counsel the hon. Gentleman to reflect on the fact that adoption is not a panacea. It is an over-simplification to say that it can be a solution for all children who have been abused and then come into care. Nor is fostering as an alternative to adoption invariably better than residential care. Many young people, particularly adolescents, make a positive choice for residential care rather than go back into a family.

No adult has a right to be a foster carer or adopter, but, like the hon. Gentleman, I want children in care to be offered excellent placements where they can have good experience of family life that meets their needs and helps them to prepare for the future. I just do not think that the hon. Gentleman's Bill is the way to do it, because, despite what it says, it would run the risk of undoing the Children Act 1989 principle—the good social work practice principle—that the needs of children are paramount. The very act of requiring local authorities to show that no married couples are available who could meet needs means that some aspects of real needs could be compromised to avoid criticism.

Matching children with foster carers or adopters is an extremely complex task, wherein all the growing and developing needs of children from a vast variety of backgrounds, who have often been abused, rejected and neglected, must be matched carefully to the assessed abilities and qualities of prospective carers. It is not an exact science—far from it. It is a matter of delicate and subtle judgment. At its heart, it is about working with human relationships.

In assessing foster carers, it is, of course, vital to gauge the quality and commitment of people's personal relationships, but it seems inappropriate to elevate a couple's marital status so that it could begin to be more important than factors such as whether the prospective carers really have the skills to work with children who have been sexually abused; whether they have the ability to work with birth families; and whether they share a

[Mr. Hilton Dawson]

cultural background, which is important, or can tolerate extreme acting-out behaviour. Social work is extremely sensitive, acute—sometimes intuitive—work that does not always fit comfortably within the bureaucracy of local authorities. The Bill would establish another unhelpful rule.

Children in care need flexibility and tolerance. They need to have their views heeded, and sometimes they need very caring people to be prepared to take risks. They do not need the imposition of moral imperatives that are nothing to do with keeping them safe or meeting their individual needs.

In this day and age—let us face it—one does not have to be married, or even be in a relationship, to provide excellent care for children. Indeed, there is evidence that, in some circumstances, one group of much-maligned potential carers—single parents—can have more to offer than couples. Crucially, it may be easier for a child, especially one from a disturbed background, to attach to one new adult rather than two.

Research carried out by Dr. Morag Owen from the university of Sussex and published by the British Agencies for Adoption and Fostering, considered the experience of 48 children who had been adopted by single people. Some of the children felt that it was an advantage to have one parent: the views of two adults did not have to be reconciled, and there was real consistency. Girls who had been sexually abused valued the opportunity to have a one-to-one relationship with a caring woman. The study concluded that, given the needs of children in the care system, single people are often uniquely equipped to parent them.

However, single people are often deterred from coming forward for assessment as foster carers or prospective adopters. We need more placements, particularly for older children with more complex needs and challenging problems. But giving priority to married couples could well mean that even fewer single parents or couples living together would present themselves for what should in any case be the challenging and rigorous process of assessment.

I am concerned about the Bill. It is highly unlikely that it will become law, but were it to do so, it could undermine the chances of some of the most needy children in our society to have a decent childhood. I do not intend to take up the time of the House by pressing the matter to a Division, but I hope that the hon. Gentleman will reflect upon what I have said, and decide not to proceed with the Bill.

A Bill which celebrated the rich variety of adoptive and foster placements in Britain, which promoted adoption and fostering as some of the most profoundly important tasks which all sorts of adults in all sorts of relationships and none can undertake, and which offered better training, support and recognition, would be a much better Bill, and that would have my whole-hearted support.

Question put, pursuant to Standing Order No. 23 (Motions for leave to bring in Bills and nomination of Select Committees at commencement of public business), and agreed to.

Bill ordered to be brought in by Mr. Julian Brazier, Sir Peter Lloyd, Mr. Elfyn Llwyd, Mr. Lawrence Cunliffe, Mr. Andrew Rowe, Mr. Tom Cox, Sir Teddy Taylor, Mrs. Ann Winterton, Mrs. Marion Roe, Mr. John Burnett, Mr. Peter Bottomley and Rev. Martin Smyth.

ADOPTION AND FOSTERING

Mr. Julian Brazier accordingly presented a Bill to require local authorities, when considering adoption or fostering, to make use of married couples unless they can show that no such couples are available who meet the needs of the child; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 27 March, and to be printed [Bill 141].

Ministerial Correspondence

4.22 pm

Mr. Jonathan Sayeed (Mid–Bedfordshire): On a point of order, Madam Speaker. I have a letter in my hand purportedly from the Minister for Local Government and Housing. It is not addressed in the form that is customary in this place, it is not signed and, although I wrote on 14 January, I did not receive a reply until 9 March. Would you agree that such conduct is discourteous, and if Ministers demonstrate by their actions a belief that Parliament no longer matters, it is not surprising that the BBC follows suit?

Madam Speaker: I refer the hon. Gentleman to an exchange which took place on various points of order last Thursday, when the Leader of the House was in her place. The right hon. Lady answered questions at the Dispatch Box only yesterday, and she will not be doing so again until 6 April. I suggest that the hon. Gentleman forms a question for the Leader of the House, setting out the matter and asking for reasons for the delay and the lack of signature. In the meantime, no doubt Ministers concerned will report the matter to the appropriate place.

Opposition Day

[9TH ALLOTTED DAY]

Taxation

Madam Speaker: I have selected the amendment in the name of the Prime Minister.

4.23 pm

Mr. Peter Lilley (Hitchin and Harpenden): I beg to move,

That this House deplores the fact that the Government broke its pledge not to raise taxes by raising 17 taxes in its first Budget; notes that, although the full impact of many of these taxes, such as the Pensions Tax and higher business taxes, was not immediately apparent to the public, these taxes will undermine Britain's economic success and people's retirement incomes in the long term; and urges the Government not to introduce any further hidden taxes in the forthcoming Budget.

With the Budget only a week away, I am sure that the House will not expect Ministers to give us details of their tax plans today. Hon. Members are becoming used to the fact that the House is the last to be informed of any Government policy. But we expect Ministers to answer for the hidden taxes that the Government have introduced so far—hidden taxes on pension funds, savings and business, not to mention extra taxes on motorists, students, smokers and home owners.

Before the last election, Labour had to convince a sceptical electorate that it had changed. It said that it was no longer the party of tax and spend. It claimed to have undergone a conversion, so it invoked biblical language to persuade people that it was genuine. The Prime Minister, in messianic mode, told his conference:

"I vow that promises we make on tax, we will keep. This is my covenant with the British people. Judge me upon it."

New Labour, Old Testament. When the Prime Minister said,

"We will not increase taxes at all",

people believed him. The Chancellor of the Exchequer took a high moral tone. He said:

"We will not make promises we will later break, we will not say one thing before the election and another after. Above all, we will be straight with the British people about tax."

The Chief Secretary to the Treasury (Mr. Alistair Darling): Does the right hon. Gentleman agree that the promise we made was that we would not increase the top or basic rate of income tax?

Mr. Lilley: I was quoting the Prime Minister, then Leader of the Opposition. According to a report in the *Financial Times* on 21 September 1997, the right hon. Gentleman said at a meeting in Birmingham a few months before the election:

"We have no plans to increase tax at all."

If the Chief Secretary wishes to dissociate himself from the Prime Minister, he should have done so before the election, not afterwards.

As I was saying, the Chancellor also took a high moral tone. He said:

"We will not make promises we will later break, we will not say one thing before the election and another after. Above all, we will be straight with the British people about tax. That is why at the General Election we will spell out quite clearly our tax plans, so the British people know what we intend to do. There will be no lies, no deceit."

When he said,

"Apart from the Windfall Tax, Labour's plans do not require any extra taxes",

people felt that they could believe him. They did not realise that the Chancellor intended to impose hidden taxes—taxes that he had hidden from the voters before the election and which he hoped would be largely invisible after their implementation.

Dr. George Turner (North-West Norfolk): The right hon. Gentleman says that the Labour party said that it would spell out to the electorate what its tax promises were. As a candidate I know that they were explained in the manifesto on which I fought and won my seat. Can he cite a single promise from that manifesto—not from newspaper reports or cuttings—that the Government have broken?

Mr. Lilley: I was quoting from a speech by the Chancellor given just before last year's Budget—I will be addressing the same audience tomorrow. He said that he would spell out clearly the Government's tax plans so that the British people would know what they were. When did he spell out clearly to people with pensions that he planned a £5 billion annual tax on their pension funds? When did he spell out to business men that he planned £22 billion of extra taxes on the corporate sector? When did he spell out to savers that he would impose the savings tax that we debated last week?

Mr. Ivor Caplin (Hove): Will the right hon. Gentleman give way?

Mr. Lilley: No, I will get on because I have many questions to which the Chief Secretary may wish to reply.

When did the Chancellor spell out to home owners that he would tax their mortgages by cutting relief even while interest rates were rising? When did he spell out to students that he would impose a pay-as-you-learn tax on higher education? When did he spell out clearly to motorists, especially rural motorists, that he would raise extra taxes on petrol?

Those are the questions that the Chief Secretary must answer today. The Government think that they can get away with deceiving the British people, betraying their pledges and concealing the cost. The cost will come through and then the facts will be clear. They will not get away with it: the facts will not let them; we will not let them; and the British people will not let them.

Mr. Darling: The right hon. Gentleman will find a clear reference in our manifesto to the fact that we intended to review corporation tax. And does he accept

[Mr. Darling]

that the previous Government, of which he was a member, were committed to a real increase in road fuel duties every year?

Mr. Lilley: During the election campaign, I warned people with pensions that Labour might be planning to abolish tax credits, and that that would hit them. *The Times* reported the then shadow Chief Secretary as saying:

"there was no basis for the Tories' claims. They were desperate talk intended to frighten."

I will give way to the Chief Secretary if he wishes to explain that. Since the election, the Chancellor has dropped the Chief Secretary from his circulation list—what a shame that the Chancellor did not send him his "no lies, no deceit" speech about taxes before the election.

Labour thought that people would not understand the changes that it was making to taxes on dividends. Labour hoped that people would not recognise that money was being siphoned out of their pension funds until they retired and found that their pensions were smaller than they expected or, if they had already retired, until they found that their pensions did not rise as much as they hoped. The last person who thought he could get away with robbing pensions was another Labour Member of Parliament and business colleague of some absent Treasury Ministers, Robert Maxwell—the original bouncing Czech. That is why I dubbed the July Budget the Robert Maxwell memorial Budget at the time.

The Chancellor cannot claim that this back-door tax was foisted on gullible new Ministers by Treasury officials. All the evidence suggests that it was cooked up in opposition. It was concealed from the electorate—and even civil servants were not consulted until the last minute. That is why the tax has stumbled like a drunken man from one change to the next. The Paymaster General was supposed to have brought his immense business expertise to bear on it. All I can say is that if this is the best example of his work, he is not worth the money he is not paid.

Ms Ruth Kelly (Bolton, West): Does the right hon. Gentleman agree that tax credits on pension funds were a gross distortion of the tax system? Will his party reinstate those tax credits if it returns to power?

Mr. Lilley: Of course I do not accept that the credits were a distortion. On the contrary, the imputation tax system was the least distorting form of tax. I am glad that the hon. Lady accepts that we will form the next Government. I cannot tell her how many of the Labour party's messes we will restore because I fear that there will be many more on top of this.

Mr. Caplin: Does the right hon. Gentleman accept that the UK has the lowest rates of corporation tax?

Mr. Lilley: The changes introduced by the Government reduce the rate but increase the tax take by £8 billion during this Parliament. We reduced the burden of tax on business, and my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) can vouch for that.

Mr. Jonathan Sayeed (Mid-Bedfordshire): Will my right hon. Friend confirm that, if a company issues a false prospectus and its directors ask for support on the basis of promises that they have no intention of keeping, those directors go to gaol? What does he think should happen to the Labour party, which asked for, and got, the support of the people on the basis of false promises?

Mr. Lilley: In politics, the penalty is usually inflicted by the electorate—as we ourselves have been known to find out.

What is particularly appalling about Labour's pensions tax is that it threatens a great Conservative success. We encouraged people to build up personal and occupational pension funds. As a result, Britain has more money invested to pay for future pensions, not just than any other country in Europe but than all the other countries in the European Union put together. It is criminal to put that at risk, as this tax does.

Faced with the charge that the tax was being levied at the expense of pensioners, the Government have come up with the most preposterous defence. They claim that the tax is unique. It might raise £5 billion at the expense of pension funds, but the Financial Secretary said that that would be good for pensions, good for pension funds and good for pensioners. In short, she thinks that taxation is good for people—except for the Paymaster General, for whom it is too good. [HON. MEMBERS: "Where is he?"] He is probably in Guernsey.

The Chancellor flatly denied that the pensions tax would have an impact on the value of pensions, but the Government Actuary said otherwise. He concluded:

"The tax changes resulting from the July 1997 budget . . . potentially affect all forms of contracted-out pension funds."

He calculated that pension contributions need to go up by some 12 per cent. For most members of pension schemes, that is equivalent to more than 1p on their income tax. Labour raises taxes whereas we cut them.

Mr. Steve Webb (Northavon): Will the right hon. Gentleman confirm that he was a member of the Cabinet when Mr. Lamont first cut the tax credit on dividends and raised £1 billion by doing so?

Mr. Lilley: Surely the hon. Gentleman recognises that the then Chancellor introduced a target 20p rate of tax and aligned the tax credit with it at that time.

The pension tax will come through gradually, but the extra petrol tax was slipped in overnight. By introducing an extra rise in July, slapping on 4p per litre and accelerating future increases, the Chancellor pocketed a cool £730 million of extra tax. If he jacks up petrol taxes yet again next week, there will have been three such new tax rises in 16 months.

Many people have no choice but to pay that extra tax. For most people in rural areas, driving is a necessity, not a luxury. The trouble is that the Government simply do not understand the countryside. They do not care about people who live in rural areas and they do not realise that they need to be able to plan for the future. If the Chancellor wants to regain respect for his party in the countryside, he should drop his plans for yet another petrol tax hike next week.

Mr. Geraint Davies (Croydon, Central): Will the right hon. Gentleman give way?

Mr. Lilley: No, I wish to make progress.

We must hope that the Chancellor makes a better fist of next week's Budget than he did of last July's. As millions of mortgage holders and business men have been finding out, that Budget was seriously misjudged. In his Budget speech, the Chancellor argued that higher taxes were needed to cool consumer spending. Then, far from taxing consumers and spending, he piled the bulk of his extra taxes on business and savings: £22 billion of extra tax on the corporate sector over the course of this Parliament; taxes on pensions; and taxes on PEPs and TESSAs. Despite his own arguments, he left consumers largely unchecked and the Bank of England has been raising interest rates every since.

Businesses have had the worst of both worlds: higher taxes and higher interest rates, leading to an overvalued pound, clobbering exports, hitting manufacturing, and putting jobs at risk. Does not the Chancellor realise that taking £22 billion from industry leaves it with that much less to invest and create jobs? Do not Labour Members realise—they must see evidence of it in their constituencies—that the Chancellor has brought manufacturing industry to the brink of recession? They may not be able to see that, but we can. Labour is bad for business and we shall defend business against Labour's tax rises.

The Chancellor cannot claim that he opened the books and found that he needed all that extra tax—so much that he had to break his solemn pre-election pledges. On the contrary, he opened the books and found that we had left him with a golden economic legacy. The Budget deficit is falling even faster than my right hon. and learned Friend the Member for Rushcliffe forecast in his last Budget. That should mean that borrowing can be eliminated with less of a rise in the tax burden than anticipated, but instead the Chancellor has been deliberately adding to it.

According to the Government's own figures, the Chancellor now plans, by the turn of the century, to take nearly 3 per cent. more of national income in taxes than in the last year of the Conservative Government. That is equivalent to nearly 10 extra days of tax paying in the course of the year. In the last year of the Conservative Government, taxpayers had to work from 1 January to 10 May to pay off their dues to the state—10 May was tax freedom day. Thereafter, every penny that they earned was their own to spend, give, save or invest as they chose, but under the Labour Government, people will have to work until 20 May to clear their taxes. They will have to do 10 more days of hard labour. That is the price of Labour's plans.

Labour Members cannot claim that it does not matter because the bulk of the taxes fall on businesses, not individuals. All taxes are paid by ordinary people, through higher bills, lower pensions or less take-home pay. As Professor John Kay, a new Labour business guru, says:

> "There is no such thing as a tax on firms: the effective incidence of all taxes is ultimately on individuals."

All taxes fall on individuals, but not all individuals pay taxes—indeed, not all Treasury Ministers pay taxes, or not as much as they should, according to the Chancellor, who said:

> "It cannot be right that the decent hard-working majority, paying their share of tax, should watch a minority abusing the system, using scams, loopholes and dodges; distortions in the tax system which must be eliminated."

Mr. Simon Burns (West Chelmsford): Where is the Paymaster General?

Mr. Lilley: In Guernsey.

It is true that on Friday the Treasury announced that it was cracking down on offshore trusts. It said that a tax loophole would be closed to prevent wealthy individuals from bringing their trusts onshore to avoid capital gains tax. That is all well and good, but the new policy fails the Robinson test: it leaves the Paymaster General in the clear. He is still a tax-free zone. While the rest of us have to work for an extra 10 days a year to finance the Government, he keeps his £12 million offshore to finance his retirement. It seems that the only tax that the Chancellor will not raise is a tax on his hon. Friend the Paymaster General.

In his pre-Budget report, the Chancellor reaffirmed his promise to introduce a 10p starting rate of income tax. We now learn from the newspapers that he may defer it—how typical of Labour. The Government drive ahead with raising taxes in defiance of their pledges, but hold back on the one tax cut that they promised.

Let there be no doubt where we stand on a 10p tax rate. Any reduction in tax is welcome, especially after the hidden tax rises that we have had from the Government so far. We shall hold the Chancellor to all his promises on the 10p rate. Does he recall his pre-election pledge, when he said:

> "We would ensure that all lower and middle-income families receive the full benefit of the tax cut"?

Will he guarantee that he will not claw back the benefit of the 10p rate from basic rate taxpayers by starting the basic rate at a lower rate of income or by cutting allowances? It is bad enough that the Chancellor has broken his promise not to raise taxes; it would be a disgrace if he did not carry out one of his few tax-cutting commitments in full.

The Government were elected on the basis of the most solemn pledges—

Mr. Darling: The right hon. Gentleman is urging my right hon. Friend the Chancellor to reduce the starting rate of income tax to 10p, but in today's *Financial Times* he said that he was against that measure.

Mr. Lilley: I certainly did not. On the contrary, I said in the document reported in the *Financial Times* that we would support the reduction but that we thought that the Government would introduce it in a way that merely clawed back higher up the income scale and, that in that case, it would not be a genuine tax cut. That is the point that I have been making while the right hon. Gentleman has not been listening. The right hon. Gentleman should get his interventions right and ensure that he is on sounder ground than he has been so far.

The Government were elected on the basis of the most solemn pledges not to raise taxes, but they say one thing and do another. Before the election, the Chancellor said that he wanted to encourage investment, yet he is siphoning £5

[Mr. Lilley]

billion a year from Britain's biggest source of investment capital. The Prime Minister said that he wanted pensioners to be cherished and valued to the end of their days. If so, why is he plundering their pension schemes? So much for the giving age; it is more like the give and take age: they take and we give.

Mr. Geoffrey Clifton-Brown (Cotswold): Is it not precisely those people on low income who will be hit by the changes in advance corporation tax credits? Their pensions will be lower and their savings in the form of PEPs and TESSAs, on which they were relying for their old age, will be less, so they will become a greater burden on the state.

Mr. Lilley: My hon. Friend makes a good point. The Government have actually reduced the reliefs available to low-income savers and reduced the system that we set up so that it is attractive only to upper rate income tax payers.

The one thing of which we can be sure is that Labour Budgets mean higher taxes. When the former right hon. and learned Member for Putney, David Mellor, said that

"dogs bark, cats miaow and Labour puts up taxes",

he did not just mean old Labour. Old Labour was honest about raising taxes. New Labour introduces hidden taxes. Old Labour taxed wealth. New Labour taxes by stealth, and it is a racing certainty that there will be more taxes in the next Budget.

In just 10 months we have had a pensions tax, a savings tax, a student tax, more business tax, higher petrol tax, higher tobacco tax, higher mortgage tax and the highest ever council tax. The Government have broken their promises, abandoned their vows and cast aside their covenants, but they cannot escape the judgment of the British people. Labour cannot be trusted on taxes.

4.46 pm

The Chief Secretary to the Treasury (Mr. Alistair Darling): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"commends the Government for honouring its election promises not to increase the top or basic rate of income tax, to reduce VAT on domestic fuel to five per cent. and to introduce the levy on the windfall profits of the privatised utilities; approves the Government's determination to put in place a fair tax system, to encourage investment and long-term sustainable growth; believes that Britain's interests lie in the pursuit of sound economic policies that will benefit the many and not just the few, and which are in the long-term interests of the whole country; and urges the Government to reject any return to the boom and bust policies of the past which resulted in the 22 tax rises imposed by the previous administration.".

As regards the judgment of the British people, within recent memory the British people have shown which party they trust to form the Government of this country.

The Labour Government are delighted to be having this debate, even if to a large—

Mr. Lilley: Will the right hon. Gentleman give way?

Mr. Darling: I shall certainly give way a little later.

The Labour Government are delighted to be having this debate, even if it is, to a large extent, a re-run of the general election. That is not surprising because, in many ways, the Conservative party has still not come to terms with its defeat. It cannot accept that it lost the last election because it lost the trust of the country. No one believed the Conservatives then, and no one believes them now: nothing has changed.

I shall demonstrate that proposition by looking at two winning manifestos. No doubt Conservatives will remember the first one—

Mr. Lilley *rose—*

Mr. Darling: I shall give way because I wonder whether the right hon. Gentleman remembers what was in the Tory manifesto of 1992. It said that the Conservative party wanted to continue to reduce taxes as fast as it could. But during the last Government's term of office a typical family—this afternoon Conservative Members have been professing concern about families and people on lower incomes—paid an extra £2,000 in tax. How does the right hon. Gentleman justify that?

Mr. Lilley: Is the right hon. Gentleman going to apologise to the British people for what he said before the election, which has been rebutted and refuted since?

Mr. Darling: I shall come to our manifesto in just a minute.

The Conservatives fought the 1992 election explicitly on tax, and they won. We all remember the pollsters and the so-called double whammy. The Conservatives won the election because they fought it on tax; indeed, they tried to fight the last election in 1997 on exactly the same grounds, but they failed because they had been condemned by their very own actions.

We also remember the then Prime Minister saying in March 1992:

"Low tax opens doors . . . High tax slams the doors on the hopes that are common to all."

There have been a lot of slamming doors in the course of the last few years.

Mr. Sayeed *rose—*

Mr. Darling: How does the hon. Gentleman justify that? He should know because he lost his seat in 1992.

Mr. Sayeed: The right hon. Gentleman said that an average family paid £2,000 more tax during the previous Parliament, from 1992 to 1997. Will he remind the House by how much the income of an average family increased during that period?

Mr. Darling: Incomes have been rising over many years. The hon. Gentleman and his colleagues fought the 1992 general election on an explicit promise of reducing taxes—*[Interruption.]* They said:

"Conservatives have an 'allergy to tax'",

and that they were

"fighting for low taxation"—

[Interruption.]

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We can hear only one speech at a time.

Mr. Darling: Memories of 1992 seem to be painful for Conservative Members—although they are perhaps rather less painful than memories of 1997. So I shall turn to that manifesto. Labour's 1997 general election manifesto made it clear that we would not increase the top or the basic income tax rates. That was our promise—which we kept in our first Budget, last year, and which we will keep in every single year of this Parliament.

Mr. Nick Gibb (Bognor Regis and Littlehampton): If the Chief Secretary says that the Labour party did not rule out tax rises before the Budget, does he deny also that, on 8 January 1997, on "The World at One", the Prime Minister said:

"What I have said is the programme of the Labour party does not imply any tax increases at all"?

Mr. Darling: The charge that my right hon. Friend the Prime Minister was referring to was one that had been made by the previous Government—that we had all sorts of hidden spending plans, which we did not have. We are sticking to the previous Government's spending plans, as we said we would.

As for hidden taxes, our manifesto was absolutely clear about what we would do. Moreover, we were repeatedly questioned on our pledge on the top and basic income tax rates. My right hon. Friends the Prime Minister and the Chancellor were questioned on that pledge, as was everyone else. The only ones who might not have noticed our pledge were Conservative Members—but that does not surprise me. On most days of the general election campaign, they were not fighting us so much as they were fighting each other. It is therefore not surprising that they did not notice what was in our manifesto.

Everyone who went to the polls on 1 May 1997 would have been very aware of our statements, and of our explicit promise on the top and basic income tax rates. I remember my right hon. Friend the Chancellor saying that no prudent Chancellor or shadow Chancellor could ever exclude examining other aspects of the tax system—which was the same point that was made, to his credit, by the former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), who is in the Chamber. No Chancellor would want to box himself in in such a manner.

We have kept our promises on the top and basic rates of income tax, and we have kept two other tax promises. First, we delivered on our promise to reduce to 5 per cent. VAT on domestic fuel. Secondly—yes, we will plead guilty to a tax rise—we delivered on our promise to impose a windfall tax on the privatised utilities. We implemented that tax, and the new deal—which that tax is largely financing—is about to be rolled out across the country.

The shadow Chancellor said that we inherited a "golden legacy"—but we inherited a situation in which the national debt had doubled in six years. We are now paying £26 billion annually on servicing that debt, which is more than we spend on schools.

Again in 1992, the Conservative party presented itself as the party of sound finance—which was one of the many reasons why it lost the 1997 general election. People did not believe Conservatives on tax, or in their ability to control public spending. People remembered what the Conservative party said in 1992—that it would not increase taxes. In March 1992, Norman Lamont said that he could not

"see any circumstances in which that would be necessary."

Yet, a year later, he was piling on taxes at every opportunity.

What about VAT? Let us recall what the former Prime Minister, the right hon. Member for Huntingdon (Mr. Major), said about that. In March 1992, he said:

"We have no plans and no need to increase the impact of VAT."

Two days later, he said:

"There will be no VAT increase."—[*Official Report*, 28 January 1992; Vol. 202, c. 808.]

He said that he had

"made it clear. We have no need and no plans to extend the scope of VAT."

Yet, on 16 March 1993, the then Chancellor of the Exchequer increased VAT on domestic fuel.

The VAT increase did not come as a surprise to Labour Members. We remember that, in 1979, we were accused of telling lies when we said that the Tories, if they were elected to government, would double VAT. The first thing that they did in government was to increase VAT from 8 per cent. to 15 per cent.

Mr. Clifton-Brown: Will the Chief Secretary explain why he and the Chancellor of the Exchequer continue alleging that the previous Government left such a terrible debt legacy, whereas only three countries in Europe meet the Maastricht debt criteria—Britain being one of them, ahead of France, Germany and Italy, all of which will not meet those criteria? How can we have left such a terrible debt legacy?

Mr. Darling: It is a pleasure to hear Conservative Members praying in aid, rather than abusing, other European countries. I repeat that the situation that we inherited was one in which debt was being added annually. We cannot sustain a situation in which the country spends more on servicing those debt levels than on education. As my right hon. Friend the Chancellor made clear in his Budget last year, and again when he introduced last year's pre-Budget report, our strategy has been to ensure that we have sustainable and sound public finances—which the Conservative party did not see to during its 18 years in government.

Mr. Geraint Davies: Will my right hon. Friend confirm that, between November 1996 and November 1997, the forecast for net public sector debt towards the end of the century decreased by £16 billion, which will be a £1 billion annual saving in interest costs?

Mr. Bernard Jenkin (North Essex): Because of Conservative policies.

Mr. Davies: That decrease is not a hidden tax cost but a hidden tax reduction—which we would not have achieved with a Conservative Government.

Mr. Darling: The hon. Member for North Essex (Mr. Jenkin) said that the saving was achieved by

[Mr. Darling]

Conservative policies, but it was achieved by the action taken by my right hon. Friend the Chancellor in ensuring that debt levels are reduced, so that our public finances are sustainable.

Mr. Sayeed: Will the right hon. Gentleman give way on that?

Mr. Kenneth Clarke (Rushcliffe) *rose—*

Mr. Darling: No, I will not. I am very conscious that this is an Opposition debate, and I should not wish to intrude on the speeches that Opposition Members would like to make. However, I shall certainly give way to the right hon. and learned Member for Rushcliffe.

Mr. Clarke: I hope that the right hon. Gentleman will agree that I have been fairly patient while listening to his bizarre interpretation of the Chancellor of the Exchequer's inheritance. Does the right hon. Gentleman agree that the Government took over a situation in which I had underestimated the rate at which the public sector borrowing requirement was falling and in which we were on course for a balanced Budget before the end of the century—with the inevitable consequence that we were on course to reduce the national debt as a percentage of gross domestic product?

Will the Chief Secretary also recall that, when we fought the general election, our only economic debate was on Labour's plans to increase taxation? The then Chief Secretary and I stated possible ways in which we thought that the Labour party would raise taxation for various reasons—including its spending commitments to allow local authorities to spend capital receipts and to ease capping limits, which the Government have implemented.

The Chief Secretary and the Chancellor denied any intention of raising taxes. During the general election campaign, we were accused of scaremongering, as the Chancellor denied in terms that he would touch PEPs or TESSAs, or that he would tackle the tax treatment of pension funds. As the Chief Secretary looks back to the general election, he should look back with shame.

Mr. Darling: Last night, when I wrote to the right hon. and learned Gentleman stating that I might refer to him in the debate, I knew that he would probably turn up just to hear what I said about him. I shall deal with some of those points—*[Interruption.]* My letter merely demonstrates that we observe the courtesies of the House.

I shall deal now with some of the points made by the right hon. and learned Member for Rushcliffe, and return to one or two of them later in my speech. I was particularly struck by his point that, in November 1996, he and the then Chief Secretary launched an allegation that Labour had 89 spending promises. I remember that very well, and was very grateful that the Conservative party should tell us about those promises several months before the general election. As he knows, most of those allegations simply did not stand up. One or two of them—such as a reduction in class sizes—formed part of our manifesto. However, the point is that the Conservative party accused us of having all sorts of quite fantastic spending commitments that were simply not true. Privately, the right hon. and learned Gentleman might accept that. I shall return to the subject of company taxation shortly.

Mr. Sayeed: Will the Chief Secretary give way?

Mr. Darling: No, I will not. This is an Opposition day debate, and no doubt the hon. Gentleman and others will try to catch your eye, Mr. Deputy Speaker.

Mrs. Ann Winterton (Congleton): Will the Chief Secretary give way?

Mr. Darling: I have made it clear that I am not giving way for the moment.

The right hon. Member for Hitchin and Harpenden (Mr. Lilley) did not mention national insurance. Hon. Members will recall that the then Prime Minister said explicitly that he had no plans to raise the top rate of tax, but a year later the Conservatives increased it from 9 per cent. to 10 per cent. Reference has been made to mortgage interest tax relief. It was said that we had done a terrible thing. The 1992 manifesto stated explicitly:

"We will maintain mortgage tax relief"—

but listen to this, a year later:

"Luckily we didn't say at what rate."

That was the right hon. and learned Member for Rushcliffe, who, in his candid and appealing way, was quite frank about what had happened.

This is the essential point about the Conservatives. First, they made promises that they did not keep. Secondly, they raised taxes because of economic failure and misjudgment of economic signals in the late 1980s. Thirdly, it was not tax reform that was driving the increases; tax increases were necessary because of the Conservatives' failed policies. There was no long-term vision, and no strategy. It was simply a matter of rushing around with a biscuit tin trying to gather money—a series of short-term fixes that ended in economic and, certainly, political failure.

Mr. Kenneth Clarke: Will the Chief Secretary give way?

Mr. Darling: I will do so in a moment. The right hon. and learned Gentleman may wish to deal with the point that I am about to make.

One thing that illustrates the short-term nature of the last Government is what they did to the corporate sector. We have been criticised for removing major distortions of the company tax regime by scrapping the payable tax credits and ACT, but the point is that businesses gain in the long term, after the transitional period. We took that action because we believed that managers or investors, not the tax system, should decide on companies' strategy—whether they should retain or invest profits. We think that that decision is right in principle.

When I looked back to see why the Tories had cut ACT in 1993, and to see what issue of principle obtained then, I found it quite revealing. The then Financial Secretary,

the right hon. Member for Charnwood (Mr. Dorrell), gave this explanation of why the Tories had cut ACT. They needed to raise revenue

"from a group of people with taxable capacity, but who are not taxpayers, in a way that does minimum economic damage".—[*Official Report, Standing Committee A*, 15 June 1993; c. 377.]

No principle was involved. The Tories cut ACT because they needed the money. Norman Lamont, who was then Chancellor, was quite up front about that. No issue of principle drove the Tories' company tax reforms.

Mr. Jenkin: Will the Chief Secretary give way?

Mr. Darling: No, I will not.

Mr. Kenneth Clarke *rose—*

Mr. Darling: Yes, I was going to give way to the right hon. and learned Gentleman.

Mr. Clarke: I thank the Chief Secretary for being kinder to me than to my hon. Friend the Member for North Essex (Mr. Jenkin). I genuinely appreciate his courtesy.

The Chief Secretary ignores the fact that Norman Lamont's change brought ACT into line with the 20 per cent. rate. That has already been pointed out. Subsequently, we did not increase corporate taxation—although the Labour party made tremendous play of the tax increases that we made—because we wanted to look after the industrial recovery that was getting under way, which brought about the falls in unemployment that we eventually produced.

Does the Chief Secretary concede that his Government have loaded £22 billion on to the corporate sector over the lifetime of the current Parliament? Combined with high interest rates and a high pound, that is already bringing what is left of our manufacturing base near to a state of recession. Industrial production is falling because of the Government's tax policies, which were not announced at the time of the last election.

Mr. Darling: I do not accept any of that. Had the right hon. and learned Gentleman taken the appropriate action on interest rates before the election, some of our difficulties might have been avoided.

When it comes to making long-term judgments, whether on tax increases or on anything else, the Government's whole record leaves much to be desired. In the late 1980s, which many Conservatives now try to disown as if that period was nothing to do with them, they completely misread the economic signals. They did what the Liberal Democrats want us to do—looked at optimistic figures, and started spending money as if everything was sorted out. That is precisely what the Liberal Democrats' amendment calls on us to do.

In the late 1980s, the last Government went on a spending spree, with the result that inflation nearly doubled in the space of two years and interest rates went up to 14 per cent. That legacy resulted in one of the deepest recessions that the country has ever seen. When it came down to it, the last Government were always looking for the short-term advantage rather than the long-term interests of the country.

We are committed to a strategy that is fair and seen to be fair. That is why we reduced VAT. We want to encourage work, and to make work pay. That is why we are examining the whole question of tax and benefits. We have cut the main rate of corporation tax. The Conservatives ask what we have done for business. We have cut the rate of corporation tax, and indicated a further cut to come. That helps the profitability of companies.

We introduced a windfall tax on the privatised utilities, which had made colossal profits because of the way in which they were privatised. That money is now being used to get the young and the long-term unemployed back into work. We have taken the necessary action to prevent overheating in the housing market—just as the Conservatives did, to give them credit, although they do not like to admit it now. Norman Lamont, whom many of them now pretend never to have known, recognised that there are circumstances in which a Government must take the necessary action to ensure that house prices do not escalate as they did in the late 1980s, when Nigel Lawson completely relaxed any sensible and prudent control.

We set in place a long-term framework for interest rate decisions, to keep inflation down. We are committed to the golden rule for prudence in public spending. We have set out a tough five-year deficit reduction plan, to which the Government will rigorously adhere. We will not make the mistakes of earlier Governments, Conservative or Labour, who failed to control public spending and then had to cut back as a consequence of that failure.

We have learnt the lessons of the late 1980s, when public finances and the economy's ability to sustain growth were completely misjudged by the last Government, plunging us into the longest recession since the war. Next Tuesday's Budget will not be a Budget for quick fixes in the short term; it will be a Budget for investment in the long term. We will continue to lay the foundations to build a more dynamic and successful economy, but we will not sacrifice our spending discipline and our commitment to prudence. Instead, there will be consistency to ensure long-term prosperity.

We have inherited a £400 billion national debt. As I have said, we have inherited £26 billion a year in interest payments, and a borrowing requirement last year of £23 billion, with the deficit due to continue into next year. We need to get that under control, and to ensure prudence in our public finances. That is our priority, not just in one year but in every year across the economic cycle. Just as there will be no return to boom and bust in the economy, there will be no return to soft options in public spending.

We were elected because we said that we would take the long-term view. We said that we would make tough decisions, because that is the only way in which to guarantee our future in the long term. That is the difference between this Government and the last. We are prepared to look to the long term. We are prepared to make the decisions that we need to make. But, above all, we look to the long term. Encouraging enterprise and work, and making work pay, are at the top of our agenda.

Mr. Quentin Davies (Grantham and Stamford): Will the Chief Secretary give way?

Mr. Darling: No, I will not.

Today's debate has shown that the Opposition have learnt absolutely nothing from their defeat. When they were asked a simple question about whether they would

[Mr. Darling]

reinstate payable tax credits, they could not answer. The truth is that, nearly a year after the election, they still do not know where they are—which is why they have called a debate today to fight the battles of more than a year ago.

In contrast, this Government are looking to the long term for the good of the whole country. We are laying the foundations for the future. That is why we enjoy the trust of the people of this country, and the Conservative party does not.

5.9 pm

Mr. Malcolm Bruce (Gordon): I was astonished to see the Conservatives' motion on broken tax promises. It shows that, despite all the disappointment after the general election, someone at the Conservative party still has a sense of humour. It may be normal for politicians to try to change their spots, but we have never seen such an absurd attempt to re-brand after so short a period of penance.

Do the Conservatives honestly believe that we have forgotten their record and the broken promises on value added tax, mortgage interest tax relief and general taxation? Have they forgotten their hidden taxes and the way in which they forced council tax up to shuffle off the responsibility to local government?

Mr. Jenkin: That is what Labour is doing.

Mr. Bruce: If the Conservative party's complaint is that the Labour Government are playing tricks on the taxpayer, we might ask who taught them those tricks. The Conservative Government had an 18-year history of deception over tax. Did they tell people in manifestos over those years that, when they promised to cut income tax, they intended to finance it by more than doubling the rate of VAT? Of course not.

Mr. Jenkin: When they were opposing VAT on fuel, did the Liberal Democrats ever explain to the electorate the consequences of a carbon tax?

Mr. Bruce: We most certainly did. The former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), said that any responsible Opposition party would present a draft alternative Budget, which the Liberal Democrats have done every year. Does the shadow Chancellor intend to produce an alternative Budget this week to tell us what the Conservative party would do, rather than simply attacking the Government for pursuing many of the policies and approaches set in train by the previous Government?

I asked the Library to look at the effects of both Tory and Labour Budgets since 1992. If the tax rises in the Tories' 1993–94 Budgets were continued, on automatic indexing, to the end of the century, they would amount to £109 billion. That is an extraordinary increase for a party that came to power on a pledge to reduce taxation. After 18 years, the Conservatives presided over higher taxes than they inherited in 1979.

It is not at all clear from the motion what the Conservative party is opposed to or, indeed, what it is in favour of. It has a record of constantly introducing hidden, deceptive taxes, yet it complains when the new Government do exactly the same.

Mr. Lilley: Will the hon. Gentleman confirm that it is his thesis that neither the Labour party nor the Conservative party raised taxes as high as his party would raise them?

Mr. Bruce: We have stated clearly our objectives and priorities and what extra taxation would be involved. The other two parties have said that they can deliver, implying that one can have more for less. That has never added up. The Tories could never deliver, and Labour cannot do so now.

That is the fundamental reason why we set out in both our manifesto and our alternative Budget the cost difference in our policies compared with those of the Government of the day. This weekend, as we have always done, we shall produce our own alternative Budget. Are the Conservatives prepared to do that? The former Chancellor said that any responsible Opposition party would. I think that it has been confirmed that the Conservatives are not such a party.

The Tories have experienced 10 months of total shell shock in which they have been all over the place. They have now decided that perhaps they ought to do a little bit of opposing, but when asked what they are in favour of, they do not know. They have not come to terms with that part of opposition, because what they are in favour of is, presumably, what they were doing in government, which the people so firmly rejected. That leaves them in some understandable difficulty.

Mr. Iain Duncan Smith (Chingford and Woodford Green): The Liberal Democrats are in favour of everything and nothing.

Mr. Bruce: The hon. Gentleman may make abusive remarks, but he knows perfectly well that we are a party that does not merely rhetorically state that we are in favour of "education, education, education" but specifically states which elements of education we would invest in, how much it would cost and where the money would come from. In our view, that is how responsible politics should be conducted.

It is no wonder that the electorate are disillusioned by politicians who tell them only a quarter of the story. The good news is up front, but the price is hidden.

Mr. Oliver Heald (North–East Hertfordshire): When the hon. Gentleman says that politicians say only a quarter of what they mean, does that apply to his penny extra on income tax?

Mr. Bruce: That extra penny has been clearly costed. At the time of the general election, the Institute for Fiscal Studies said that our costed proposals were broadly in line with the outcome. *[Interruption.]* If Conservative Members are implying that the institute is in some way not independent or responsible, so be it.

The Labour Government may argue, as the Chief Secretary said, that all that they specifically pledged in the general election campaign was that they would not

increase the basic or higher rates of tax, but they gave the impression, because they were sticking to Tory spending plans, that there would be no significant additional tax requirements other than the windfall tax. Indeed, the Prime Minister, as Leader of the Opposition, seems to have said that in so many words, and that is certainly what the electorate understood.

The reality is that the Government have introduced massive tax increases, almost exactly comparable to those of the Tories when they were in government. The present Chancellor, as shadow Chancellor, said that he was determined to build a new trust on tax with the British people and to get tax rates down for ordinary families, but that is hardly what has been happening.

The Library confirms that, since the general election, the Chancellor has raised taxes by £30 billion, excluding the huge rise in council tax that is now taking place. The Government did not want to publish those facts, but they have been calculated by the Library.

Those tax rises—fuel and tobacco duties, mortgage interest tax relief, taxes on pensions, business taxes, council taxes and many more—affect all parts of society, and the Labour party has been in power for less than a year. Our point is certainly not that all those tax rises were unnecessary or undesirable.

Mr. Darling: What exactly is the Liberal Democrats' position on tobacco duties? Do they think that they should go down or up?

Mr. Bruce: Our position is entirely clear. Our manifesto said that we would increase tobacco duties in order to abolish dental and eye test charges. The Labour and Conservative parties are not getting the message. It is a question not of whether one is in favour of taxes but of whether one is prepared to tell the electorate honestly the costs of one's programme and how one intends to raise the money.

We said frequently before the general election that the state of public finances meant that any pre-election tax cuts would be unsustainable. We had the honesty to say on the record that taxes could not be cut and would have to rise somewhat after the election.

Before the election, the Labour party voted in favour of tax cuts. Afterwards, it piled the taxes back on, just as we predicted. How does that strategy help to avoid boom and bust? Such chopping and changing creates uncertainty among voters and businesses and in the economy in general.

The Conservative and Labour parties are acting like a pair of pickpockets: the quickness of the hand deceives the eye, and the taxpayers' pockets are lighter.

Mr. Shaun Woodward (Witney): Not as light as they would be under the hon. Gentleman's party.

Mr. Bruce: The tax rises that are now in place, combined with the Conservative tax rises feeding through—

Mr. Deputy Speaker: Order. The hon. Member for Witney (Mr. Woodward) is out of order, and has a very bad habit of interrupting when other hon. Members are speaking.

Mr. Bruce: If the tax rises that are in place are fed through, without any change of Government policy, the highest taxes in British history will be achieved at about the turn of the century. Not all the tax rises that have been put in place are necessary, and I do not believe that the Government believe that they are necessary.

The Government are getting their tax rises in now so that they can build up a war chest which may be used to boost spending in the run-up to the general election. That would give the appearance of cutting taxes just before the election and the Government could say how generous they were, but the Government would only be giving back to taxpayers the money that they took from them four years previously.

Labour Back Benchers should be aware of the implications of what is happening: if reports in today's press are anything to go by, and departmental spending limits are to be frozen for the next three years, control of the war chest will rest entirely in the hands of the Prime Minister and the Chancellor of the Exchequer, not in those of departmental Ministers and certainly not those of Labour Members. The Chief Secretary laughs, so I suspect that I have hit the right button, and that will happen.

It is evident from the projected size of the Government's cyclically adjusted current balance, and from their reluctance to reveal the figures in black and white, that a war chest is being built up. Again, I had to ask the Library to do the calculations. I look forward to the Government passing a fiscal responsibility Act that requires them to publish the figures and put them on the record, so that people are not forced to work them out from the information available.

The Chief Secretary implied that Liberal Democrats take the view that the Government should be irresponsible. Our view is that the Government are deliberately being extremely cautious. Andrew Dilnot told the Treasury Select Committee:

"The Treasury and the Government are publishing forecasts"—

on public finances—

"which are based on their view of what the worst case is".

Although the Government are being relatively cautious overall, the forecasts for a number of areas, in particular value added tax, are very cautious. The Government's cash flow gain from the proposed changes to advance corporation tax is not in the forecast, because it is a proposal. Andrew Dilnot continued:

"At every possible point, I think the Government has . . . taken a cautious stance".

A projection of incomes for this Parliament shows a massive surplus which will enable the Government to reduce national debt, and to do a great deal more besides. One can therefore assume that there will be a spending objective, and probably a tax-cutting objective, in the second half of the Parliament. There is nothing necessarily wrong with that, except that it is inconsistent with the rhetoric used when the election was fought, which is the opposite of what the Chief Secretary claims. The Government's squeezing of public services now, and any throwing of money at them later in the Parliament, will create a bust-boom cycle in those services just when they are trying to squeeze such cycles out of macro-economic management. That is crazy and destructive.

[Mr. Bruce]

It is impossible for the Government to fulfil their early pledges against that background: they have abandoned any pretence that they will cut hospital waiting lists, and class sizes are still rising.

Mr. Ivan Lewis (Bury, South): Why does the hon. Gentleman persist in peddling the myth that maintaining the spending limits of the previous Government is the same as pursuing their spending priorities? Before the general election, people in my locality faced £5 million of cuts in our school budgets and 70 teacher redundancies. As a result of the extra money that has been provided by the Government for schools, there will be no cuts or teacher redundancies, and 95 per cent. of our five, six and seven-year-olds will be taught in classes of 30 pupils or fewer from September. In addition, bed blocking, where perhaps 70 or 80 elderly people blocked beds in our local hospitals, is no longer a problem as a direct result of extra money going into the national health service. Will the hon. Gentleman stop peddling the myth that we are not spending money on public services?

Mr. Bruce: The hon. Gentleman might be vindicated if his 409 colleagues were able to tell the same story for every constituency, but he knows that Government objectives—for example, cutting hospital waiting lists—have effectively been abandoned for the time being, which is the logical consequence of sticking to the previous Government's spending targets. I did not specifically say that sticking to Conservative spending plans necessarily meant that the Government were sticking to every detail of Conservative spending policy, but where did the cut in single parent benefits come from if it was not a Conservative proposal that the Government were forced to adopt to meet departmental spending totals? The shadow Chancellor could probably confirm that. Unless the Government are prepared to find the resources, it will be impossible for them to deliver their early pledges. Taxes have gone up, but public services continue to be squeezed, which is an irresponsible and unjustified way to manage the public sector that will seriously damage health and education.

We must change the way in which financial information is presented. If a fiscal responsibility Act had been passed, a statement of fiscal and economic priorities would have had to be put before the people before the general election, and there would not have been an emergency Budget after it. We could have debated the issues during the general election campaign on the basis of objective facts, rather than having the previous Government suppress information and the new Government alter figures to justify tax rises for building up a war chest to deploy later in the Parliament.

The cynical way in which voters have been treated will lead to a breakdown of trust. The Conservatives were thrown out of office after 18 years because they claimed that theirs was a tax-cutting party, but put overall tax levels up. Labour came into office with a pledge on taxes, but broke it within a year. The Government are manipulating the tax system to secure short-term political gain, but I must warn them that people will become cynical about that process. The Government are doing serious damage to the public services in the short term, which may take more than a Parliament to put right. The voters will make their own judgment on that.

5.27 pm

Mr. Ivan Lewis (Bury, South): The Government's record on taxation is a curious topic for the Opposition to choose for a Supply day debate. Most people accept that general elections are determined by two predominant issues—economic competence and the record of the Government of the day on taxation—and the record general election landslide of only 10 months ago was largely a judgment of the previous Government's record on those issues. When I read the title of today's motion, I wondered whether Conservative Members would finally let the Government into the secret of how they introduced hidden taxes and got away with it for at least 13 years.

Everyone accepts that, for years, the Tories cynically and unashamedly conned the British people on taxation. They claimed the mantle of being the party of low taxation and economic competence for election after election, but history shows that we had a boom and bust economy. When the Tories left office, the tax burden on the British people was greater than when Labour left office in 1979.

As the Tories systematically set about reducing income tax, other taxes were increased and introduced. We need only consider commitments and promises that were made by senior Conservatives while they were in government. Before the 1992 general election, the then Prime Minister, the right hon. Member for Huntingdon (Mr. Major), said:

"In the next Parliament we will go on tax cutting. We will make that our aim year after year".

What happened during the last Parliament? We had 22 hidden Tory tax rises, costing a typical family more than £2,000 extra in tax.

Before the 1992 general election, the right hon. Member for Huntingdon said:

"We have no need and no plans to extend the scope of VAT."

What actually happened? VAT was imposed on fuel at 8 per cent., which is regarded by most people as one of the most disgraceful taxes imposed by any Government. We should not forget that they would have increased that 8 per cent. to 17.5 per cent., had it not been for the combined opposition of Labour Members and Tory Members representing marginal seats, such as my predecessor, who regarded it as the "nail in the coffin" tax. Little did he know that there were many more nails to come.

The Tories' tax record might have been defendable if it had contributed to economic and social renewal, but the legacy of their 18 years in government is underfunded and underperforming schools and hospitals, record expenditure on welfare, not work, and a crumbling infrastructure. I find it strange when Conservative Members talk about the decline in manufacturing industry, which was one the greatest legacies of Thatcher years, but choose to blame us for that after only 10 months in office. They presided over a second-rate economy and deteriorating public services, despite the fact that they had the proceeds from North sea oil revenues and the income generated by the privatisation of public utilities. No better windfall has been available to any Government in history than the one the Tory Governments had at their disposal.

The British people are entitled to ask, "Where did all our money go during those years?" The answer is relatively straightforward: the Conservative party chose disproportionate tax cuts for the few at the expense of the

many; they chose to pay the bill of economic failure, funding unemployment instead of investing in jobs; they chose to steal from the taxpayer, as demonstrated by the scandalous sell-off of some of our public assets—flogged off at knockdown prices to fat cats with share options and excessive salaries.

Let us compare and contrast that record with the Labour Government's mere 10 months in office. In our election manifesto, the current Government made some clear promises. We promised to reduce VAT on fuel to 5 per cent. and we have delivered on that commitment. We promised a windfall tax on the excess profits of the privatised utilities in order to fund the most ambitious welfare-to-work scheme in our history. Despite being told before the election that the windfall tax would be illegal and unfeasible, we have done it and young people, the long-term unemployed, disabled people and single parents are all to be given opportunities denied to them during the years of Conservative government. We have kept our promise not to put up the basic or top rate of income tax. We have kept our promises not to extend VAT to food, children's clothes, books, newspapers or public transport fares. It is true that we hid the fact that we would reduce corporation tax to the lowest level ever seen in this country; we did not say that before the election, so if we are to be accused of a hidden tax, we shall accept that one.

Conservative Members accuse the Government of 17 tax rises, but they fail to say that, of those 17, seven are the closure of tax loopholes. Does the Conservative party support the closure of tax loopholes? Would the Conservatives reinstate those loopholes if they were ever to regain power? They will not answer those questions. The truth is that the rationale behind the debate is straightforward: Conservative Members know that the British people will neither forgive nor forget their tax record. They know the true meaning and long-term political implications of the statement made by the former Chancellor, the right hon. and learned Member for Rushcliffe (Mr. Clarke), before the last election. Conservative Members should remember what he said, because it will come back to haunt them time and again. He said:

"The public will be deeply suspicious of any tax cuts because they remember we promised tax cuts last time and unfortunately weren't able to deliver them."

In contrast, the Labour Government will continue to keep their promises on tax. A fair tax system will encourage and reward those who work hard and play by the rules. It will be designed to benefit the many, not the few. It will underpin the Government's belief that economic prosperity and social justice are inextricably linked. The Conservatives should understand that our record in government will once and for all undermine their smears about Labour and tax. Theirs is no longer the party of law and order, no longer the party of business and now no longer the party of low taxation or economic competence. I sincerely hope that they can find a new niche in British politics—after all, a healthy democracy requires a credible Opposition.

5.34 pm

Mr. Geoffrey Clifton-Brown (Cotswold): It has been 10 months since the general election, yet what an insidious record the Government have on tax.

The Labour Government hit the home owner by reducing mortgage interest relief at source, but one of the worst aspects of the tax changes introduced by the Labour Government is that most of them hit the poorest in society hardest. Let us take the cut in MIRAS. The maximum tax relief available under MIRAS is about £340 a year which, to someone on the top rate of tax, is not a huge sum, but to someone on the basic or lower rate of tax, who would not even get that amount, it is a considerable sum.

The tax changes will hit all our constituents, including the elderly. One of the most insidious changes of all was the abolition of ACT. The Association of Consulting Actuaries has worked out that someone aged 30 saving £100 a month would have to increase his or her pension by 12 per cent. to maintain the same level of pension. The abolition of ACT has other consequences: companies will have to pay out higher dividends because they will be pressured by pension funds and other investing companies that want the same level of return, so the yield on gilts will fall. That has a knock-on impact on other savers.

The tax changes hit the young, by reducing the grants paid to students. Poor parents are hit by the abolition of the assisted places scheme. Above all, the Government have shifted money away from rural areas to urban areas. *[Interruption.]* If Labour Members listen, they may learn something. To increase taxes on petrol is discriminatory against rural dwellers, whose cars are essential. Many of them cannot get to the doctor or to the post office to claim their benefits without use of a car. Labour Members will say that that is our fault for deregulating the buses, but it would never be economic to run a bus service in many places. In my constituency, the hamlets are too small for a bus service to run, so the residents have to rely on their cars for day-to-day living.

We have already had a 6p increase in petrol in the November Budget and, no doubt, there will be a huge whack put on petrol next week. Rural dwellers will not forgive the Government for those increases in petrol duty, nor will they forgive the huge increases in council tax that they will have to pay. Under the local government support settlement, urban areas were given good settlements—for example, the increase in Sedgefield was a staggering 13 per cent., whereas we in rural Gloucestershire received an increase of only 5 per cent. I ask the Chief Secretary, who has just left the Chamber, whether that sort of gerrymandering of funds away from rural areas is fair.

We are seeing the same in the national health service. The national increase in NHS funding was 2 per cent., but rural Gloucestershire got only 1.4 per cent. The result is that each day in the health service in Gloucestershire, 100 people who, clinically speaking, should not be there block beds and, as a result, operations are cancelled and waiting lists get longer. The Financial Secretary should listen to these points. It costs about £150 a day to keep someone in hospital, whereas it costs between £30 and £50 a day to give them a proper domiciliary care, residential care or nursing care package and so get them out of hospital. Nationally, such policies make no sense whatsoever.

The Budget is coming up next week. I have already alluded to the road tax increase that it is likely to introduce, but I have no doubt that it will contain further tax increases. Savers have already been penalised by the abolition of personal equity plans and tax-exempt special savings accounts. It would be interesting to know from the Financial Secretary whether the report in today's *Financial Times* that she is thinking of scrapping the £50,000 limit is true.

[Mr. Geoffrey Clifton-Brown]

The Financial Secretary has, I hope, listened to the savings industry, which reckons that it would be almost impossible to police that lifetime limit. In any case, it would set a dangerous precedent of a retrospective tax. I hope that she will be able to give at least my middle-England, middle-income and low-income constituents some cheer, if not this evening, then in the Budget, by saying that the £50,000 limit will be scrapped.

The Conservative party left this Government the golden legacy of the best-performing economy in Europe. We had the golden scenario, which has been achieved only twice since the war, of growth outstripping inflation. This evening, we have heard much about Government expenditure and taxation, but, as any economist knows, the only way in which to go on satisfactorily putting more money into public services is by achieving growth that is higher than inflation. The sad fact is that, because of the economic changes that the Government have brought about, growth is beginning to slow and inflation is beginning to rise.

The five interest rate rises since the election keep the pound far too high. Unfortunately, that is having a disastrous effect on our manufacturing industry. Today's business news page in *The Daily Telegraph* reports that the British Retail Consortium reckons that

"annual sales growth fell from 6.1 per cent. in January to 3.4 per cent. in February".

Much more important, the article says:

"Separate figures yesterday reveal that output of British-made goods stagnated in January for the second month in a row and has fallen by 0.6 per cent. over the past three months. Simon Briscoe of Nikko Europe said: 'The message is clear—industry is on the brink of recession.'"

It would be sad if this Government, who inherited one of the best economic circumstances since the war, by economic mismanagement put this great economy and this great country, which had such superb prospects, into recession in two and a half years' time.

The Government have not taken into account the damage that the strength of the pound is having on manufacturing industry, the deflationary effect throughout Europe that meeting the Maastricht criteria will have, the deflationary effect of the situation in the far east and, above all, the deflationary effect of the structural problems with the American economy. I will hold the Government to account, as will my constituents, if we run into a recession in two and a half to three years' time. Sadly, that is what may happen.

5.42 pm

Mr. Bill Rammell (Harlow): We have had an interesting debate, but unfortunately it has generated much heat and not much light. We heard the accusation from the right hon. Member for Hitchin and Harpenden (Mr. Lilley), the shadow Chancellor of the Exchequer, that, during the general election campaign, the Labour party made a commitment that it would never raise any taxes. Yet, as my right hon. Friend the Chief Secretary to the Treasury has rightly pointed out, during that campaign, every time interviewers said, "You have said that you will not raise the top and standard rate of income tax. What about all those other indirect taxes?", the then Chancellor and then Prime Minister said that no responsible Chancellor would give a commitment on the 200 or so indirect taxes and tax reliefs. Therefore, to claim that we have acted differently from that is extraordinarily misleading.

We have heard accusations over tuition fees and the response to Dearing. During the general election campaign, we said clearly that we would accept the outcome of the Dearing report and that is broadly what we have done, with the exception that we have protected the poorest students, which should be the Government's absolute priority.

Mr. Heald: Where does the Dearing report mention scrapping maintenance grants? While the hon. Gentleman is talking about taxes, by how much is his council tax going up in Harlow?

Mr. Rammell: Our clear commitment during the general election campaign was that we would move from a system of maintenance grants to one of student loans. We said that we would accept the rest of the Dearing package, which is what we have done, with the exception that we have protected the poorest students.

The right hon. Member for Hitchin and Harpenden had the audacity to lecture us about decent pension provision. When the Tories were in office, they encouraged people to opt out of decent company schemes—which was never going to be in their interests—and millions of pensions were mis-sold, from which many people are still suffering. On that issue, a period of silence from the Opposition would be appropriate.

The right hon. Member for Hitchin and Harpenden said that Labour was bad for business and that the Conservative party would defend business. What is bad for business is the refusal of a once-great party to judge the issue of economic and monetary union on its merits. Instead, it digs in with an extreme ideological position, which leaves business despairing about the Conservatives' attitude towards one of the most crucial issues that we face as we head towards the 21st century.

I had to check my notes when I was listening to the shadow Chancellor. I heard him say that any tax reduction by the Government would be welcome. This Government have made it clear that they will not raise the top rate of income tax, but, presumably, from what the right hon. Gentleman has said today, he would welcome a cut in the top rate of income tax. Nothing could demonstrate more clearly the Conservative party's fundamentally misplaced sense of priorities, given the problems that we face in public services and the need for any tax reductions to be targeted at people on low incomes. I would welcome confirmation from the Opposition Treasury Front-Bench team that that is what the right hon. Gentleman was saying.

The hon. Member for Cotswold (Mr. Clifton-Brown) spoke about the reduction in MIRAS. Has he conveniently forgotten, just 10 months after the general election, that it was the Tory Government who cut MIRAS year on year? He went on completely to dismiss the impact of bus deregulation on the provision of public transport in rural communities. It is convenient to forget that impact. We will not let Conservative Members forget the fact that they introduced bus deregulation, since when bus services in

rural and urban areas alike have decreased by 25 per cent. They need to remind people in rural areas about that as well.

Mr. Clifton-Brown: The point that I was making about MIRAS is that the cuts that have been imposed by this Government are regressive. We restricted MIRAS to the basic rate of tax because we felt that we were being too generous. Therefore, my point is entirely valid. The effect on low-paid people is much more severe if MIRAS is abolished altogether.

Mr. Rammell: The hon. Gentleman is conveniently trying to correct history after what happened, year on year, under the Conservative Government.

It speaks volumes that, as usual, the hon. Member for Gordon (Mr. Bruce), the Liberal Democrat Treasury spokesperson, has walked into the Chamber, made a speech and then walked out. Nothing undermines the case for constructive tax-and-spend policies more than dishonest and irresponsible opposition that is based on plans that simply do not add up. The Labour party had 18 years to learn that fact. Unfortunately, it will take the Liberal Democrats much longer to learn it.

Liberal Democrats support the new deal, yet do not support the windfall tax to fund it. They say that they want council tax capping to be lifted, but they oppose every council tax increase that is introduced. They have committed themselves to raising £6 billion in extra taxation and £23 billion in extra borrowing, all to be funded from the famous penny on the standard rate of income tax. That is irresponsible gesture politics.

The heart of this debate serves as a smokescreen for the Conservative party on a range of issues. It is trying to claim that it may have been wrong and dishonest during its last period in office, but that all politicians are much the same. The reason why it makes that claim is that, at the general election, it was convicted by the British electorate of dishonesty in public life, with the cash-for-questions affair, and of abusing and misusing the power of patronage, with the appointment to public bodies only of people who carried Conservative party cards. Most importantly, the Conservatives were convicted of breaking key and specific pledges given before the 1992 election. Let us examine what happened under the Conservative Government.

The charge against the Conservative party was not based on statements that we took out of context—words which, as the right hon. and learned Member for Rushcliffe (Mr. Clarke) once infamously and disingenuously claimed, were said off the cuff on a wet night in Dudley. The charge was that the Conservatives broke specific commitments given in answer to specific questions. They knew exactly what they were saying and why those statements and claims were false. It has been a long history. It goes back as far as 1979, when Lord Howe said:

> "We have absolutely no intention of doubling VAT."

Yet as soon as the general election was over, that was exactly what he did.

In 1992 the Conservatives said that they would not increase the scope or rate of VAT or increase national insurance contributions. The right hon. Member for Huntingdon (Mr. Major) said at the time:

> "Unlike the Labour party, we have published our spending plans and there is no need for us to raise VAT to meet them. Neither, so there is no doubt, do we plan to raise the level of National Insurance contributions."

Yet that was exactly what the Conservative Government did in their first Budget after the general election.

The Conservatives claimed that they would cut taxes year on year yet, as Labour Members know, during 18 years of Tory government, the tax take as a proportion of GDP went up from 34.3 per cent. in 1979 to 35.8 per cent. in 1996. It was higher than in 1979 in every year bar one of the 18 Tory years.

No party in a general election campaign can or will give a commitment on every tax measure. It would give up its ability to govern and react to circumstances if it did. If one does not want to give a commitment, one does not respond to specific questions on that commitment, but that is what the Tory party did. It was challenged repeatedly on specific commitments and gave answers that were subsequently found to be false. That is what this debate is all about.

We have made it clear that the debate about tax is about trust. We gave a central commitment in the election campaign not on all the issues that have been discussed today, but on the standard and top rates of taxation. I do not deny that that has given us problems within the Government in that we cannot increase public expenditure as quickly as we would wish, but we made a commitment. We made a promise to the electorate. That is the fundamental difference between the Labour party in government and the party that is now in opposition.

I spent every year of my adult life until 1 May last year under a Conservative Government, and I find astonishing the degree to which the Conservatives have lost touch on tax and do not make their arguments with clarity. This is about faith and trust in politics. Those are the issues on which we convinced the people on 1 May last year and nothing has changed since then.

5.53 pm

Mr. David Ruffley (Bury St. Edmunds): In rising to support the motion tabled by my right hon. and hon. Friends, I am reminded of a conversation that I had during the general election campaign. An elderly voter remarked on a performance by the then Leader of the Opposition, the right hon. Member for Sedgefield (Mr. Blair). That elderly voter, now my constituent, said that the right hon. Gentleman resembled nothing so much as an American-style, fake and phoney television evangelist pushing a dodgy creed. We all know what that dodgy creed was. It was the notion that a Labour Government would not increase taxes. It was a preposterous and incredible proposition. My elderly gentleman saw through that ridiculous claim. He saw it for what it was—a fake

[Mr. David Ruffley]

and phoney promise—but others were not so lucky. They succumbed to the blandishments of the right hon. Member for Sedgefield.

Mr. Ivan Lewis: Was the elderly gentleman one of the 11 per cent. of people in this country who say that the present Leader of the Opposition would make a suitable Prime Minister?

Mr. Ruffley: Let us have sensible interventions on the point, which is the Government's record of breaking their tax promises.

My constituents saw through the phoney and fake promises. Others were not so lucky. Let me remind the House what manner of litany it was that took in so many people before the election. The right hon. Member for Sedgefield was reported in the *Financial Times* as saying to Birmingham business men on 21 September 1996:

"We have no plans to increase tax at all."

On "Breakfast with Frost" on 12 January 1997, he said:

"There are no hidden spending commitments and therefore, no hidden tax rises".

Mr. Geraint Davies: Will the hon. Gentleman give way?

Mr. Ruffley: In a moment. The hon. Gentleman may not like the truth, but the House is going to hear it. Do Labour Members deny that the right hon. Member for Sedgefield said on 8 January:

"Any spending commitment that we have is properly financed, that means there are no tax increases implied by the programme"?

I give way to the hon. Gentleman. Did the right hon. Member for Sedgefield say it? Yes or no?

Mr. Davies: Talking of hidden taxes, may I ask for your view of tax in relation to the privatisation of British industry, in which public assets were sold at a net cost of £5.7 billion, if you compare the sale price with the value of the shares the following day? Does the hon. Gentleman accept that the give-away of £5.7 billion of public money was a hidden cost?

Mr. Deputy Speaker: Order. The hon. Gentleman must be careful about using the word "you". It applies to the Chair.

Mr. Ruffley: We are talking about hidden taxes. The intervention was not even worth waiting for.

Perhaps I could continue by talking about the assistance lent by the right hon. Member for Dunfermline, East (Mr. Brown), now the Chancellor of the Exchequer. He was at it as well before the election. He is the self-styled iron Chancellor, but before the election, he said on 20 January 1997 on "Newsnight":

"It's my aim to get the burden down for ordinary people".

On Channel 4 on 27 April, he said:

"I want to see tax cut for the ordinary family".

At a Labour press conference on 16 April, the right hon. Gentleman said:

"we have always said that we want to reduce the tax burden for ordinary families."

Those were words spoken by Ministers in the Labour Government. We should draw attention to that fact because they have broken their promises.

Those taken in by those words will not be fooled again because they know that following the so-called emergency Budget last July, the average household is paying some £650 more. In my region of East Anglia, the average family is losing slightly less—about £630. That is because the Government have introduced 17 new taxes. I do not have time to go through the new Labour, new tax litany. We all know what those taxes are. Four in particular have struck my constituents. We have the mortgage tax—the cut in MIRAS and several increases in mortgage rates which are hammering home owners in my constituency and throughout the country. We have the pensions tax arising a result of the abolition of advance corporation tax. We have high council taxes—something that the Labour party did not tell us about before 1 May. We have higher petrol duty. The increases are greater than any announced by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). They are 6 per cent. per annum, and they were brought forward by five months last year. That is a double whammy for rural drivers, for whom a car is not a luxury but a necessity.

The shire counties, particularly my county of Suffolk, are discomfited by the prospect of a 27p a gallon tax increase in the coming Budget. We know of the increase because one of the Chancellor's special advisers leaked it to the *Evening Standard*. We can only hope that, by protesting on behalf of the shire counties, many of which Conservative Members are proud to represent, we shall shame the Chancellor into not going ahead with such exorbitant tax hikes. We hope that he will keep the petrol increase down to a sensible amount.

Many of my constituents are amazed by the way in which Labour pretends to listen to the rural areas and the shire counties. Only this morning, we heard a report on the "Today" programme to the effect that the shire counties faced average council tax increases for the coming year of 11 per cent.—far more than the increases in Labour-dominated urban areas.

These are all tax hikes which Labour said it would never inflict on ordinary people. But they will not be hidden tax increases for much longer. The public are beginning to see them for what they are—and the Labour party for what it is: politicians, men and women, without principles, without scruple and without any sense of shame, who deceived the British public before the election about the true nature of their tax policies.

6 pm

Mr. James Plaskitt (Warwick and Leamington): This debate is about credibility, and it was audacious, not to say foolhardy, of the Conservative party to choose tax as the topic for debate. Perhaps it was a form of aversion therapy, given its record and the electorate's recent judgment on it. I should have thought that a period of silent contemplation might be more appropriate. Instead, we have an attempt to create a smokescreen, as one or two colleagues have called it, to blot out the Tories' abysmal record.

Starting off the debate, the shadow Chancellor spoke for 23 minutes, in which he failed to mention value added

tax once. I wonder why. Labour Members recall the Tory party's 1992 election pledge that it had

"no need and no plans to extend VAT".

What a worthless pledge that was. No wonder the shadow Chancellor omitted to remind us of it during his 23 minutes.

The fact is that the Tories are the VAT party. They introduced it in 1973; it was the subsequent Labour Government who reduced it. When the Tories returned to office, they increased VAT twice, more than doubling the rate, and they extended its scope time and again. In so doing, they broke every pledge on VAT that the party had ever given.

The history of VAT between 1992 and 1997 speaks for itself. VAT raised £35 billion in 1992 but £50 billion by 1997—a 43 per cent. increase in VAT revenue, which was much greater than the overall growth in revenue. The picture between 1979 and 1997 was even more dramatic. Over that period, real GDP grew by 49 per cent. but VAT revenue, in real terms, grew by 123 per cent.—this from the party that had

"no need and no plans"

to extend the tax.

Moreover, the Tory party continually widened the scope of VAT, to include: hot takeaway food and drinks, building alterations, civil engineering works, newspaper advertisements, cereal bars, iced tea, non-residential construction and property development, news services, incontinence pads, fairground rides, airport car parking, protective boots and helmets, fuel and power to businesses, water and sewerage services to industry, domestic fuel and power, travel and car hire insurance. Hardly an aspect of life escaped the Tory mania for imposing VAT. That is why I say that this is a debate about credibility on tax.

Mr. Woodward: Given the hon. Gentleman's clear instinct for avoiding any attempts at responsible taxation, if his party decides to increase VAT or widen its scope, will he give an undertaking to vote against his party?

Mr. Plaskitt: I was just going on to contrast the record of the Tory party on VAT with my party's record. My party has never increased the general rate of VAT. In fact, once before, we cut it; and in the lifetime of this new Government, we have already cut the rate on fuel and power.

The inescapable conclusion is that only Labour Governments can be trusted on VAT. We deliver on our VAT election pledges. We pledged to reduce it on domestic fuel and power, and we have already honoured that. We also made other pledges before the election—for instance, not to extend VAT to food, children's clothes, books, newspapers or public transport. We can confidently expect those pledges to be honoured, too.

Conservative Members may reluctantly accept that VAT is their Achilles' heel—perhaps they would like our attention to be focused elsewhere in an attempt to find any evidence of what the right hon. Member for Huntingdon (Mr. Major) described at the election as the Tories' "aversion" to tax. We can look in vain. Over their 18 years in power, there were reductions in income tax rates, but they were not the whole story.

The increase in national insurance rates clawed back 3.5p in the pound from the reductions in income tax rates. Taking VAT from 8 per cent. to 17.5 per cent. more than clawed back the rest, certainly for families on lower incomes. On top of that came the Government-engineered council tax hikes during the last six years of the Tory Administration.

While we are at it, we should recall all the other new taxes that the Tories implemented after promising at the 1992 election to cut taxes year on year. Tax allowances were trimmed: the cut in the married couple's allowance meant a tax increase for the average family of £500; and the cut in the personal tax allowance cost the average family an extra £145.

We were told at the 1992 election that MIRAS would be maintained; it was subsequently restricted, at a cost of £600 a year to the average family. There were also new taxes on top of that: a tax on contents and buildings insurance, a tax on vehicle insurance and mortgage protection policies, and the airport tax. Taken together, the changes meant a tax increase of more than £2,000 for the average family.

The tax record of the Conservative party is well known. The percentage of GDP taken in tax did not fall during its 18 years in power. The tax burden on people earning more than £64,000 fell, but it rose for everyone else.

The most remarkable aspect of the Tories' tax record is the fact that, despite imposing all this extra taxation year on year, despite the extraordinary bonus of North sea oil and gas revenues totalling £80 billion, and despite the even greater boost to the Government's coffers from the endless privatisations, miraculously the Conservatives bequeathed the new Labour Government an appalling record of public debt. They managed that despite a 48 per cent. real-terms increase in tax revenues over their 18 years in office. In fact, they displayed an extraordinary fecklessness with the national finances; it has no modern parallel. Over 18 years, the national debt increased from £91 billion to £400 billion—by more than 300 per cent., in other words. When they left office last year, there was a £23 billion hole in the Government's finances.

Over 18 years, the Conservatives chalked up public spending annual deficits of more than £300 billion—almost the equivalent of a full year's public spending. As a result, the average British taxpayer now contributes £1,000 a year just to meeting the cost of the Tories' legacy of debt.

This record of debt and taxation cannot be hidden behind the smokescreen of today's motion. It is a record of broken pledges, tax increases and mountainous debts. Little wonder that, at the end of it all, the right hon. and learned Member for Rushcliffe (Mr. Clarke)—I am sorry to see that he has left the Chamber—admitted in the run-up to the election that voters would be "suspicious" of further Tory tax promises. No wonder the electorate called an end last May to that orgy of tax and debt, now replaced by our Government's deficit reduction programme, prudent fiscal management, clear and consistent principles of fair taxation, and pledges on tax that are being honoured. The House will be suspicious of the Opposition motion.

6.9 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton): This is a Government who told the British people that they had no need to raise taxes, that their programme was

[Mr. Nick Gibb]

fully funded, and that they had abandoned their past and become a low-tax party. It is interesting that the Chief Secretary is now so keen to narrow the commitment given during the election so that it applies to rates only, thereby admitting that taxes generally have risen under his Government.

The Labour manifesto said that the principles underlying its tax policy were, first, to encourage employment opportunities and work incentives; secondly, to promote savings and investment; and thirdly, to be fair and to be seen to be fair. Within 10 months—indeed, within two months of coming to office—the Government have breached all those pledges.

The Government have introduced measures that discourage employment and reduce work incentives. They have damaged the savings industry, and last July's Budget damaged business investment in this country to the tune of a £5 billion windfall tax, as well as £5 billion a year from the pension funds. Labour's tax measures have not been fair, and are certainly not seen to be fair. They discriminate against middle England, penalise thrift, and do nothing to help the less well-off.

Mr. Ivan Lewis *rose—*

Mr. Gibb: There is a shortage of time, so I shall plough on, if I may.

Labour's manifesto also states that it is

"pledged not to raise the basic or top rates of income tax throughout the next Parliament."

Posters throughout the country trumpeted that pledge, lulling the electorate into a false sense of security. Elected on that pledge in May, two months later, in July, the Government abolished the repayment of tax credits on dividends paid to non-taxpayers.

Non-taxpayers include two thirds of all pensioners. Many retired people in my constituency have a small portfolio of shares, the income from which they use to supplement their pension income. Before 2 July, they could claim back from the Inland Revenue the tax credits, which amounted to a quarter of the dividend that they had received. Now they cannot. The non-taxpaying pensioners whom Labour said they wanted to help are the very people who have suffered most from that measure. Age Concern has called on the Government to continue to pay tax credits on dividends to individual non-taxpayers.

Non-taxpayers include pension funds, which own £650 billion of assets on behalf of 19 million working people and 6 million retired people. The prospect of taxing such a pot of gold was too tempting for the Labour Government: £5 billion a year was too large a sum to avoid taking. Preventing pension funds from reclaiming tax credit on their dividend income will cost the funds £5 billion a year. According to the Association of Consulting Actuaries, the average 30-year-old working person will have to pay an extra £12 a month to keep his pension at the same rate. Chantrey Vellacott has said that, on average, the 19 million members of company or personal pension schemes will require an increase in contributions of £190 a year.

Dr. George Turner: Does the hon. Gentleman recognise that the figures regularly quoted from the Conservative Benches are based on all other things being equal, and that the point of a Chancellor's Budget is to make sure that all other things are not equal? Will he therefore explain to the House how much the average pension fund has increased since the Government took office?

Mr. Gibb: If the hon. Gentleman had waited a few more seconds, I would have come to that.

The extra £190 a year is equivalent to a 1 per cent. rise in income tax. Is that not a clear breach of Labour's pledge not to raise the basic rate of income tax? It is worse than that, however. It is a hidden tax, levied in a deceitful way—a back-door method of raising the rate of income tax in a way that the Government hoped few would notice.

How will the measure help investment? How will it encourage savings? Both questions were manifesto pledges. When the measure was debated in Committee on the Floor of the House, the Economic Secretary said:

"Many pension funds are in surplus by as much as £50 billion. In combination with the current high level of the stock market, that means that there is a much greater opportunity for funds to absorb the change without any great difficulty."—[*Official Report*, 16 July 1997; Vol. 298, c. 487.]

That has been the Government's line all along, and I assume that it is also the line of the hon. Member for North–West Norfolk (Dr. Turner): the £5 billion tax will be easily paid by the pension funds because of a soaring stock market, all other things being equal, as the hon. Gentleman says—no need for higher contributions or for increased rebates for opting out of SERPS.

That was the Government's claim. The reality is that the Government Actuary has had to recommend higher rebates. He stated:

"As a result of the tax changes announced in the July 1997 Budget. . . the amount of dividend income from UK equities reduces by just under 20 per cent."

That will reduce dividend yields from about 3.5 per cent. to about 2.8 per cent.

There is no mention by the Government Actuary of dividend yields rising to absorb the pensions tax. He says that the yield has fallen. So, too, do the consulting actuaries Bacon and Woodrow in the *Financial Times* today. They say that one in four UK companies could be forced to put more into their pension schemes, following the abolition of tax credits on dividends. The shortfall, they say, could be as much as £5 billion—a familiar figure, and an answer to the hon. Gentleman's question.

Not only is the tax hidden; it will cost UK business money to put right the shortfall—money that could have gone into investment. The measure will reduce savings and damage pensions, both of which the Government said they wanted to boost.

The tax rise has caused many other problems. Abolishing the tax credit also meant that the Government had to abolish foreign income dividends at the same time, to avoid a flood of FID payments to absorb the £7 billion of unrelieved surplus advance corporation tax. That would have meant £7 billion of lost corporation tax receipts for the Treasury. However, the announced abolition of FIDs sent shock waves through British industry, particularly through companies with large overseas interests.

Little thought had been given to the consequences of the announcement, so in the *Financial Times* every other day from July to November were proposed solutions to

the great FID problem that the Government had created. During the Report stage of the Bill, the Paymaster General even mooted four possible solutions of his own, all of which turned out to be non-starters. Finally, in November, having given up hope of finding a solution, the Government simply proposed the wholesale abolition of ACT. However, that would cause a huge cash-flow dip for the Government.

The solution was to restructure the entire corporation tax system and introduce quarterly corporation tax payments on account. That gave the Government the opportunity to raise further hidden taxes, to the tune of £2 billion a year for the next four years, as companies have to pay their corporation tax bills significantly earlier.

Is that a fair tax, in line with the principles set out in Labour's manifesto? Is it transparent? How will taking £2 billion a year from the corporate sector increase investment? In its green Budget, the Institute for Fiscal Studies states:

"The cashflow impact is unlikely to encourage investment, particularly in the short term."

The most extraordinary decision of all in the tax context is the Government's proposal to abolish PEPs and TESSAs, the most successful savings vehicles yet devised, and to replace them with ISAs. The measure was purportedly introduced to help to encourage savings by those on lower incomes, but the truth is that there is absolutely no advantage for any lower rate or even basic rate taxpayers to hold equity investments through an ISA. Few are likely to generate capital gains in excess of their own annual capital gains tax allowance, and the tax credit now reduced to 10 per cent. by the Government is unlikely to cover any management expenses.

Indeed, the Association of Unit Trusts and Investment Funds said:

"We believe that the administrative and regulatory issues raised by the proposals would render the ISA complex, costly and, possibly, unworkable."

The association went on to say:

"We believe the ISA will discourage people from raising their level of long-term savings."

The most iniquitous aspect of ISAs is the retrospection, penalising those who have saved, particularly the self-employed, who may not have an occupational pension but would have used PEPs to save capital, out of which their retirement income can be paid. The £50,000 limit is unfair to those people, as it generates an income of just £1,500 a year after tax, according to the Government's own figures. Age Concern has attacked the limit, saying:

"Before deciding on an overall limit, the Government should look further into the circumstances of those with over £50,000 invested in PEPs".

On every other day, the FT index is treated to an informal leak mooting various proposed solutions to this fiasco. Here is another tax that is widely regarded as unfair, which discourages savings and penalises those in or approaching retirement.

Will the Financial Secretary confirm that next week's Budget will include fewer ill-thought-through proposals and fewer decisions such as the one to abolish FIDs without any thought about the consequences? We want to see fewer decisions such as the one to abolish PEPs and TESSAs without any thought about the consequences for the self-employed and the decision to introduce quarterly corporation tax payments without any thought for its cash-flow problems and practicalities, including on what profit figure to base the payments.

The Government have sneaked through tax rises that are anti-thrift, damaging to investment and anti-middle England. They talk about increasing investment and then raise taxes on companies and investment funds so that those bodies must reduce investment. The Government talk softly about lone parents, and then remove their benefits. They promise to protect pensioners, and then take £5 billion a year out of pension funds. The Government claim to care for disabled people, but then propose to tax the disability living allowance. In opposition, the Labour party opposed tuition fees, but, in government, it has introduced them. The Government claim that they want to protect the monarchy, yet they do all they can to undermine it. The Government attack the countryside, and then send the Minister for the Environment to join a march against his Government.

This Government seek to be all things to all people. Their message to the people is: "We will be whatever you want us to be." In reality, the Government are what everybody does not want them to be. The Government have increased taxes, attacked middle England and told people what they can and cannot eat, and what they can and cannot do. The Government think that they can get away with a wholesale agenda of hidden tax rises. In short, this is an arrogant Government, who have let power go to their head.

6.21 pm

Mr. Geraint Davies (Croydon, Central): The basic question that we must ask this evening is: what would be the tax situation in the nightmare scenario of another Tory Government? In such a scenario, the plans that Labour has made to reduce debt, increase productivity and skill, and translate welfare into work—all of which reduce future tax liability for this country—would not go ahead. That is the real question for the British public.

The Government inherited a legacy of millions on the dole who were unable to pay tax while others paid higher tax to support them. Britain had slipped down the skills league and we had witnessed the emergence of social exclusion and rising crime—all the symptoms of economic failure and a cost to future taxpayers. The challenge for Labour was to tackle that vicious downward spiral and the high tax-low success economy of the Conservatives. We have met that challenge.

Immediately upon taking office, we granted independence to the Bank of England. We do not know what Conservative Members think about that, but the impact was to reduce overnight long-term borrowing costs by 0.29 per cent.—a saving of £1 billion a year. That reduction has grown to represent a saving for the taxpayer of about £6 billion a year, which is equivalent to 3p on tax. What would Opposition Members have done? They do not know. I guess that, in an even-steven situation, they would raise tax by 3p—which is another hidden tax.

I said earlier that national debt forecasts have decreased by £16 billion in the past year, which will save the taxpayer £1 billion a year. That would not happen under the Tories, so there would be another hidden tax. What about the new deal? The essence of the new deal is to translate claimants into taxpayers. The Conservatives had no plans to introduce that programme, so there would be another hidden tax.

[Mr. Geraint Davies]

We have heard that advance corporation tax and pensions will make the Government £5 billion. Where would the Conservatives get that £5 billion—perhaps from value-added tax? That is another hidden tax. I shall not go into great detail about the pensions issue, which has been discussed already—we know that there is an actuarial difference of view. Pension funds are rising in value as share values increase along with market confidence. Setting interest rates outside the political control of the Chancellor means that there is no risk premium on investment in British jobs, and therefore industry can move forward. That is the reality.

What about Europe? The right hon. Member for Huntingdon (Mr. Major) has said that we should be at the heart of Europe, but the right hon. Member for Wokingham (Mr. Redwood) says in his book—I know that no one has read it, but never mind—that we should block the euro and derail the legislation, although 60 per cent. of our trade is with Europe. Would that be in the interests of the British economy? Would it translate into high hidden taxes? Of course it would.

Recent Tory history is a sad catalogue of waste and cost. The previous Government's failure to act decisively on bovine spongiform encephalopathy cost £3.7 billion—the equivalent of 2p on income tax in a given year. What about privatisation? As I said, the previous Government sold off British assets at £5.7 billion less than their valuation by the market the next day. That amounts to 3p on income tax in one year, so it is another hidden tax.

Mr. Richard Page (South-West Hertfordshire): Will the hon. Gentleman give way?

Mr. Davies: I am sorry, but I do not have time.

What is the real cost of the 300,000 repossessions—there were 3,000 in 1979—that took place under the Tories? That is another hidden tax resulting from the bungling failure of discredited Tory Members.

The reality of the increases in council tax—the need for an extra £4 billion in local tax in the following three years—was disclosed in the Red Book by the previous Chancellor in November 1996. I could continue: we are talking about billions and billions, which is the equivalent of 10p on the standard rate of tax.

We do not want to hear any more lectures from Conservative Members about hidden taxes because we are dealing with enough of them now. Thank goodness we are getting Britain back to work, recovering our debt and putting the country on a good long-term footing.

6.26 pm

Mr. Howard Flight (Arundel and South Downs): Labour Members are living in a completely unrealistic world. The Organisation for Economic Co-operation and Development, the International Monetary Fund and the World bank will confirm—as we well know—that the Labour party inherited the soundest economy in Europe, with the lowest unemployment of 5 per cent., the best fiscal record of improvement and the lowest debt. This debate is about the Labour Government's taxation policy: it is silly to seek to claim that the new Labour Government had to resolve major economic problems. That is a most unconvincing argument.

I suggest that the Chief Secretary and other Labour Members take a walk in Britain's leafy suburbs. The Labour party convinced many members of the middle class that they would be safe with Labour, as it was no longer a socially redistributive party pledged to increase taxes for the middle classes. As has been admitted in debate, Labour has not increased taxes but has followed a clear agenda, led by the Chancellor of the Exchequer, of finding other ways to tax the middle classes more.

Most of those measures have been described in the debate. I remind hon. Members that advance corporation tax has reduced the pensions that people will receive in future, and that those with personal pensions will have to pay about £20 week more to maintain their pensions.

Reference has been made to the charging of tuition fees to students attending university. Do Labour Members realise that the payment of £1,000 per annum by an ordinary middle-class family in middle England is equivalent to a 10 per cent. rise in income tax? Student loans were perfectly fair—students repaid them when they could afford it. I am sure that my colleagues will agree that it was a necessary reform in line with Dearing. However, tuition fees are quite different: they are a hidden tax on the middle class.

Mr. Rammell: Will the hon. Gentleman give way?

Mr. Flight: No. There are only five minutes left.

When I asked about the community tax, it was pointed out to me that, because my constituency has, allegedly, a higher income per capita than other parts of Britain, it is fair and just that the gerrymandering with central Government money should result in the community tax in West Sussex going up by some 11 per cent. There is a clear agenda to increase the taxes of shire middle England by devious means.

The Government have boasted that the abolition of the assisted places scheme is a measure of redistribution. I spoke recently to the headmistress of an excellent school in the state sector, and was interested to note that the number of applications to her school had doubled, led in part by the Prime Minister's wife, as it is a school of academic excellence. The headmistress complained that so many parents could not afford to pay for academic excellence, and that they are going into debt so to do. As the Government well know, the abolition of assisted places hit the members of the middle class who aspired to give their children a better education.

Mr. Ivan Lewis: Will the hon. Gentleman give way?

Mr. Flight: No. There is not much time.

Many Government Members made the point that the Conservatives let down the middle classes similarly when we were in government between 1992 and 1997. I personally take quite a degree of blame for that. Middle-class families paid more tax when they should not have, but I remind the Government why, because they are about to fall into the same trap. It was because—for which my right hon. Friend the Leader of the Opposition has apologised—we locked into the exchange rate mechanism and were stuck with rising interest rates when they needed to fall, and we had an uncompetitive currency. Those who wish to do the same when our own and Europe's economic cycles are so out of kilter will have the same future.

Where will the middle class be taxed more in the forthcoming Budget? Will it be in an increase of petrol tax; the abolition of mortgage interest relief at source; means-testing state pensions; limiting personal allowance to the standard rate of tax; taxing child benefit; and higher national insurance contributions? The Government know as well as I do that it will be some of those, and that all of them amount to the higher taxation of middle England.

Middle England is not deceived. It is well aware of what is happening. The crucial point is that it is not necessary. The reason for it is, as the hon. Member for Bolsover (Mr. Skinner) pointed out, to build up a war chest to try to bribe the electorate when the next election comes, but they will not be deceived. It is time the Prime Minister kept his pledge to middle England and started to reduce taxation on middle-class families, and not to increase it yet further.

6.32 pm

Mr. David Heathcoat-Amory (Wells): It was striking how hon. Members on the Government Benches kept almost entirely off the subject of the debate. They talked about everything except the Government's tax record. Perhaps they are embarrassed about it. Perhaps they implicitly accept the points that we have made: that the Labour party has consistently broken its tax promises, and is, perhaps, afraid of what the future may hold.

Although this has been a short debate, it has confirmed beyond doubt that the Labour party explicitly promised before the election not to increase taxes and then immediately did so in a Budget some two months later. We are not really surprised by that, as it is one of the laws of nature that Labour Governments increase taxation, but we were all somewhat taken aback by the speed with which they broke their tax promises.

The Prime Minister could hardly have been more explicit in a speech that he made to business men in Birmingham when Leader of the Opposition—a speech to which my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), who is shadow Chancellor, and my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) referred—when he said:

"We have no plans to increase tax at all."

That is one of the few really clear statements about tax made by the previous Leader of the Opposition. At the end of that speech, he did not say, "Well, that's not really what I meant. When I just told you I have no plans to increase taxation, I meant that I do have plans to increase taxation." Nor, when he was reported the next day in the *Financial Times*, did he or anyone else write to the paper to say, "That was a pack of lies and does not accurately reflect my intentions if we win the general election." So it remained on the record as a clear statement of the Labour party's intentions.

However, within two months of winning the election, the Labour Government produced a Budget that reversed all that. Pages 40 and 41 of the Budget statement, published on Budget day in July, contains lists and columns of taxes that were increased. Even if one leaves out the windfall tax, which we agree that we were warned about, it adds up to a tax increase in the current financial year of £3.5 billion, rising by the end of the third year to more than £5 billion a year. There we have it. The Prime Minister promised before the election that he would not raise taxes at all, and in the first Budget he did exactly that. If that is what no increases at all means, I hate to think what the Government will do when they get really serious.

There is an explanation, advanced by my right hon. Friend the shadow Chancellor. He pointed out that, when referring to the £5 billion-a-year raid on pension funds, the Financial Secretary—I am glad that she is to reply to the debate—said:

"The measure is good for pensions and pensioners, not bad for them."—[*Official Report*, 3 July 1997; Vol. 297, c. 507.]

Again, she did not qualify that statement. I suppose that, if one really believes that taxing people is good for them, one feels rather less inhibited about doing so in successive Budgets, but it hardly explains the 17 tax rises in the first Budget. We have calculated them in exactly the same way that Labour did when it alleged that we put up taxes 22 times when we were in government. If the present Government continue at this rate, they will introduce four times as many tax increases during a full term in office. The 17 tax rises in the first Budget do not include many of the taxes to which my hon. Friend the Member for Arundel and South Downs (Mr. Flight) quite rightly referred, because that figure excludes the student tax and the double-figure council tax rises in place in most of our rural constituencies, which are a direct result of the Government piling on to local authorities obligations without matching them with the necessary funding.

To be fair, we were warned about one or two taxes. We were told about the windfall tax. We were also warned about the withdrawal of tax relief on medical insurance, but its withdrawal was not clever. Causing people to cancel their medical insurance policies and switching to the NHS has contributed directly to the breach of another Labour election promise: that it would get NHS waiting lists down. Instead, they have gone up by 100,000 since the election.

The central feature of the debate has been not only the number and scale of the tax increases but the fact that the full impact of the increases was hidden from the electorate. They are indeed stealth taxes. Old Labour, let us be fair, used to be fairly open about its tax plans. New Labour does it by the back door.

Take the pension tax. Labour thought that it would not be noticed because the damage was long term. The Chancellor said that the Budget would be for the long term, and in that sense he was right because the damage done to pension funds and people's savings will evolve over a long period. Labour went further than that. It tried to disguise the fact that it was raising taxes on pension funds at all. In the pocket Budget, produced at taxpayers' expense and circulated to the public, the only reference to that £5 billion-a-year tax raid on people's pension funds was the sentence:

"The Budget makes other tax changes to encourage companies to invest profits in the future."

That is the only reference to the biggest raid on people's savings that Britain has ever seen in a Budget.

The point is that that was not just wrong and deceitful; it was stupid. If the economy was in danger of overheating last year, as the Chancellor said that it was, the last thing that he should have done was to tax savings because, by doing so, by taxing institutional savings rather than people, he transferred the burden of controlling inflation on to interest rates. That is why we have seen five interest

[Mr. David Heathcoat-Amory]

rate rises since the general election. That has hit investment, the strong pound has hit manufacturing—output from manufacturing industry fell again last month—and we are on the brink of a technical recession.

We know that the Chancellor has shuffled off responsibility—at least for the decision about interest rates—on to the Bank of England, but he cannot escape responsibility for a tax policy which went for disguise of his measures rather than economic effectiveness.

Taxing savings was stupid for another reason. The Government say that they are trying to reform welfare and cut welfare expenditure, but the only realistic alternative to the welfare state is for people to be reliant on private savings and private pension provision. That is precisely what the Chancellor hit in his last Budget, so taxing savings does not even make sense from that point of view.

The damage has already started. The National Association of Pension Funds is already reporting that many pension funds are reducing their prospective benefits, increasing the contributions demanded from their members, or switching from final salary schemes to money purchase schemes, which are less generous.

That was well set out by my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb). It is all right for Labour Members to do this because they, like us, enjoy a generous parliamentary final salary scheme. The Conservative Government's policy was to extend those benefits to as many people as possible. Labour's policy has been to retain those benefits for itself, but everyone else's benefits will be cut. Labour has done exactly the same with PEPs and TESSAs. Labour Members may have generous pension funds. In a debate last week, it was pointed out that the hon. Member for Bolsover (Mr. Skinner), who, sadly, is not in his place today, has pension entitlements worth a capital sum of £356,000; the Financial Secretary to the Treasury has been in the House for only 11 years, but she will be pleased to know that, already, her pension entitlement has a capital value of £140,000. It is all right for them, but the small business man, self-employed, trying to build up a modest pension entitlement to see him through hard times or his old age, is thought to be rich if he has £50,000 in a PEP or TESSA. That is new Labour—we are all right, Jack, but everyone else must pay the high taxes.

There is a rumour in the air of a U-turn on PEPs and TESSAs and the individual savings account, but we know where Labour's instincts lie. It tries to cut everyone down to £50,000. If there is a U-turn, as I believe there may be next week, it will be because of the taxpayers' revolt and our debate last week in which we explained to the Government what they were walking into.

What about the other stealth taxes? We have heard quite a bit in the debate about the reduction in VAT on fuel from 8 to 5 per cent. Leaving aside the obvious point that by far and away the biggest benefit enjoyed by users of fuel was the price reductions consequential on privatisations, all of which were opposed by the Labour party, and leaving aside the fact that the benefit increases that we brought in when we put VAT on fuel ensured that all pensioner households were at least as well off as they would have been without it, the real story on VAT and indirect taxation is that the Government have not only increased the rates on fuel, tobacco and alcohol, but—this is a stealth point—brought forward the increases and made them more frequent in that we have had three Budgets in 16 months. Therefore, not only are the increases higher; they are more frequent.

For example, this year, 1997-98, the extra fuel duty amounts to £730 million as a result of the increase brought forward in the July Budget. We were not told that during the election either. My hon. Friend the Member for Cotswold (Mr. Clifton-Brown) was right to draw attention to the fact that that hits rural areas disproportionately.

Then we have the stealth tax on companies—the corporation tax changes. When the Chancellor announced the changes, he claimed that they had been welcomed by business; that business had accepted that it was necessary to move to the abolition of advance corporation tax and had welcomed the cut in corporation tax.

The Paymaster General, who, sadly, is not here—he is famously well informed about business matters—said that the statement had been welcomed by the Confederation of British Industry. That was not true. In a press release, the CBI said:

"The proposals in the November pre-Budget report, together with the measures in the July 1997 Budget, could increase taxation on business by almost £22 billion during this Parliament."

If that is so, it is a pretty funny way of expressing support for the Chancellor.

Industry faces further falls in manufacturing output—that has just been confirmed by statistics released yesterday—higher interest rates, a higher pound and £22 billion of extra taxation in this Parliament. The Chancellor said that he wanted to rebalance the economy. Is that really the way that he intended to do it?

Some people who have not seen taxes go up are still waiting for the Budget next week. We wonder whether that includes the Paymaster General. To quote the Chancellor, those with

"millions in offshore tax havens"

have not so far been touched. We had a panic slamming of the tax avoidance door last Friday, but that does not seem to have affected the Paymaster General. The Labour Government have failed to tax those whom they promised before the election they would tax, and have taxed those whom they promised before the election they would not tax. Those are the priorities of new Labour and that is the reality of a new Labour Government.

6.49 pm

The Financial Secretary to the Treasury (Dawn Primarolo): In the few minutes left in the debate, I want to reply to a number of questions. I must tell the right hon. Member for Wells (Mr. Heathcoat-Amory) that I would not buy a second-hand pension from him and I certainly would not rely on any pension advice from him or any of his hon. Friends. As my hon. Friend the Member for Harlow (Mr. Rammell) reminded the House, 500,000 cases of pension mis-selling have already been recorded in phase 1 and more information is to be announced on Thursday. That is a direct result of the policies of the previous Government.

It was a predictable speech from the shadow Chancellor but, in fairness to him, he said that he did not expect us to give him the Budget announcements today. Unfortunately, I am not sure that the shadow Chief

Secretary understood that. I am sure that all hon. Members will understand that for many of the answers they will have to wait for my right hon. Friend the Chancellor to announce the Budget next week.

The debate revolved around false promises and comparing records. It was a debate about therapy for the Opposition. They need the help of Labour Members if they are to come to terms with what happened when they were in government and why they lost the trust of the electorate.

Before dealing specifically with the previous Government's record, I shall respond to some of the points made by the hon. Member for Gordon (Mr. Bruce). For 45 minutes, there were no Liberal Democrats in the Chamber to take part in the debate. However, the hon. Member for Gordon did take part in the debate and accused the Government of being cautious. As ever, he wants to spend money everywhere, but cannot say where it is to come from. Apparently, the 1p on tax is now not only for education but is to be used to write off everything that the Government inherited from the Tories. Presumably, he is urging the Government to be incautious. We shall not respond to that proposition.

My hon. Friend the Member for Bury, South (Mr. Lewis) reminded the House that the Conservative Government gave away the zero rate on VAT on domestic fuel and then tried to raise it to 17.5 per cent. He pointed out that they squandered billions of pounds of North sea oil revenues and that the list of accusations that they make against this Government includes the closure of tax loopholes. My hon. Friend challenged Conservative Members to say whether they were in favour of allowing those loopholes to continue. Of course, they did not want to respond. They do not want to have a policy for themselves, but simply want to create amnesia in the Chamber and among the electorate about what their Government did over 18 years.

We then had the incredible contribution from the hon. Member for Cotswold (Mr. Clifton-Brown) who professed concern for the low-paid. I do not know where he was when his Government were in office. He complained about the attack on MIRAS. What did he say to his Government when they cut MIRAS from 25 to 20 per cent. and then to 15 per cent.? Perhaps he can tell us what he thought about VAT on fuel. What did he say when his Government destroyed bus services with deregulation? What did he say to the then Prime Minister about the poll tax when the then Prime Minister said that he believed that, once the poll tax was fully understood, it would be seen to be very much fairer and more acceptable? A total of £14 billion later, plus all the attacks on the low-paid, and the Conservatives now say that they care about what happens to people on low incomes. What a load of rubbish.

Mr. Clifton-Brown: Does the Financial Secretary recall saying in the Standing Committee on the Finance Bill, on which we both served, that the withdrawal of ACT credits was good for pensioners? How can the withdrawal of £22 billion-worth of tax credits be good for pensioners? Will she tell my constituents that?

Dawn Primarolo: I told the House and the Committee that we believed that it was for companies, not the tax man, to take the decisions, and that we were withdrawing a distortion in the system, as the hon. Gentleman well knows.

What is all this about keeping promises? When the Conservative Government were in office, they could not spell the word "promise". In March 1992, the then Prime Minister said that the Conservatives have an allergy to tax. In fact, they have an allergy to telling the truth about tax, except for the hapless then Chief Secretary, William Waldegrave—he is no longer in the House—who said on the Dimbleby programme in 1996 that it was no secret that the Conservative Government, right back to 1979, had always said that they preferred to take tax off direct taxation and put it on to indirect tax and "all those other taxes". By that, he meant VAT.

What did the Conservative party say about that? How did it mislead the electorate? In January 1992, the then Conservative Prime Minister said that there would be no VAT increase. In March 1992, he said that his Government had no need to increase VAT and no plans to extend its scope.

In the normal candid fashion that we have come to expect from the right hon. and learned Member for Rushcliffe (Mr. Clarke), he said, when defending the imposition of VAT on fuel that it was "a perfectly fair tax". He also said that he had always thought that VAT had a narrow base and that it was worthy of reform. At one time he said—women were very pleased to hear this—that there were exemptions for children's clothes so that every woman with small feet would not have to pay tax on her shoes. Thank goodness for small mercies. I suppose that women felt secure with that statement.

However, by November 1993, the right hon. and learned Gentleman was saying that one of his options must be to extend the VAT base, and that the main candidates for that were food, children's clothing, transport, sewerage and newspapers, for all of which a powerful case could be made, but no amount of lobbying should put the Government off. The Conservative Government told the electorate one thing and did another.

Mr. Kenneth Clarke: I am glad that the hon. Lady still reads my speeches. If she reads on, she will see why I rejected that case in my Budget speech. While she is going back in history, will she explain to the House why, when we said at the last election that a Labour Government would raise taxation, it was so vehemently denied and why the Chief Secretary expressly denied that there was any intention of changing the tax relief for PEPs or TESSAs or for the pensions industry?

Dawn Primarolo: I am glad that the right hon. and learned Gentleman is in the Chamber, because I have another point to put to him. Perhaps when it comes to honesty and answering questions, he can explain why the 1992 Conservative manifesto said that the party would maintain mortgage tax relief, when, in December 1993, he said that, luckily, it had not said at what rate. What is that if it is not misleading the country? *[Interruption.]* Conservative Members do not like the truth. They want to make accusations, but they will not listen to their own record.

The right hon. and learned Member for Rushcliffe had it well sussed when he said in September 1996 that the public would be deeply suspicious of any tax cuts because

[Dawn Primarolo]

they would remember that the Conservative party had promised tax cuts and had not been able to deliver them. Instead, it delivered tax rises—£2,000 per family over the period of that Government.

Mr. Clarke: Will the Minister give way?

Dawn Primarolo: The debate has to finish at 7 o'clock—I am sorry. The right hon. and learned Gentleman—*[Interruption.]* The Government have cut taxes. We reduced VAT on fuel.

Hon. Members: Answer the question.

Mr. Deputy Speaker (Mr. Michael Lord): Order. The House must hear the Minister.

Dawn Primarolo: The Conservatives are hoping that the country will not be able to hear about their record. The Government have made tax promises and kept them: a winter fuel package for pensioners, a cut in corporation tax, help for small companies and a promise on energy-saving materials. We are helping the young and the long-term unemployed. We are about keeping promises and not breaking them. Next week, my right hon. Friend the Chancellor will be presenting to the House how the Government will continue to defend jobs, to invest in our economy and to ensure that our promises are kept—however much Opposition Members choose to heckle.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 174, Noes 298.

Division No. 196] **[7 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Ballard, Mrs Jackie
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Brooke, Rt Hon Peter
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Burstow, Paul
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Foster, Don *(Bath)*
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Llwyd, Elfyn
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
Maclennan, Rt Hon Robert
McLoughlin, Patrick
Madel, Sir David
Maginnis, Ken
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Oaten, Mark
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Wigley, Rt Hon Dafydd
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. John Whittingdale and Mr. Stephen Day.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Bradley, Keith *(Withington)*
Bradshaw, Ben

Brinton, Mrs Helen
Brown, Rt Hon Gordon *(Dunfermline E)*
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Cook, Frank *(Stockton N)*
Cook, Rt Hon Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Healey, John
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
Kingham, Ms Tess
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McLeish, Henry
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Organ, Mrs Diana
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sarwar, Mohammad
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. David Clelland and Mr. John McFall.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House commends the Government for honouring its election promises not to increase the top or basic rate of income tax, to reduce VAT on domestic fuel to five per cent. and to introduce the levy on the windfall profits of the privatised utilities; approves the Government's determination to put in place a fair tax system, to encourage investment and long-term sustainable growth; believes that Britain's interests lie in the pursuit of sound economic policies that will benefit the many and not just the few, and which are in the long-term interests of the whole country; and urges the Government to reject any return to the boom and bust policies of the past which resulted in the 22 tax rises imposed by the previous administration.

Pensioners' Incomes

Mr. Deputy Speaker (Mr. Michael Lord): I have to tell the House that Madam Speaker has selected the amendment in the name of the Prime Minister.

7.14 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green): I beg to move,

That this House notes with concern the Government's refusal to rule out means testing the basic state pension; believes the Government Actuary's advice to change the National Insurance rebates for those contracting out of SERPS is a direct result of the Chancellor's decision to abolish the ACT dividend tax credit in his July Budget, placing a huge burden on future pensioners, creating turmoil in the pensions market and confusion over pension reform; and calls upon the Government to apologise for devaluing long-term savings and creating fear amongst the most vulnerable members of society.

In the next few days, we shall have a chance to look at the Budget, so I do not intend today to trail our ideas about what it should contain. This debate is timely because it is important to consider what has happened in the past 10 months. The Secretary of State for Social Security and her hon. Friends have constantly told us that we cannot discuss matters in the Budget, but the national newspapers contain a series of leaks and discussions that will doubtless be denied as scurrilous rumours, but which seem to have a Government source.

Today, we must focus on pensions and the Government's record of the past 10 months—the impact that their policies have had and the changes that have been made—and ask whether pensions are safe in the Government's hands. The Government came to power giving mixed messages on pensions. On one hand, they said that they would protect pensions, while attacking the serious proposals that my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) made at the last election for pension reform; on the other, they vaguely talked about a system of reform while allowing it to be suggested that they would means-test the basic state pension without denial.

It is therefore ironic that the first step that the Chancellor took on arrival at No. 11 Downing street was to put together an unnecessary Budget that aimed a blow directly at pensions and future pensioners.

Kali Mountford (Colne Valley): I congratulate the hon. Gentleman on bringing this important debate to the Floor of the House. Does he agree that a decent society is to be judged by how it treats its very poorest pensioners?

Mr. Duncan Smith: A decent society is to be judged by the way in which the Government in power treat all members of society, including those who are considered most in need. If the hon. Member for Colne Valley (Kali Mountford) wants to know how that will be achieved, she should ask the Secretary of State how that chimes with leaks and suggestions that the basic state pension will be means-tested.

The attitude of mind behind the Budget is the same as that which has prevailed in the Labour party since time immemorial. Labour Governments have always believed that company profits are evil and unnecessary. As a result, they equate pension funds with profits and seek to

redistribute them as they see fit because they are of no use whatever. It is a case of new Labour, new redistribution; and new Labour, new tax.

Mr. Phil Hope (Corby): The hon. Gentleman said that this is an important debate. Will he explain why the hon. Member for West Chelmsford (Mr. Burns) is not going to wind up this evening's debate? Is it because he is not good enough, or because is he too good and the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) has dumped him because he is frightened that he will take his place on the Front Bench?

Mr. Duncan Smith: I know from that intervention that there is one person in the Chamber who is clearly not good enough. That was such a ludicrous, idiotic intervention that I shall not even bother to deal with it.

We have discussed endlessly the Government's position on pension funds and ACT dividend tax credits. Although the Government hoped and believed that they could somehow slip through the attack on pension funds unnoticed, it is significant that an increasing number of people are beginning to notice how damaging their actions were. A measure that raises £2.3 billion in 1997–98, £3.9 billion in 1998–99 and £5.4 billion in 1999–2000 from pension funds will have a huge negative effect on what pensioners will receive in future.

It is ironic that contrasts with what is in the Labour manifesto, which states:

"We will support and strengthen the framework for occupational pensions."

The Labour Government have actually done a complete turn around and have attacked personal pensions and occupational pensions. A measure that is equivalent to putting 2p, 3p and 4p on income tax over the same period is hardly likely to protect those most in need, to whom the hon. Member for Colne Valley referred.

The effect has been to force schemes to increase the contribution rates payable—

Mr. Hope: Will the hon. Gentleman give way?

Mr. Duncan Smith: I have already given way to the hon. Gentleman. His absurd and idiotic intervention was not worth dealing with then; it is not worth dealing with him now.

Some schemes have already had to pass on those increases to their members. Many in the industry say that that practice will increase dramatically as they continue to pass on the effects. A number of schemes have also already cancelled benefit improvements; as we have heard, some schemes have even switched from final salary to money purchase. That point has not gone unnoticed and the Government have tried to deal with it by dealing with the SERPS rebate.

Let us consider one important example of the effects of the Government's changes to ACT dividend tax credits and their attack on the funds. A 30-year-old whose fund would have been worth £260,000 at age 65 would have to pay £1,000 a year to make up the shortfall that is a direct result of what the Government did in the last Budget.

Today, a report commissioned by the BBC showed that council tax will rise by twice the level of inflation—when in opposition the Labour party promised that would not happen. I ask the House to reflect on what will happen in the next two to three years, as the effects of what has happened to pensions run by councils will begin to be felt. The effect will be to force council taxes to rise again and again. All that will occur as a result of the policies of a Government who, when in opposition, said that they would keep those taxes down.

Mr. John Gummer (Suffolk, Coastal): Does my hon. Friend agree that those who are having to pay the extra £1,000 to put their own pension into proper funds will be the same people who are having to pay for other people—those who work for local authorities—to put their pensions into funds? Many employees will find that their employers are not prepared to make the extra money available for their pensions, but they will still be charged for the pensions of local government employees.

Mr. Duncan Smith: My right hon. Friend makes the point very powerfully. Either all those consequences went completely unnoticed by the Government at the time of the Budget or the Government hoped that they would go unnoticed by everyone who will have to make the extra contributions that my right hon. Friend has mentioned.

The cost will be passed on to local taxpayers. There is no such thing as a tax or a charge made on a company that does not go through to the consumer or taxpayer. The extra costs to businesses will flow as payroll taxes. On top of that, as we have heard today, the Government have got themselves into a bind over individual savings accounts. The Government's proposals for ISAs will compete directly with the same funds that people will want to put into pensions for long-term savings. There will be direct competition between short-term saving and long-term saving—that goes against the very reason the Government gave for introducing the new measure.

Mr. Desmond Browne (Kilmarnock and Loudoun): Is the hon. Gentleman aware that Bill Robinson, a director of the consultancy, London Economics, who was an adviser to Norman Lamont when he employed the same tactic of reducing ACT credit in his Budget, wrote an article entitled,"Taxing pension funds could be good for our health", which appeared in *The Independent* on 21 April 1997? That article stated:

"There is room for argument as to the proper scale of the fiscal privileges accorded to the pension funds, but what is potentially damaging is that the privilege is limited to distributed profits."

Mr. Duncan Smith: We resisted the temptation to do that. While we are on this point, I must quote *Hansard* from 1993, in which the then Chancellor, Norman Lamont, said:

"I propose to reduce the rate of tax on dividends from the current basic rate of 25 to the lower rate of 20 per cent. The effect of this, combined with the change to the tax credits, is to leave basic rate taxpayers neither better off nor worse off than they are now."—[*Official Report*, 16 March 1993; Vol. 221, c. 186.]

I think and I hope that that quotation will end the whole ridiculous argument so that Labour Members will leave the subject.

Mr. Chris Pond (Gravesham): Will the hon. Gentleman give way?

Mr. Duncan Smith: No, I wish to move on.

[Mr. Duncan Smith]

The key and the cornerstone to the issue—the biggest problem—involves SERPS. As the Government will remember, back in July Conservative Back Benchers warned the Government that their hasty consideration of such matters in the Budget would have a serious knock-on effect on those who had opted out or who were thinking of opting out of SERPS. I said that it was necessary to have an immediate out-of-sequence review to adjust the rebate, otherwise it would be devalued and people, particularly those in personal pensions, would eventually pull back into SERPS, increasing the Government's expenditure and exposure.

Mr. Pond: Will the hon. Gentleman give way?

Mr. Duncan Smith: No, I am making progress on this point.

The Under-Secretary of State for Social Security, the hon. Member for Southampton, Itchen (Mr. Denham), who is to wind up tonight's debate, will recall those comments because they were part of my winding-up speech in that earlier debate. I should be grateful if he would deal with the way in which he dismissed the points that I made and then, in November, was forced to call in the Government Actuary and ask for a review.

The Government Actuary's report is an absolutely damning indictment of Labour's first Budget for nearly 20 years. He said:

"As a result of the proposed tax changes announced in the July 1997 Budget occupational and personal pension schemes (including appropriate personal pension schemes) are no longer able to reclaim tax credits on dividends payable by UK companies on equities which are held as scheme assets. This reduces the amount of dividend income from UK equities by just under 20 per cent. relative to the previous tax position".

The Government Actuary went on to make a number of points affecting personal pensions and occupational pensions, both salary related and money purchase. It is clear that, in his report, he assumes, quite rightly, a reduction of a quarter of 1 per cent. in the income from investments. That was obvious when the Chancellor sat down after giving his Budget speech.

I note that in today's *Financial Times* the leading actuarial consultant, Bacon and Woodrow, has said that the shortfall to those funds could be as much as £5 billion. That shortfall will be passed on directly to the companies and their pensioners. Bacon and Woodrow said:

"It said the problem stemmed from lower than expected dividends, pushing many schemes below the minimum funding requirements (MFR) set out in last year's Pensions Act. Returns have been cut by the abolition of tax credits in last July's Budget and by soaring equity markets".

The point about the *Financial Times* article is clear: at the last Budget the Chancellor assumed that the funds were all in surplus and so were easy to raid. The *Financial Times* is now demonstrating that the Government's assumption that there was a never-ending gravy train of improving dividends was wrong. The returns are now lower; they are becoming closer to the minimum funding requirement, so decisions will have to be made on whether to stay inside salary-related schemes or to get out and move into either personal pensions or contracted-out money purchase schemes. The Government have forced pension funds, on which they said they were keen, to make changes that are likely to be for the worse.

When they were given the options by the Government Actuary, the Government chose to increase the personal pensions rebate and freeze the rebates on contracted-out occupational salary-related schemes. It is clear that the one area that got badly hit was occupational money purchase schemes. We know that the Government Actuary assumed—I hope that the Secretary of State will focus on this—that there was a reduction in the return on investment of a quarter of 1 per cent., which had a huge effect on the way in which those funds would be managed. When the Secretary of State accepted the Government Actuary's report and said that she would raise the rebate on personal pensions, she accepted that position. She accepted that, as a result of the Budget, there was a fall-off in the amount of money that the funds would receive from their investments.

The Secretary of State then took a decision to freeze the salary-related rebate. At the same time, she has accepted that there was a shortfall to income from investments. However, in her rationale for reducing the rebate amount for money purchase schemes, the Secretary of State has executed a complete about-turn. Her rationale for lowering the rebate on those schemes has simply been that there has been no change in the amount of investment income that they were receiving, and that they would have lower expenses. In the table that she has accepted, she has therefore done a complete about-turn.

I should like the Secretary of State to tell the House why she has hit so hard contracted-out money purchase schemes and those who have pensions in such arrangements. Why has she dealt them such a blow—for what specific purpose? Clearly, it has been done to save money for the Exchequer and from the national insurance fund. Her rationale in the report is extremely unclear.

Mr. Pond: A few minutes ago, the hon. Gentleman mentioned the Government Actuary, and he now mentions the cost to the Exchequer. Is he aware that, according to experts in the industry, the basic pension-plus scheme—which I believe he supported—would have cost the Exchequer very large amounts without providing any form of sustainable income for pensioners? Will he tell the House whether, as the Opposition spokesman, that is still his position? I see that the hon. Member for West Chelmsford (Mr. Burns) is shaking his head. I therefore assume that you are not in favour of that scheme. So this intervention—

Mr. Deputy Speaker: Order. The hon. Gentleman is not using correct parliamentary language.

Mr. Pond: I apologise, Mr. Deputy Speaker.

Mr. Duncan Smith: The hon. Member for Gravesham (Mr. Pond) really should wake himself up in the morning and remind himself that his party is now in government, not in opposition. I know that those points—that Labour is in government, and that those decisions have to be made—are very hard to bear, but the Government have been elected on the basis not only of protecting pension incomes but of developing reform proposals, with which we shall deal in a moment, but which are almost non-existent. The point that I was making—on which I thought he wished to intervene—was that my policy is to get into government at the next general election to sort out the mess that the Government have created.

The real issue is the extent to which the Government, after 10 months in office, already fear the likelihood of us getting back into government. I do not know whether my right hon. and hon. Friends have noticed it, but both in our earlier debate and in this one, Labour Members have spent their time asking what we will do when we are back in government. I certainly did not expect such fear after only 10 months in government—but never mind. We will now hear the reasons for their fear.

Ministers fear that they have been rumbled, and that the basis of the Government Actuary's report is an absolute indictment of the Government's Budget. The report demonstrates that the changes to the ACT dividend tax credit forced the Government to make an emergency call to the Government Actuary, who has had to examine and adjust the rebates. Ministers now say, "We cannot accept part of those recommendations, because what we really need to do is to save ourselves some money."

The Government have therefore done an about-turn, and basically accepted the logic of those who shouted the loudest—all the financial advisers on personal pensions, who said, "If you don't make this change, we'll drive them all back into SERPS." The Secretary of State has therefore bowed before that group. However, because others in the industry did not make such a noise, she has clawed back the money from those sources. That is the type of Government we have. The main blow to contracted-out money purchase and other schemes will fall directly on employers, and will subsequently be shuffled down to employees.

I see that the hon. Member for Doncaster, North (Mr. Hughes) is yawning. I know that he finds it difficult to stay awake for the Government. It is remarkable that, although he does not understand what is going on, he votes for it.

The Secretary of State made a reply to the actuarial report. When she said that she would have to raise rebates for personal pensions, she was asked whether she took a measure of the blame for her actions and those of the Chancellor. She said:

"For individuals who have pensions with providers who take a rather less optimistic view of future investment returns there was a short term risk that they would be advised to contract back into SERPS."

Now she is blaming the advisers for being pessimistic, although they are bound by law to tell those investing in personal pensions, when the changes are made, that they should go back into SERPS. However, the Secretary of State wants to blame them for making those comments.

The Secretary of State went on to say:

"This would not necessarily have been in the long-term interests of the individuals involved."

What she is really saying is that the Government panicked. She was saying, "It wasn't in our long-term interests. They were going to bust our Budget; so we had to do something about it." That is the reality.

Several hon. Members *rose—*

Mr. Duncan Smith: We can now move on.

Mr. Hope: Will the hon. Gentleman give way?

Mr. Duncan Smith: No, I will move on. I have already given way to the hon. Gentleman.

Despite the much-vaunted statement that the Government will support and strengthen the occupational pension framework, Ministers have simply dealt a body blow to pensions generally. The significant part of the Actuary's report makes it quite clear that the Chancellor has proceeded, with stealth and in secret, to redistribute money from one part of the economy to another. However, without realising it, he has dealt a blow to the overall pension reform process. By creating the problem at the heart of the debate on SERPS, he has made it almost impossible for the Under-Secretary of State for Social Security to make progress in his reform programme. The hon. Gentleman shakes his head, but we are now 10 months into the welfare reform programme, and there is still no report on it.

Before the July Budget, I think that most hon. Members would have expected to hear more from the Minister for Welfare Reform, who had already examined the matter—I know, as I took great pleasure in reading many of his publications, as I am sure that the Under-Secretary of State for Social Security did; or perhaps did not—and, regardless of whether we liked them, we would have expected him to come up with a set of schemes that might have focused the Government on pension reform, getting them off to a flying start. If he had, perhaps we would have had something to debate by now. Instead, he was taken off the review, and his colleague was put on it.

At the heart of that ministerial change was the Budget's effects on SERPS. The Minister for Welfare Reform—who is on record as saying endlessly that SERPS has to go—suddenly discovered that the Chancellor had said in the Budget that SERPS must stay. He was subsequently taken off the review, and we will have to find some other way round the problem.

The Under-Secretary initiated a review that received 2,000 responses from industry. Although he closed that review, he almost immediately started another type of review—which received 171 responses by the time he closed it—because the responses to the initial review did not say want he wanted to hear.

There is therefore massive review fatigue in the industry. Every time industry answers a question from Ministers, it is asked another question. Ministers hope that, if they ask the industry ever more questions, they will eventually receive the answer that they wanted to hear initially. However, that should not really be surprising. The Government spent their time in opposition scurrilously attacking all aspects of pensions reform, and consequently did no thinking on the subject.

Across the country, Ministers have been scaring men and women not only about the basic state pension but about the state of their pension when it is time for them to retire.

Dr. Brian Iddon (Bolton, South-East): Does the hon. Gentleman agree that this debate is rather academic for millions of pensioners across the country? I am talking about pensioners—thousands of whom live in my constituency—who are drawing the basic state pension. Does he accept that the basic pensioner is £22 a week worse off today than when the Conservatives were elected to government in 1979—after which they decoupled pensions from earnings and coupled them with prices?

Mr. Duncan Smith: I hope that the hon. Gentleman tells all those—not wealthy—people in his constituency

[Mr. Duncan Smith]

who made the effort to save money for their future and pensions that they are academic and irrelevant. They thought that their pensions—which the Government said that they would protect—were safe. I thought I heard him say—I wonder whether he is speaking on behalf of the Government—that the Government might be thinking about linking the basic state pension to earnings instead of to prices. Is he saying that the Government will do that?

The point is that the hon. Member for Bolton, South-East (Dr. Iddon) should be discussing everyone's savings and everyone's future—not trying to divide and attack one group. That is what the Government's actions amount to and what has happened since Labour has been in power. The Government have scared working men and women across the country.

Mr. Hope: Will the hon. Gentleman give way?

Mr. Duncan Smith: I tell the hon. Member for Corby (Mr. Hope) and other Labour Members that they have been asked the question that was at the heart of what the hon. Member for Bolton, South-East asked: what will happen to the basic state pension? There has been leak after leak about whether the Government will means-test it, or claw it back. We have even seen a report in a newspaper—I think it was *The Sunday Times*—that said that the Government would claw back a basic minimum income of £100 via a means test.

Mr. Browne: Will the hon. Gentleman give way?

Mr. Duncan Smith: No. I have already given way to the hon. Gentleman, and I want to make progress.

When the Secretary of State was challenged on the matter—I think that it was at Question Time—she said:

"The hon. Gentleman should read our manifesto, which says that the basic state pension will continue to be paid universally, as it is now".—[*Official Report*, 15 December 1997; Vol. 303, c. 5.]

I checked the manifesto, which, funnily enough, did not say that at all. It said:

"The basic state pension will be retained as the foundation of pension provision. It will be increased at least in line with prices."

I do not know what my right hon. and hon. Friends think about that, but it does not sound to me like an absolute guarantee in regard to the basic state pension. It sounds a little like "Read my lips."

Mr. Browne: Will the hon. Gentleman give way?

Mr. Duncan Smith: I have given way to the hon. Gentleman already. He has had his moment in the sun.

We simply offer the Secretary of State an opportunity to support her hon. Friend the Member for Bolton, South-East in her very first words. Perhaps she will be able to answer his question, and even answer the question supported by the Liberal Democrat amendment. What will happen to the basic state pension? I think that that is a fair question: the Government can give a guarantee about that. If the Secretary of State does not want to rule out means testing, perhaps she would prefer to say that the Government are thinking about it. I am sure that every hon. Member will understand that she is caught against the Budget, and cannot make commitments in one sense; but she can certainly rule out actions that the Government are not going to take.

So far, the Government have made a real mess of pensions. There has been chaos from the word go. Much of it started in the ridiculous position adopted by the Government during the last election, when they attacked any proposal for the reform of pensions. That continued into the Budget statement, when the Chancellor, in a moment of frenzy, attacked pension funds and drove a wedge into pension reform. He made it almost impossible for the Government to tackle the issue. That has created a problem right across the state earnings-related pension scheme. It has meant that the Government have had to arrange a special out-of-sequence review; it has meant that they have had to change policy in the space of 10 months. It has left people out there scared about their basic state pensions, scared about their pension funds and scared about what will happen to the pledges that were made at the time of the election.

The Prime Minister endlessly said that the Government would not raise taxes, but, since the Government took office, we have seen one tax raid after another. The most significant tax raid is the one that the Government have made on pension funds. That is the key. In 10 months, all that we have had is a record of broken promises and taxes increased by stealth. I can only say this to Labour Members: it is one sort of record to come to power and, in 10 months, to be tacking and weaving as though they were on their way out of power.

Perhaps that is what should happen. Perhaps that is why Labour Members are so scared. Perhaps that is why, throughout the last debate and, I dare say, during this debate, they have been more interested in knowing what we will do than in finding out what they have done themselves—which is to break promise after promise.

7.42 pm

The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"welcomes the Government's commitment to maintain the basic state pension as the foundation of pension provision and to uprate it at least in line with prices; welcomes the tough action which is being taken to ensure that victims of pension mis-selling are compensated; welcomes the action the Government has already taken in giving a Winter Fuel Payment to all pensioners with fuel bills to pay and fulfilling its promise to Britain's pensioners by cutting VAT on fuel to five per cent.; welcomes the Government's progress in developing pensions policy which will benefit today's and tomorrow's pensioners; welcomes the widespread consultation the Government is undertaking and notes that the Government's Pension Review has received over 2,000 submissions from pension providers, employers, trade unions, pension experts and pensioners' organisations; notes the widespread support for the Government's proposals for Stakeholder Pensions; and deplores the previous administration's policies on pensions, their imposition of VAT on fuel and their attempt to increase VAT on fuel to 17.5 per cent."

Labour Members always welcome the opportunity to debate pensions, and I commend the Opposition on their choice of debate, but I cannot extend that commendation to the speech of the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith). He had no positive proposals to make on pensions policy. Let me say in response to my hon. Friend the Member for Bolton,

South–East (Dr. Iddon) that the Opposition's current pensions policy is that they will be in government next time: that seems to be the extent of their policy.

The hon. Member for Chingford and Woodford Green said nothing about his Government's record, because they let pensioners down. Although that Government were comprehensively rejected by the British people—partly because of their record on pensions—all that the hon. Gentleman did was criticise the present Government for implementing the manifesto on which we were elected. Let me make the last Government's record clear, because it is the challenge that we now face. They failed pensioners: too many people in retirement are poor, as my hon. Friend the Member for Bolton, South–East made clear in his intervention. It is a scandal that, after a lifetime of work or caring for their families, pensioners are among the poorest people in Britain today. One in four pensioners must live on or below income support levels; 1.7 million must depend on income support; and a further 1 million who do not even claim the income support to which they are entitled live only on the basic state pension.

Inequality between pensioners has grown. The income of the bottom 20 per cent. of pensioner couples has risen by just £25 per week over the past 20 years, while the incomes of those at the top have risen by more than £160 a week.

Miss Julie Kirkbride (Bromsgrove): Is that wrong?

Ms Harman: The hon. Lady asks, from a sedentary position, whether that is wrong. We want to narrow the gap between the pensioners at the bottom and all the others by ensuring a better standard of living for pensioners at the bottom. Without action, that inequality is set to grow.

All pensioners were hit by the notorious Tory VAT on fuel. Pensioners' fuel bills soared when it was introduced at 8 per cent.; only the Labour party, the Liberal Democrats and pensioners themselves stood together to stop the Tories from raising it to 17.5 per cent. That is the last Government's record on pensioners. Nor did they establish a proper framework for pensions for the future; indeed, they made matters worse.

Mr. Browne: In a Budget debate, the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) said:

"The most important part of the Budget speech was the part that dealt with VAT on fuel. All hon. Members should welcome that announcement."—[*Official Report*, 30 November 1993; Vol. 233, c. 975.]

Ms Harman: The hon. Member for Chingford and Woodford Green has gone a bit quiet now. He has lowered his head, and is looking at his papers. Perhaps he can hardly believe that he said that.

It is clear that the key to security in retirement is a good second pension on top of the basic state pension. Now, however, millions of people have no such provision of their own, as they have had no chance to build up a good second pension. Many who did have good occupational pensions lost out when they were wrongly encouraged to opt out of those pensions into poor-value private personal pensions under the last Government.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Why has the Secretary of State decided to reduce rebates for contracted-out money purchase schemes on the basis of an assumed 2.25 percent. rate of return on assets, when the Government Actuary recommends an assumed 2 per cent. rate of return?

Ms Harman: We have made our position clear, but I will deal with it further in my speech. We sought the advice of the Government Actuary. The hon. Member for Chingford and Woodford Green makes much of the review being out of sequence, but we are entitled to ask for the Government Actuary's advice when we consider it right. Is the hon. Gentleman saying that we should not have done that? I am sure he agrees that it was right for us to seek the advice. We did so, we acted on it and we published our draft statutory instruments.

Mr. Duncan Smith: Will the Secretary of State now tell us why the Government asked for the Government Actuary's advice?

Ms Harman: We asked for the Government Actuary's advice because we thought it proper to do so; that is what he is there for. We sought his advice and took appropriate action. *[Interruption.]* Conservative Members are engaged in diversionary tactics because they know that I am about to deal with the issue of pensions mis-selling. We were right to seek the Government Actuary's advice. We took appropriate action and published draft regulations.

Many people in good occupational pensions opted out, which proved disastrous. Hundreds of thousands of people who had previously had an index-linked pension to which they and their employer contributed were landed instead with a poor-value private pension that ate up £1 in every £4 of their hard-earned savings.

That had a terrible effect on those people's prospects for retirement. People on half average earnings who previously contributed to their company pensions, along with their employer, would have seen their pensions in retirement slashed from more than £130 a week to only £58 a week.

Having caused the scandal of pensions mis-selling, the Tories failed to take action to compensate those who lost out. The hon. Member for Chingford and Woodford Green asked us to account for what we have been doing on pensions in government. My Department and the Treasury have been sorting out the scandal of those who were mis-sold personal pensions and whom the Tories failed to compensate. By the time of the general election, fewer than 2 per cent. of those who had been mis-sold personal pensions had been compensated, and 18,000 people died before getting any form of redress. It has been left to this Government to ensure that people are properly compensated.

My hon. Friend the Economic Secretary has pressurised the companies that mis-sold personal pensions; that pressure continues and is paying off. Figures published today by the Personal Investment Authority show a respectable increase in the effort to get compensation to the victims of pensions mis-selling, with a thirteenfold increase in the number of people compensated compared with this time last year. I want to thank my hon. Friend for that progress.

[Ms Harman]

We will press on, bringing justice to those whose pensions were ripped off by the Conservative Government.

Mrs. Teresa Gorman (Billericay): The Secretary of State has made comments about whether people were wise to come out of the state earnings-related pension scheme. The Minister for Welfare Reform said, at column 197 on 11 December 1997, that SERPS was "a pay-as-you-go scheme" and that he proposed to give people a better stake in their pensions by using the private sector.

Ms Harman: Indeed, we made it clear in the manifesto that we want people to have a stake in their pensions. That is why we are introducing and consulting on the stakeholder pension in addition to the basic state pension.

Despite the Conservative Government's record, the hon. Member for Chingford and Woodford Green criticised this Government's record on pensions, and in particular the effect of last year's Budget. He spoke at length about the Budget, but said absolutely nothing new. He has made his sole point—it is not a good one—many times before, in written and oral questions, and he will continue to get the same answer. Let me try once again to explain the position to him.

My right hon. Friend the Chancellor has made it clear that he believes that we must take action to strengthen the economy for the longer term. The only way in which to build an economy that can pay decent pensions in the future is by providing stability and growth, today and in the future. That requires high levels of long-term, high-quality investment, such as we have not seen before.

The Budget was designed to create the right conditions. It committed us to prudent spending, sound fiscal policies and cuts in corporation tax. We removed a bias in the tax system that discouraged long-term investment. Because the Budget was good for investment, good for companies and good for the economy it will be good for the ability of the economy to sustain pensions in the long term.

Mr. Simon Burns (West Chelmsford): Will the Secretary of State give way?

Ms Harman: I did not know that the hon. Gentleman was allowed to speak in this debate. If I give way to him, he can explain why he is not winding up tonight's debate.

Mr. Burns: As always, I am extremely grateful to the Secretary of State. I want to ask her one simple question. Will she do me the courtesy of giving me a straightforward yes or no answer? As she develops her theme, will she please tell the House, and the hon. Member for Bolton, South-East (Dr. Iddon), whether the Government will restore the link of the basic state pension to earnings or keep it linked to prices?

Ms Harman: I will deal with the value of the basic state pension later. Perhaps the hon. Gentleman can give a yes or no answer to the question why he is not winding up this debate—yes or no?

Mr. Burns: Before the situation gets out of hand, let me explain that, as the Secretary of State knows from Question Time and from numerous debates, I have concentrated on welfare reform, while my hon. Friend the Member for Grantham and Stamford (Mr. Davies) has done a great deal of work on pensions, so it is only right that he should wind up this important debate tonight.

Ms Harman: If the hon. Gentleman listens to the debate, he may learn more.

We are increasing the rebates for appropriate personal pensions to ensure that contracting out remains attractive. The hon. Member for Chingford and Woodford Green asked about the advice of the Government Actuary. As I have already said, we sought and considered that advice, and last Wednesday we laid orders to increase the rebates.

The Government are taking, and are determined to continue taking, the long-term view of the economy and of pensions. That is the right approach to developing a pensions policy that can provide a secure retirement for all tomorrow's pensioners as well as today's.

The future of pensions policy is at the heart of the reform of the welfare state. When we set out the case for reform at the beginning of the year, we said that a welfare state fit for the 21st century had to extend opportunity and security to all. We said that individuals have a responsibility to provide for themselves when they can do so and that society has a responsibility to help those who cannot.

Those are the principles that underpin our pensions reform. We are determined to build a pensions system that provides a secure retirement for all pensioners: for today's pensioners as well as tomorrow's; for people on low or modest incomes as well as those on good salaries; and for women and carers as well as male breadwinners.

The system must balance fairly the responsibilities of the state and the individual, and the public and private sectors. In the past 10 months, we have made substantial progress in both providing for today's pensioners and developing a framework for pensions provision.

Pensions policy has to provide long-term security; people may contribute to their pensions for 40 years and be in retirement for more than 20 years. Pensions reform has to begin with debate, unlike the previous Government's pension plus scheme, which began on the back of an envelope. Our reform will begin with a wide-ranging debate, as it must be the product of consultation and build on broad support, because pensions reform has to last.

Mr. Desmond Swayne (New Forest, West): Will the Secretary of State give way?

Ms Harman: I want to make some progress, so I may give way to the hon. Gentleman later.

Only two months after coming into government, I announced a wide-ranging review, led by my ministerial colleague, my hon. Friend the Member for Southampton, Itchen (Mr. Denham), fulfilling another manifesto promise, to build a sustainable consensus on the future of pensions policy. We set out 10 challenges that the review needed to address. We have not heard one word from the hon. Member for Chingford and Woodford Green about whether he thinks that they are the right challenges or how we should meet them. He has nothing to say on the subject.

We have a pensions system that serves some people extremely well, but fails too many, so we have to find ways of enabling those who lose out to get a better income in retirement. We must tackle the growth in pensioner inequality, including the growing inequality between men's and women's incomes in retirement. We have encouraged debate, and have consulted widely. We have received more than 2,000 responses to the pensions review from pension providers, the Confederation of British Industry and employers, trade unions, pensions experts and pensioners, and we have given the National Pensioners Convention, led by Jack Jones, a specific and central role in our review.

Officials, my hon. Friend the Under-Secretary, my right hon. Friend the Minister of State and I have met the National Pensioners Convention a number of times to ensure that the views of pensioners are heard at the heart of government. But the debate about the future of pensions must be better informed than it can be with the current available information. That is why, as part of the pensions review, we have set up for the first time an independent pension provision group, which is chaired by Tom Ross, to whom we are grateful, to provide an authoritative analysis of the current state of pension provision and likely trends. The group will report shortly, and will make an important contribution to the debate on pension reform.

Some of the fundamentals are already clear. Our pensions system has not kept up with the social and economic changes that have transformed the working and family lives of men and women over the past 50 years. The world of work has changed; it is no longer characterised by large numbers of men working for large employers, secure in the knowledge that their jobs are for life and bring with them a family wage and a pension for them and their wives when they retire.

Mr. Keith Simpson (Mid-Norfolk): The Secretary of State is describing the problem.

Ms Harman: It is a problem that we inherited from the previous Government. The world has changed, but pensions policy failed to respond, and those changes clearly passed the hon. Gentleman by.

Mrs. Gorman: Will the Secretary of State give way?

Ms Harman: I have already given way to the hon. Lady.

Occupational schemes provide, and will continue to provide, the best form of second pension, particularly because in most cases the employer, as well as the employee, contributes towards the pension.

We want further to strengthen the framework of occupational pension provision, and encourage more people to join an occupational scheme when one is available. However, more and more working men and women do not have access to an occupational pension, because the best employer schemes are generally in the parts of the economy where employment has been shrinking—large private sector companies and the public sector. More people work for small and medium firms which are less likely to offer an occupational pension.

In the modern world of work, more men and women change jobs regularly, and are employed on temporary or short-term contracts. That is the background against which we have to work. More people are on the borders between employment and self-employment, and have no guarantee of regular work. Nowadays, two out of three women work, and it is expected that women will account for three quarters of the increase in the work force by 2006.

Mothers form a growing proportion of the work force, and many of them want more flexible working patterns, which is one reason why one in five employed people work part time. Over the past 50 years, there have been profound changes in work and family patterns, but while the world of work has changed dramatically, the pensions system has not.

Mrs. Gorman: Will the Secretary of State give way?

Ms Harman: I have already given way to the hon. Lady; I shall not give way to her again.

Millions of people work in ways that are not catered for by the existing pensions system: their employer does not provide an occupational pension; their income is not high or stable enough to make personal pensions a good deal; and some of them, mainly women, may not even contribute to their basic state pension because, although they work, their earnings fall below the national insurance lower earnings limit.

Without action being taken on pensions, those millions of people will face the prospect of dependence on means-tested benefits in retirement, and the gap between those who have access to a good occupational or personal second pension and the millions who do not will widen. That is unacceptable.

Our welfare-to-work reforms will help people into work, and our pensions reforms will help people in work to save for their retirement. We are working on plans for stakeholder pensions, and consulting on the technical detail to which the hon. Member for Chingford and Woodford Green referred, to help people who do not have access to an occupational pension for whom there was no provision under the previous Government.

We want secure, flexible, value-for-money pensions for people on low or intermittent incomes, many of whom are women. Not only is consensus growing about the nature of the problem, but there is increasingly broad agreement about the solution. I have been encouraged by the consensus about the need for and shape of new, value-for-money second pensions which has emerged from our recent consultations on stakeholder pensions.

Stakeholder pensions must offer excellent value for money, and can do so by making economies of scale through pooling savings in multi-member schemes and adopting low-charging regimes. They must be simple to regulate and easy to understand, and they must be available to the self-employed. Our pensions policy is starting to fill some of the gaps left behind by the previous Government who left people heading for their retirement without a good second pension.

We must provide security in retirement for people who are contributing to society, not through paid work but through their caring responsibilities. Carers, most of whom are women, are unable to save for their pension, and if pensions that are designed to meet their needs are not available—under the previous Government, there was

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none—they face poverty and dependence on means-tested benefits in retirement. For example, a woman from West Yorkshire contacted the Carers National Association.

Mr. Gibb: Will the Secretary of State say, once and for all, whether the Government will means-test the basic state pension—yes or no?

Ms Harman: I am dealing with the citizenship pension for carers, and will address the hon. Gentleman's point when I come to the basic state pension.

A woman from West Yorkshire contacted the Carers National Association. She had worked in a supermarket since she was 20, and had an occupational pension into which she and her employer had paid. When the woman was 50, her mother, who was in her 70s, had a stroke, so the woman gave up her job to care for her. She has lost 10 years of her and her employer's pension contributions, and fears that in retirement she will end up like her mother—on income support.

That woman, and people like her, deserve a secure and dignified retirement, and a pension in their own right on top of the basic state pension, so we are exploring plans for a citizenship pension to enable all carers to enjoy a decent and dignified retirement.

Mr. Steve Webb (Northavon): I have been studying the Government's pension reforms, and stakeholder pensions have received huge attention. There has been a massive consultation exercise on them, but citizenship pensions, rather like the people they are provided for, are the poor relation. The Secretary of State was questioned by the Social Security Select Committee on citizenship pensions, and her answer was hesitant and unclear. Does she accept that no progress has been made on the issue?

Ms Harman: There has been extensive consultation. The hon. Gentleman and his party have been consistent advocates of such pensions. I assure him that we are making progress, and that citizenship pensions have by no means dropped off our pension reform agenda.

The Government are already tackling key issues in developing a fair and lasting pensions policy for the future, but we are also taking immediate action to fulfil our commitment to help today's pensioners. Our manifesto made it clear that we would maintain the basic state pension as the foundation for pension provision, and that we would uprate it at least in line with prices. We have fulfilled our commitment and have increased the basic state pension for all pensioners, so that from next month the basic state pension for a couple will exceed £100 for the first time.

Pensioners spend a greater proportion of their income on fuel than other households, so we have taken a wide range of action to help them to afford to keep warm during the winter. We have cut pensioners' fuel bills by cutting VAT on fuel to 5 per cent., and have reduced the gas levy to zero. For the first time—

Mrs. Gorman: None of them has been paid.

Ms Harman: The hon. Lady says that none of them has been paid. What we are talking about is the cut in VAT on gas and electricity, which certainly has happened and which would not have happened had we not been in government.

For the first time, all pensioners are getting help with their fuel bills through winter fuel payments.

Mr. Burns: Some are still waiting.

Ms Harman: We made it clear that we would pay out first to the poorest pensioners—those on income support. All the poorest pensioners have been paid.

Mr. Burns: Will the right hon. Lady clarify the phrase "all the poorest pensioners", which she keeps using? Nobody who becomes a pensioner from 6 January this year will receive a penny this year.

Ms Harman: For 18 years, nobody, whenever he or she retired, got a winter fuel payment. The hon. Gentleman knows that, when a payment is provided, there has to be a cut-off point somewhere. The difference is that this Government are paying money to help pensioners with their fuel bills, whereas under the previous Government pensioners had to pay money to the Government to help them with their financial problems.

Mr. Burns: Will the right hon. Lady tell the House the cut-off date for the Christmas bonus?

Ms Harman: That is a routine payment, which is paid every year.

The Minister for Welfare Reform (Mr. Frank Field): Christmas is 25 December.

Ms Harman: My right hon. Friend says that Christmas is 25 December. The hon. Member for West Chelmsford (Mr. Burns) wants to make a huge point about the administration, but the fact is that we are paying every single pensioner extra money to help with his or her fuel bills. For the first time, all pensioners are getting help with their fuel bills through winter fuel payments. Some of Britain's poorest pensioners—the 1.5 million pensioners who are on income support—received their winter fuel payment of £50 in January. They have all been paid.

Mr. Terry Rooney (Bradford, North): Is my right hon. Friend aware that, during the 18 years of the Conservative Government, 9.5 million people retired and every single one was worse off as a result of the policies of that Government?

Ms Harman: My hon. Friend makes a good point.

Last week, the first of more than 8 million pensioners received their winter fuel payment, as we started to pay £20 to all other pensioner households. All pensioners should receive a payment by the end of the month. Conservative Members may deride that policy, but people think that it is fair and just that one of our priorities, as promised in our manifesto, is to get help to all of today's pensioners, especially the poorest. We said that, as a priority, we would get help to today's poorest pensioners and we are delivering on our promise.

We are concerned about the very poorest—the people who are not claiming income support even though they are entitled to it. We are carrying out research to establish why up to 1 million pensioners do not claim the income support to which they are entitled. We have made it clear that the

Government believe that people who are not entitled to benefit should not get it, but we also believe that those who are entitled to benefit should get it.

When we were in opposition and when the House debated what became the Social Security Administration (Fraud) Act 1997, I repeatedly pressed the Tory Government to use the new computers and data-matching powers not only to catch fraudsters—important though that is—but to identify pensioners who were falling through the net.

Mr. Field: They would not do so.

Ms Harman: My right hon. Friend is right. The previous Secretary of State for Social Security, the right hon. Member for Hitchin and Harpenden (Mr. Lilley), refused to do that. He said that the poorest pensioners chose not to claim the money, because they did not want it. He said that, if the Government attempted to identify them, they would be found guilty by the European Court of Human Rights, so they could not possibly do it. We are not that frail. The right hon. Gentleman refused to recognise that, although those pensioners might need the money, they might not know that they were entitled to it, or that they might know that they were entitled to it, but be too proud to claim it.

That was wrong and now that we are in government we are taking action to carry out our manifesto promise of getting help to the poorest pensioners. Today, I can announce that we are investing £15 million in nine new pilot exercises to find the best ways of getting help to pensioners who do not claim their income support. Those pilots will start next month in Glasgow, Preston, York, Lambeth, Torbay, Stroud, South Staffordshire, Torfaen and East Renfrewshire.

We already hold numerous records and data on the people whom we are trying to help. Most are on record at the Contributions Agency as being entitled to the basic state pension and many are on record at the Benefits Agency because they receive other social security benefits such as attendance allowance, housing benefit and council tax benefit. At the moment, that information is just lying there, on different computer systems, but we will use that information and our data-matching powers to identify those pensioners who are missing out. Under those pilots the Benefits Agency, the Contributions Agency and local authorities in the nine areas will work together to find the best ways of getting the money to those poorest pensioners.

Mr. Vernon Coaker (Gedling): I congratulate my right hon. Friend on that announcement. May I ask her to do as much as she can to accelerate the pilot projects and get them finished quickly, so that what is learned from them can be extended to the rest of the country as soon as possible?

Ms Harman: We shall report back to the House on how the projects work, but we can all agree that those who have gone without are the poorest people in society. The information on how to help them has never been used before, so this pioneering and innovative measure is long overdue.

We are modernising the social security system to tackle social and economic inequality and to tackle poverty. That is a promise on which we were elected. Not only do the new Labour Government take a different approach to the objectives of pensions policy from their predecessors; they take a different approach to developing that policy so that we get it right.

That is why we shall publish our proposals on pensions and the conclusions of our pensions review, so as to enable a full and well-informed debate and to get it right. That is why our proposals on pension sharing on divorce will be set out in draft Bill clauses, which will be published in advance of introducing them into the House, so that they can be examined by, among others, the Select Committee on Social Security. In that way, we can consult with and draw on the advice of others and so get it right.

Our principles are clearly established and now we have established the practice of open consultation in order to improve the quality of the draft legislation that comes before the House for consideration. Reforming pensions provision is at the centre of reforming welfare and we have already made substantial progress along the path of pensions reform.

8.17 pm

Mr. Edward Leigh (Gainsborough): I was delighted when the Secretary of State said that we had to proceed by consent. In my brief contribution, I shall echo that point of view. Pensions are far too serious a subject to be the plaything of party politics.

The parties on both sides of the House have apologies to make. I shall start by making an apology on behalf of the Conservative party: there undoubtedly was a serious problem of pension mis-selling in the 1980s. I doubt whether that was the fault of Conservative Ministers or Back Benchers, but the problem occurred and the Labour Government are right to address it. In turn, the Government should make an apology for their abolition of ACT which, as my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) made clear, will cost pensioners up to £5 billion. That sends entirely the wrong message. As I have said, if we are going to make any headway at all, we have to proceed by way of consent and cross-party support.

The Secretary of State for Social Security is right to say that the pension system is failing many people. It has become almost a cliché, but work patterns are changing and, for the first time, there has been a worrying dip in the number of people who take out occupational pensions. Our pension industry faces a serious crisis.

Since the second world war, we have had a record second to none in persuading people to take out occupational pensions. A total of £600 billion is invested, but work patterns are changing. The Secretary of State is right to say that there is a particularly worrying trend with women workers, whose contributions are often not sufficient.

All that leads me to suggest that there must be cross-party consensus that, with the end of the link with earnings, the basic state pension, which for 50 years has been the pride of the welfare state, is no longer adequate. It is no longer adequate in our age; it will certainly not be adequate by the middle of the next century. That is a worrying development because people have been taught to rely on the basic state pension. They can no longer do so.

There is no point in hurling insults across the Chamber. The fact is that neither party, whichever is in government, is going to restore the link with earnings because we

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simply cannot afford to do so. Therefore, the basic state pension is going to decline, is declining in terms of real value, is not sufficient and will be even less sufficient for our elderly population.

Two nations are emerging. Many of us enjoy an excellent occupational pension in the House, if we are fortunate to survive for enough years. One nation enjoys first-rate occupational pensions; another does not and is condemned to an old age of poverty and reliance on income support. That is not acceptable in a civilised society.

Surely that point is, or should be, accepted by hon. Members on both sides of the House, but what do we do then? Obviously the Secretary of State is right. We have to create a stakeholder society, to use her jargon. There is nothing wrong with the phrase. She coined it, but there is no reason why we should not adopt it. That was precisely what my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), the former Secretary of State for Social Security, now the shadow Chancellor of the Exchequer, was trying to do before the general election. He was trying to encourage people to make provision for their old age.

Mr. Hope: The hon. Gentleman gives the impression that there is cross-party consensus. Does he agree that the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), the Opposition Front-Bench spokesman, said nothing about pensioner poverty, about extra payments to pensioners or about the Conservative Government's failure to do anything to assist pensioners who live on or below the poverty line? Does the hon. Member for Gainsborough (Mr. Leigh) agree that we have inherited a legacy of pensioner poverty, which has caused millions of people throughout this country enormous distress?

Mr. Leigh: It is precisely that sort of pointless party political intervention that does not help pensioners one bit. The hon. Gentleman made an utterly ludicrous intervention at the beginning of the speech of my hon. Friend the Member for Chingford and Woodford Green. What is the point in saying that? How will that help pensioners?

Let us return to the real debate. The fact is that the basic state pension is not adequate. What are we going to do about it? Before the general election, my right hon. Friend the Member for Hitchin and Harpenden proposed an idea, a concept. The trouble is that it was launched almost exactly a year ago, on 6 March 1997, when we were in the midst of pre-electoral tension. Frankly, there was no proper debate about his sensible proposals. All he was saying was that people—all people—should be encouraged and required under the basic pension plus system to put a proportion of their income into a private insurance company to provide for their old age.

That idea clearly was not acceptable to the Labour party in that pre-election period. Perhaps it is not acceptable now. However, there is a compromise that hon. Members on both sides of the House may be able to accept. I know that Chile is a dirty word to many Labour Members, so I do not want to go on and on about it, but I could mention Singapore if that makes life easier for them. Consensus is surely emerging throughout the world that, if we are to provide sensibly for all old people, we must proceed not down the pay-as-you-go route, but down the stakeholder pension route.

Whether we support the Chilean model, by which people are required to put 10 per cent. of their income into a highly regulated, albeit private, insurance system, or the Singaporean model, where people do the same, but pension funds are effectively controlled and run by the Government, all we can do is give pensioners the choice. We have to require them to put a proportion of their income into a pension plan.

Mr. Howard Flight (Arundel and South Downs): There is a crucial difference between the two models. The returns achieved by Singapore have totalled only some 2.5 per cent. because the investment has been state controlled, whereas the returns achieved by the Chile funds have been substantially larger. If it is a compulsory state-run system, there is a huge issue as to how the money is used.

Mr. Leigh: I fully accept my hon. Friend's point. The initial enthusiasm of the Secretary of State for Culture, Media and Sport—when he was the social security shadow spokesman—for the Singaporean system was tempered by the relatively low rate of return that the Singaporean Government managed to achieve, even though it is a successful and highly regulated society, so my hon. Friend makes a fair point.

All I say is that I fear, because we are not at present in government, that there is no enthusiasm on the Treasury Front Bench to proceed down the Chilean route. When the Select Committee on Social Security visited Chile before the last election, led by its then Chairman, now the Minister for Welfare Reform, it took some interesting evidence. Generally, we were impressed by the Chilean experience. We were particularly impressed by the rate of return and by the fact that, because the system is so highly regulated, there has been little abuse, although there has been a certain amount of abuse with people chopping and changing between different pension schemes. However, as it is highly regulated, they do not personally lose out.

The Government are not going to move down that road immediately because that would go against all their instincts. I understand that, but surely we can give people at least the choice, either to invest in private pension plans or, if that is unacceptable to them, to invest in pension schemes that are run by mutual or friendly societies.

I understand that pension schemes that are run by mutual or friendly societies may be more acceptable to the Government than private insurance schemes, but, whatever system we adopt, we cannot dictate to people how they should plan for their retirement. We have to give them the choice. What we surely have to do as a nation is find some way—this will take not one or two Parliaments, but perhaps five, 10, 15 or 20 Parliaments to achieve—that hon. Members on both sides of the Chamber can support, to encourage and require everyone, whatever the nature of their work pattern, however many times they change jobs, and whether they are men or women, to provide adequately for their old age. If we do not, we are storing up for this country the most profound and agonising social turmoil that it has encountered for many years.

8.28 pm

Kali Mountford (Colne Valley): This has been an intriguing debate so far. At the beginning of the debate, I thought, "This is typical. It exemplifies the difference between Labour and Opposition Members." Following the speech by the hon. Member for Gainsborough (Mr. Leigh), I am even more intrigued. We continue to talk about the second pension route, but I was intrigued especially by the hon. Gentleman's remarks about pensioner poverty. I want to concentrate today on pensioner poverty, and stability and security in old age. I agree that we need a second pension, but that is for the future—the young people of today and how they supply the resources to provide security for themselves in their old age. One thing that will not give them security is a scheme that pulls the rug from under them by taking away the security of a basic state pension. Most of the suggestions from the Conservative party when it was in government gave the impression that it would pull the rug away from pensioners.

Mr. Flight: Will the hon. Lady give way?

Kali Mountford: I hope that the hon. Gentleman is going to illustrate that point.

Mr. Flight: The policy proposed before the general election involved a state guarantee equivalent to the state pension. The crucial issue was that the returns on private sector investment could be considerably greater than the returns within the state system. It was not proposed to remove the guarantee of the amount of the state pension.

Kali Mountford: We are going down an old path here. We have discussed this before in the debates on the Finance Bill and subsequent debates about social security. The perception of voters and my perception of basic pension plus was that once one was out of the system, there was no way back in. That created real fear for voters. We have to take that fear away.

Security in retirement is an absolute need. Another absolute need is freedom from poverty. I am delighted with what I have heard from my right hon. Friend the Secretary of State this evening. The use of the technology of today to provide security for a new age has to be the right approach. Many people have an income below the level of income support. That is real and abject poverty. There is a generation gap which is important both to the provision of second pensions and to the provision of pensions today. The poorest people are those aged over 75, of whom 40 per cent. have an income below the level of income support. That generation of people is least likely to claim the benefits to which they are entitled. They live in the most real poverty of all. Whichever group of poor people we discuss, those are the people about whom I am most concerned. They are physically vulnerable and they are proud of their traditions. We have to find the right way in which to ensure that they claim that to which they are entitled. One way in which to do that, which is a correct way, is to ensure that they do not pay over the odds for basic needs. So let us have a look at VAT on fuel.

Pensioners will have been disappointed in Conservative Members, such as the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), who welcomed the previous Chancellor's proposal to increase VAT on fuel to 17.5 per cent. Let us remember that it was the Labour Opposition who beat down that proposal. The Chancellor at that time decided to fill the gap in his Budget, which was created when the House voted against his proposal, by reducing the increase in the state pension by 30p. How did that meet the expectation of proper state support through the basic state pension? That illustrates the difference in the priorities of the Labour Government and the Conservative party when it was in government.

Mr. Hope: Is my hon. Friend aware that the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) said in the House of the increase in the state pension age:

"The equalisation of the state pension age at 65—again a change that we proposed in August—is welcome, but the Government should look again at increasing it, in due course, to 67 because the average age is rising."?—[*Official Report*, 30 November 1993; Vol. 233, c. 978.]

If that had happened, some 2.4 million pensioners would have lost out.

Kali Mountford: Sadly, I am not surprised to hear that, although I am disappointed. The demographic changes in society present a problem and imagination has to be used to solve it. We have an aging population with growing needs, but a simplistic approach is not the answer. One simple answer that needs to be understood is that people who need benefits sometimes need to know the route to those benefits. That is why VAT on fuel is so important and why I welcome the reduction in VAT on fuel. I expect that Conservative Members were disappointed in it, given that they welcomed the opposite when their party was in government.

Let us consider the effect of reducing VAT on fuel, blunt instrument though it may be. It allows pensioners to keep their heating on in the winter. Help the Aged reported that pensioners were having to make decisions between food and fuel. That is why it welcomed the introduction of the £20 and the £50 for fuel this winter—another blunt instrument, but a blunt instrument that gets to the point. If pensioners have to wait for weeks on end to see how cold it gets to find out whether they will be entitled to extra support, it makes life very difficult for them, especially as the rules in relation to income support and cold weather payments were complicated. At least this winter—it has been a mild winter—pensioners have had the cash to pay their heating bills without all that rigmarole. That is important.

Our aging population faces some difficult issues and problems. A group of pensioners came to see me on Saturday. They brought me a letter from their pensioner action group about what they thought was most important. They wanted to see an increase in the basic state pension; there is no surprise in that. So they would have been disappointed by the previous Chancellor's reduction in the increase.

Mr. Gibb: Did those pensioners request that the hon. Lady's Government means-test the basic state pension? If not, why is the hon. Lady not asking the Secretary of State to confirm whether she intends to means-test it?

Kali Mountford: The issue of means-testing was not raised by that group of pensioners. They concentrated on

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some rather more interesting issues, such as why they had so much difficulty with care in the community, why they could not get into the private residential homes that used to be in local authority control and why they found it so difficult to get access to the national health service, which they felt that they had paid for and the previous Government had eroded.

Miss Kirkbride: I wonder whether the hon. Lady explained to her pensioners why her Labour Government, who pleaded so much on behalf of poor pensioners, were not prepared to restore the link with earnings.

Kali Mountford: The hon. Lady obviously has not been listening to the debate. After 18 years of Tory government and the erosion of the basic state pension, we have a long way to go from a low base. A great deal of imagination is needed. The most important people are those on incomes below income support level. The point of income support is that it marks the point of poverty. If people are below that point, they are making difficult choices in managing their families' budgets. To keep harping on this issue, which misses the point about pensioners, does them no favours at all.

We need to make decisions about our priorities. Conservative Members keep talking about actuaries and private pension funds—

Mr. Gibb: No, about SERPS.

Kali Mountford: The hon. Gentleman should allow me to finish. Conservative Members have missed the point about basic priorities. We must start with those in greatest need. The Secretary of State is absolutely right to look into providing second pensions and increased pensions. That process needs to be inclusive and consultative. The Conservative party bludgeoned people into decisions without properly consulting. At least at the end of our process of consultation, a consensus will emerge on how future pensions are to be provided. It is the pensioners of today who are not on income support who must be the main focus of our attention.

Under the Conservative Government, one quarter of all pensioners did not get an adequate second pension, and 12 million of them got no company pension. Then there was the diabolical tragedy of the mis-selling of pensions. There was also a growing gap between the poorest and richest pensioners. In 1979, the bottom 20 per cent. received £55.90 and the top 20 per cent. £169.60. Sixteen years on, the bottom 20 per cent. have had an increase of £15 but the top 20 per cent. have enjoyed an increase of £103. If that drift were allowed to continue, the poorest would become even poorer and the richest would continue to get richer. That is no way to proceed. The challenge for this Government is to provide for the poorest pensioners, which is why I commend my right hon. Friend's proposals to the House.

8.41 pm

Mr. Steve Webb (Northavon): I brought with me to the Chamber tonight a secret—a secret concerning how the Conservatives are planning to win the next general election—[Hon. Members: "Tell us."] I note a greater than usual attentiveness on the Conservative Benches. After close textual analysis of tonight's motion, it is clear to me that the Conservatives plan to sweep back to power on a tide of amnesia. They hope that we will all forget the past 18 years and concentrate only on the past eight months. They must think we have very short memories.

The Tories spent 18 years ripping the heart out of rural Britain, and they now pretend to be the friends of the countryside. They spent 18 years squeezing higher education, but now pretend to be the friends of the students. After spending 18 years slashing future spending on state pensions and creating a shambles over private pensions, they now claim to be the friends of pensioners. It just does not add up.

The motion claims to deal with the failings of the present Government. We shall assess those claims in a moment; meanwhile, it is important to remember that the real problems with pensioner incomes have arisen not just since 1 May but since 1979.

Mr. Ian Taylor (Esher and Walton): Before we all join the hon. Gentleman in suffering from amnesia, will he recognise that no Government will change the rules linking pensions to prices rather than earnings; and that, if Labour ever did that, the Government would be unable to provide the expenditure for health and education that they want to?

The Conservatives' proposals on pensions just before the election would have increased expenditure on them by £7 billion a year, at the peak, in order to bring our pension system under better long-term control. Why did not the hon. Gentleman welcome those measures—or perhaps he has not yet worked out what Liberal Democrat party policy is on the issue?

Mr. Webb: The hon. Gentleman is quite right to say that the Government will not link the basic state pension to earnings again. I would be most surprised if they did, but I am sure they will not. Nor would the official Opposition; and I would be greatly surprised if our party policy, as it is reviewed, came up with that idea, either. It is true that all the parties seem agreed on that.

The motion suggests that everything that is wrong with pensioners' incomes started to go wrong on 1 May. That is simply not true. Pensioners who retire in the new millennium will have far less to live on, not as a result of this Government's policies but as a result of Conservative policies. The basic state pension will have been eroded, by the breaking of the earnings link, to a level which Michael Portillo once famously described as nugatory. SERPS pensions will be worth less than half what they would have been under the pre-Conservative system.

How many billions did those Conservative measures take off pensioners? The answer is: not the £5 billion that the Government have taken from pension funds, but tens of billions of pounds. Yet now the Conservatives have the gall to criticise the Labour Government for taking £5 billion out of the system. That is small beer by Conservative standards.

It is not as if the private sector fared any better. Was it not a Conservative Chancellor, Mr. Lamont, who first spotted that tax credits were a wheeze for raising £1 billion? It seems that a few years ago that was right when the Conservatives did it; now, when the Labour party does its famous trick of following Conservative

policies, the Opposition criticise it for doing so. How implausible it is when the Conservatives pretend to be outraged when the Labour Government follow their lead.

What about the debacle over personal pensions, which is still only slowly being unravelled? The Labour Government may not have done much for pensioners so far, but they have at least tackled this one scam with a great deal more energy and urgency than it ever received from the Conservatives. Indeed, I pay tribute to the Economic Secretary to the Treasury for all she has done and for the energy that she has devoted to that campaign. We wish her well with it.

What of the Government's record on pensions? For today's pensioners, they have cut VAT on fuel from 8 to 5 per cent.—no doubt a move welcomed by pensioners. But Labour Members should not get carried away into thinking that that will make a big difference to elderly people. The Government announced the cutting of VAT on fuel in July. That had the advantage of feeding into the September retail prices index, which meant that pensions next April will go up by less than they would have without the cut in VAT. Taking account of that, a recent written answer stated that a typical married pensioner will get about 25p a week from the cut in VAT on fuel—not unwelcome, but scarcely a king's ransom.

What about the other measure—winter fuel payments? That, too, is a welcome move, although there is no long-term strategy to deal with fuel poverty: it is to apply just this year and next. The payment is worth less than 40p to a typical pensioner. Added together, therefore, the two measures are worth less than £1 a week to the typical pensioner. That hardly constitutes a serious attack on pensioner poverty.

As regards changes to tax credits, it is disingenuous of the Government to pretend that they can take £5 billion from pension funds without affecting pensions—

Mr. Coaker: The hon. Gentleman is falling into the same trap as the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) fell into—equating a change in the tax regime with an effect on pension fund income. Pension funds operate in the total economy and depend on a range of factors, not just the tax regime. We cannot ignore the general health of the economy, investment returns and so on—they all affect pension funds as well.

Mr. Webb: The hon. Gentleman is right, to the extent that tax treatment is but one of a range of factors. I am not relying on my own opinion here, however. The Government Actuary must be preening himself—everyone seems to have been reading his report. Indeed, I can recommend it as a stonking good read. The Government Actuary has said that returns to pension funds, allowing for possible increases in dividends, will be lower because of the Government's tax changes. Presumably the Government Actuary has no political axe to grind; otherwise, he would not recommend changed rebates for personal pensions. Independent comment states that the changes will damage pensioners' incomes. That is why we have opposed them.

I accept that the Government will not reverse that policy now, but I want to raise with the Pensions Minister one group that will suffer through the change, and for which many of the arguments advanced by Labour Members do not stand up as a defence. I refer to members of closed pension schemes—people whose employers have gone out of business and for whom there is a pot of money in the pension fund. Where there is no sponsoring employer, if the tax credit is cut, the income from the fund goes down and there is no employer to make up the difference.

There is a danger that people such as my constituents in the DRG pension scheme will lose income. They will say, "A Labour Government cut my pension." I am sure that the Pensions Minister would not want them to say that. I ask him to look again at the position of people in closed pension schemes.

One fundamental point underlies the debate about pensioner incomes. The Government have taken a number of small but welcome measures to help pensioners with their fuel bills. They are also rumoured to be examining the cost of television licences and of public transport for pensioners. Those proposals would no doubt be well received by many pensioners.

Most of all, however, pensioners need, and I believe deserve, security and a decent income that they decide how to spend. Ultimately, what matters is not gimmicks or short-term sticking plaster. If pensioners cannot afford their fuel bills, television licence or bus fares, it is because their basic income is too low. Until that issue is addressed, neither of the two larger parties can claim to have taken seriously the concerns of pensioners.

8.51 pm

Mr. Phil Hope (Corby): I join my hon. Friends in welcoming the debate. Having listened to the opening remarks of the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith), may I say how strange it is to welcome to the Chamber yet another representative from the planet Zarg. That is where I assume he is from: given the remarks that he made, he cannot be living on this planet.

Pension reform is one of the greatest challenges facing the Labour Government. Ensuring decent incomes in retirement is a key aim in the Government's wider strategy for tackling social exclusion and reducing poverty. Regrettably, we start with a Conservative inheritance that has failed today's pensioners, and would have devastated tomorrow's pensioners too.

A quarter of today's pensioners do not have an adequate second pension. Almost 2 million depend on income support. The Tories did not lift a finger to ensure that the poorest pensioners received the benefits to which they are entitled. They abandoned a million pensioners, mainly women, to live on incomes well below the poverty line.

We know that 12 million people do not have access to a company pension. For people on low or modest incomes, private personal pensions can be poor value for money. In some cases, £1 in every £4 of savings is eaten up by fees and charges. We know, too, that the Tories wrongly encouraged people to opt out of their company pension into private personal pensions, and then failed to take tough action on the disgraceful pension mis-selling that they encouraged. I wonder when those people will get an apology from the Conservative party.

Kali Mountford: Would my hon. Friend be surprised to hear that a pensioner in my constituency of Colne

[Kali Mountford]

Valley, who lost £21,000 because of wrong advice, was compensated by only a few hundred pounds when his case was eventually settled?

Mr. Hope: I am not at all surprised to hear that example. There are thousands of other similar examples—a devastating legacy of the appalling treatment that the Opposition, when in power, meted out to pensioners.

Mr. Oliver Letwin (West Dorset) *rose—*

Mr. Hope: The Conservatives in government not only targeted their attacks on vulnerable pensioners: they used a shotgun approach. They tried to attack every pensioner by raising VAT on fuel to 17.5 per cent., which the hon. Member for Chingford and Woodford Green supported and voted for, even though his own Conservative constituency association urged him not to do so.

Mrs. Gorman *rose—*

Mr. Hope: I give way to the hon. Gentleman.

Mr. Letwin: I tried to intervene before the hon. Gentleman left the subject of the mis-selling of pensions, as I have a genuine interest in the matter. Does he think that it will be one year or two, three, four or five years before the Labour party stops hiding behind that accusation to excuse every failing of the Government?

Mr. Hope: What an intriguing intervention. We are invited to suggest how many years it will be before the Conservatives come up with an apology for the way that they treated pensioners. The Labour Government understand that there is a crying need for reform of the pension system.

Over the past 20 years, the incomes of retired people as a whole have risen faster than those of the working population, but that statistic hides the reality of the Tory legacy—inequality among pensioners has risen dramatically over the same period.

Pensioners are among the poorest people in Britain today. Inequality has widened between rich and poor pensioners, and between older and younger pensioners. Unless things change, that inequality is set to widen. On the basis of reasonable assumptions, it is estimated that, over the next 30 years, the incomes of the poorest one fifth of pensioners will rise by about 20 per cent., but the incomes of the richest one fifth will rise by 80 per cent.

As my hon. Friend the Member for Colne Valley (Kali Mountford) reminded the House, the poorest pensioners tend to be older, and they tend to be single and women. A quarter of pensioners are entitled to income support, yet nearly 40 per cent. of them—1 million pensioners—do not receive the income support they should get. It is vital that we give immediate help to the poorest pensioners. Like my colleagues, I am delighted at the announcement by my right hon. Friend the Secretary of State that £15 million is to be spent on pilot schemes throughout the country to ensure that the poorest pensioners, the people who have suffered the most, will get the benefits to which they are genuinely entitled.

On the wider priorities, there are many ways that pensioners can share fairly in the increasing prosperity of the nation, not just through state pensions but through state income-related benefits, non-state pensions, savings and earnings, concessionary schemes and the tax system. For many pensioners, the national health service—long-term health and community care—can be as important to their quality of life as their income. We must make sure in government that we make the most efficient and equitable use of all those resources to ensure that all pensioners share in the nation's rising prosperity, but we must give priority to the needs of the poorest.

The Labour Government have done much in that regard already. The cut in VAT on fuel benefited all pensioners, as did the winter fuel payment of £20 to every pensioner household. We made sure that the poorest pensioners, those on income support, received more—£50 per household—because they are most in need.

Sir Robert Smith (West Aberdeenshire and Kincardine): On the issue of cold weather payments, does the hon. Gentleman not think it perverse that the Government are willing to give a blanket payment to pensioners across the country, regardless of weather conditions, but refuse point blank to do what they called for in opposition and pay pensioners when they experience the cold, by allowing the wind-chill factor to be taken into account in calculating payments?

Mr. Hope: My hon. Friend the Member for Colne Valley has already pointed out that the complicated and difficult assessment procedures for cold weather payments meant that many pensioners switched off their heating because they were not sure whether they would qualify for the payments. Labour has demonstrated its commitment to pensioners by allocating £200 million this year and next year to winter fuel payments—that is more in one decisive action than the Tories managed over 18 shameful years of inactivity.

It is not just about reversing the Tory legacy and tackling inequality: the Labour Government must build a sustainable framework for pensions for the future. A huge amount is spent on pensions throughout the country. More than £74 billion was paid in 1996 to pensioners from all types of pension schemes, of which £33 billion was paid out by the state on the basic state retirement pension and SERPS. From those basic figures, it is clear that a sustainable framework will always comprise a partnership between public and private provision, and be a balance between income sourced from tax and that from invested savings.

Unlike the Conservatives, who would have abolished the basic state pension and struck fear into the hearts of pensioners and working people across the country before the election, the Labour Government must keep their manifesto commitment to retaining the basic state pension as the foundation of pension provision, increasing it at least in line with inflation. We must also retain SERPS as an option for those who wish to remain within that scheme.

We have much more to do. Many people in this country are not able to save for a second pension. The Tory pension mis-selling scandal, which we are making decisive moves to settle, has made many people nervous about relying on invested second pension

schemes. Tory dogma and the Tories' failure to regulate the industry and the market properly caused that personal pension scandal. It need not have happened.

We must develop a new framework of flexible, value-for-money, second stakeholder pensions in order to help to meet the needs of those on low and modest incomes with changing patterns of employment who cannot join a good-value second pension scheme. We must ensure that those schemes are large enough to enjoy economies of scale, are approved to meet high minimum standards, are run in the interests of the members and not the companies, and are run in a way that allows members to understand readily what they are paying and what they might expect to receive when they retire.

We must also remember that a significant number of people cannot be expected to save for their own retirement. Many carers are unable to work, or suffer greatly reduced earnings because of their caring responsibilities. I believe that the Government should credit carers, and perhaps others, into a citizenship pension that will provide a second pension for those years when they are unable to work. That will help to avoid poverty and dependence on means-tested benefits as a consequence.

Most of the poorest pensioners are women. Low pay during their working lives means that women are often less able than men to build a second pension. They may also experience disadvantage in their pension incomes if they are divorced. Many women are also badly served by SERPS at present. Stakeholder pensions, citizenship pensions and pension sharing on divorce are a combination of measures that will cut the routes to pensioner poverty and significantly narrow pension inequality between men and women in future.

The Government must develop a pensions strategy that can cope with a slowly aging society without heaping unsustainable costs on to our children. A sustainable policy for pensions in the next millennium must tackle inequality among pensioners today and create a robust framework to ensure effective and equitable support for the pensioners of tomorrow.

9.2 pm

Miss Julie Kirkbride (Bromsgrove): Thank you, Mr. Deputy Speaker, for calling me to speak in this very important debate.

I have listened to the speeches of Government Members and I believe that a travesty of justice has been done to the previous Government's policies and our pension achievements. *[Interruption.]* If the hon. Member for Corby (Mr. Hope) would listen, he might understand my points.

The hon. Gentleman admitted that, during 18 years of Conservative government, incomes rose more quickly for pensioners than for the general population. We welcome that fact: it is testimony to our successful pensions record. We recognise—as do the Government, for which we are grateful—that more must be done to ensure that everyone receives a pension. However, we wish to take some credit for what has occurred to create a secure future for many of our pensioner constituents who have fared extremely well.

During the 1980s, the Conservative Government recognised—

Mr. Coaker: Although it may be true that some pensioners have shared in the country's increasing prosperity, the reality is that the vast majority of pensioners are poor, and that a significant number are absolutely destitute. Is that not a damning indictment of the policies pursued by the previous Government?

Miss Kirkbride: I am afraid that the hon. Gentleman will have to say what his Government will do—to answer the mock indignation coming from hon. Members on the Government Benches—before we on the Opposition Benches will take any lessons about what we should have done while we were in power.

The Government have failed to say that they will do anything significant to raise the basic state pension or add significantly to the benefits that are available to people on income support, or to increase income for the poorest pensioners. I have yet to hear anything from hon. Members on the Government Benches that would suggest that that is being contemplated, and until they do, there is no point in their continuing their mock indignation.

Mr. Letwin: My hon. Friend is making an important point. Does she agree that, importantly, we heard an admission this evening from the Secretary of State that the guaranteed income of £100, which was widely trailed in the newspapers, has disappeared without trace and been replaced by a £15 million pilot project to add to the pile of 150 reviews?

Miss Kirkbride: I could not agree more. It was the death knell for the minimum pension scheme. The Chancellor clearly won in the departmental spending wrangles, which we all know take place behind closed doors.

I want to return to the 1980s and my former Government's record on pensions.

Mr. Gibb: Wouldn't we all?

Miss Kirkbride: Quite. They recognised that the state could not continue to pay pensions in the way it had, as that was unsustainable, and it was necessary to encourage people to save more to sustain them in their old age. The House will be shocked to hear it, but even we on the Conservative Benches want pensioners to have a secure old age, one that they can enjoy in comfort, without fear for their financial future.

Recognising that we had to do more, we introduced private pensions and encouraged people to opt out of SERPS, so that they would no longer be an unsustainable liability on the state in future years. What did the present Government tell the population when they were in opposition? They said, "Don't trust this. You mustn't do this. These wicked private pension schemes will not pay out when you retire." They pretended that what the Conservative Government were trying to do was wicked and unsustainable.

Thank goodness the British population had the good sense not to believe the Labour party at the time, and pursued their private and occupational pension schemes with the SERPS opt-out, and they have been much better off as a result.

Kali Mountford: Would the hon. Lady like to join the hon. Member for Gainsborough (Mr. Leigh) and apologise for the pensions mis-selling fiasco and the real damage it did to confidence in pensions?

Miss Kirkbride: Again, it is a travesty of justice for the Government to pretend that we were responsible

[Miss Kirkbride]

for pensions mis-selling. We regret it enormously, and welcome what the Government are doing to put the matter right.

The situation came to light in the mid-1990s, and we welcome what is being done to restore the contributions that people accrued. There is no question but that we deplore and condemn pensions mis-selling. We expect the pensions companies to put it right. For the Government continually to suggest that we encouraged it and wanted it to happen, and that we welcome it and do not regret it, is quite preposterous.

The Government also ignore the fact that what happened to the private pensions industry—if I may call it that—during the 1980s and 1990s has been a signal success for the British economy and the British people. Both those factors are important, as in future years there will be a crisis. At present, 3.4 people in the working population sustain one pensioner. In 40 years' time, 2.6 people will sustain a pensioner in his or her old age. We had to address those points. What we did on private pensions has been a massive bonus for the British economy and British pensioners. Those who have an occupational and private pension scheme can look forward to a secure old age.

Figures provided by the Library show what a magnificent success the private pensions industry has been. In 1995—one expects that the figure has gone up considerably since then—£750 billion, roughly equivalent to the nation's gross domestic product, was invested in private pensions. In 1991, when the United Kingdom's pension fund assets were around 73 per cent. of GDP, they were 66 per cent. in the United States and 10 per cent. in Japan, Germany and France.

When I am 90 years old, in 2050, when I shall still be taking a keen interest in the performance of the economy and the Government's tax rate, I am pleased to discover that the British economy's balance sheet will be even healthier. It will so exceed any other balance sheet in the western world that Conservative Members can truly take magnificent pride in what has happened.

In 2050, unfunded state pension liabilities in Britain will amount to just 15 per cent. of GDP—that amount of money which taxpayers will have to contribute in order to pay pensioners who have a legitimate expectation that the money they have salted away when they were working will be there when they retire. The sad fact is that many EU countries, instead of that money being invested privately and securely tucked up in some private bank account from which it can be released when needed, will be looking to their taxpayers, or will have to borrow the money to pay those liabilities.

The Japanese will find that their unfunded liabilities amount to 399 per cent. of their GDP; the Germans, 431 per cent.; the French, 370 per cent.—*[Interruption]*—the Italians, 338 per cent.; the Canadians 189 per cent.; and, as hon. Members making sedentary interventions may have forgotten, the British, only 15 per cent. That is a massive success story, which will transform the future British economy, and Conservative Members perceive it as a considerable obstacle to joining a single currency as and when that decision comes along.

Having put straight the Conservative Government's record—

Mr. Webb: The hon. Lady says how wonderful it is that all those future liabilities will have been reduced, but, as my hon. Friend the Member for Newbury (Mr. Rendel) has said, anyone can do that if they scrap the basic state pension, which is essentially what, in Michael Portillo's words, the Conservatives are planning to do. Is there anything particularly impressive about reducing future state liabilities by abolishing the benefit?

Miss Kirkbride: I think that the hon. Gentleman is a professor, and I cannot believe that he has made such a facile intervention when he knows that I am talking about private pension fund contributions which have transformed the balance sheet. That is reflected in the unfunded liabilities and the percentage share we then have.

During their 18 years in power, the Conservative Government did not abolish the state pension, and there is no question that Conservatives will do so in five years' time, when they are back in government. That is a preposterous suggestion. It is one which Liberal Democrat and Labour Members like to perpetrate, and it is nonsense. We have not done it, and will not do it. I shall not continue having a conversation with the hon. Gentleman when I am meant to be addressing the House.

I return to the Government's pension policy because they are in power, albeit that they often forget that when they ask Conservative Members for our views on the subject. The Government have severely let down many pensioners on the upper end of the pension earnings, who are nevertheless vulnerable in their incomes and feel insecure about how they will meet their liabilities in their old age. They are equally deserving of consideration.

Mr. Coaker: Does the hon. Lady agree that, in terms of insecurity and income in old age, the Government's decision to set up a royal commission to look into the cost of nursing home care for the elderly is of great significance to people in their old age, now and in the future? One of the most damaging feelings of insecurity experienced by people is how they will be able to afford to look after themselves and their relatives. That is a fundamental problem that the royal commission will address.

Miss Kirkbride: I recognise the issue that the hon. Gentleman has raised. It is equally important to my constituents. Although I welcome the quick recommendations of the commission, my constituents and those of the hon. Gentleman can take no comfort from the fact that, after 18 years in opposition, the Labour party could not come into office with proposals ready to do something about the problem, but has postponed any decisions until it hears the recommendations of the royal commission.

I do not wish to repeat what was said by my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) about how iniquitous the changes to ACT have been in reducing income available to future pensioners as well as existing pensioners. They may find that, as a result of the changes, they will receive a smaller increase in their pensions every year because their pension fund will no longer be as well off as it would have been had the ACT changes not taken place.

The figures are clear. The amount of tax raised is £5 billion, which is equivalent to about 2.5p on income tax. Had the Government been more honest and put that increase in revenue on to income tax bills, I would have had more respect for them. Instead, they have tried to introduce a sneaky, sleight-of-hand tax which they hope people will not notice.

In the interest of open government, of which Labour Members are so fond, I call upon the pensions industry to clarify what the loss in income has been as a result of the changes made to ACT. I am sure that it would come as a shock to many of my constituents to learn that the money they think they have been saving for their old age has now been reduced considerably as a result of that sleight of hand.

We have still had no clarification from the Government about whether they propose to means-test the state pension. That is now the real issue. As my hon. Friend the Member for Chingford and Woodford Green pointed out, the manifesto commitment in 1997 does not rule out the fact that affluent pensioners might be facing the demise of their old-age pension, to which they are entitled as a result of their national insurance contributions. I would welcome the Government making clear their policies on that.

The Government's proposals for the stakeholder pension raise the biggest question that the Government will have to face as and when they introduce their proposals on the Floor of the House. As we have pointed out, many people do not have a second-tier pension because they are on low incomes. They might find it difficult to save for a pension, because they do not earn a great deal and because the day they reach 65 seems a long way off.

If the Government are to succeed in increasing the number of people who have a second-tier, funded pension, they will have to decide whether to make contributions to that stakeholder pension compulsory.

Mr. Richard Allan (Sheffield, Hallam): The hon. Lady is making a good case for some sort of minimum wage. That would raise incomes sufficiently for people to be able to pay into a pension scheme.

Miss Kirkbride: We will have to see the level at which the minimum wage is introduced when the Government announce their plans. If it is introduced at £3.60—as has been widely speculated—it will not be enough in terms of weekly earnings to take the average man with two children, who is trying to keep a roof over his family's heads, above the level of family credit. Therefore, the state will still contribute to his earnings.

The preposterous nonsense that the Government are trying to perpetrate—that somehow the minimum wage will take people off state subsidy—is not true, unless the wage is set at such a level that it destroys jobs wholesale. I would be grateful if the Minister would speculate on the introduction of the stakeholder pension, and whether the lower-paid will have to make compulsory contributions to that pension.

9.21 pm

Mr. Desmond Browne (Kilmarnock and Loudoun): The hon. Member for Bromsgrove (Miss Kirkbride) eulogised the private pensions industry. I do not want to be mean-spirited about the impressive statistics, but she did not give us the comparison of the public state pension as a percentage of GDP. While we may be at the top of any league table in terms of private pensions, we were near the bottom—in fact, we were second from bottom—of the EU league table in 1995 in terms of the state pension as a percentage of GDP.

Mr. Letwin: I am exceptionally grateful to the hon. Gentleman for giving way at such an early stage, but he has made an important point. Is that not exactly the position that his Government's policies will institutionalise for the future?

Mr. Browne: In my view, it is not.

As a result of those figures, we have heard from my right hon. Friend the Secretary of State, others of my hon. Friends and the hon. Member for Northavon (Mr. Webb) examples of the growing problems of pensioner need—especially for the poorest pensioners—which were created by the previous Government's changes to the British state pension system. It is nothing short of breathtaking hypocrisy for the Conservative party, which had a deplorable record on pensions, to criticise this Government, who inherited that record of Tory failure.

It was interesting that, writing in *The Times* on 5 August, the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) said:

> "Countries across Europe have failed to encourage independence, private provision and reform of the state pension system. The Conservative Government achieved all three of these aims and bequeathed Labour a sound basis on which to build."

One can imagine my surprise, having read that, that a defence of that record was conspicuous by its absence from the hon. Gentleman's speech.

The view of the hon. Member for Chingford and Woodford Green is not shared by the vast majority of pensioners in my constituency, where approximately 20 per cent. of the population are pensioners. Some are the poorest pensioners in the United Kingdom, and all need reassurance that they will have adequate income levels in their retirement. They certainly never received any such assurances from Conservative Members. Instead, the previous Government left a legacy of a Britain where 1.7 million pensioners are so poor that they have to depend on income support and, as we have heard, a further 1 million do not claim the income support to which they are entitled.

I am repeating the statistics, but they bear repetition. In addition, pensioner inequality is growing. The top 10 per cent. have seen their incomes growing steadily due to their share in the private pension industry boom, but the bottom 10 per cent. have become progressively poorer. In my constituency, prospects are no better for the pensioners of the future. Of those who are lucky enough to have work, the majority do not have access to a company pension scheme.

Social justice, the inadequate level of state pension and the predicted demographic changes—whether they turn out to be a demographic time bomb or not—which will see the ratio of people of working age to pensioners falling in the first half of the next century, demand that finding a way to deliver a decent income is a priority for the Government. It shall be found.

[Mr. Browne]

The Tories took steps to ensure that the aging of the population posed no great threat to public finances, but they failed to address the fundamental challenges of pension reform until their Government's dying days, and they did so for electoral purposes. Until then, they had turned their back on Britain's pensioners.

Mr. Hope: Not only did the Tories not take into account the needs of the poorest pensioners before the general election; they have continued to fail to do so since then. The motion before us is entitled "Effects of the Government' Policies on Pensioners' Incomes". Is my hon. Friend surprised to see that it does not mention pensioners living on income support or anyone who was mis-sold a pension by the previous Administration?

Mr. Browne: My hon. Friend makes a good point. Any mention of poor pensioners has been conspicuous by its absence from Conservative Members' speeches.

I was discussing electoral pension reform. True to their Thatcherite roots, in March 1997, the Conservatives responded to a call by Professor Patrick Minford and unveiled their plans to privatise the state pension. Had they had their way, the end of the previous Parliament would have seen the scrapping of the basic state pension and SERPS and their replacement by a private pension scheme, which, even in the most optimistic view, would have guaranteed a pension worth only £175 a week in 2040.

Mr. Letwin: At today's prices.

Mr. Browne: Assuming a real earnings growth of 1.5 per cent. a year, the new pension would have represented 23 per cent. of pay compared with 36 per cent., which men on average earnings were receiving in 1997. In calculating that optimistic sum, the Conservatives paid no regard to inflation or the cost of looking after the funds and, most culpably, they ignored completely the financial services industry's failure over the preceding decade.

Mr. Letwin: Will the hon. Gentleman give way?

Mr. Browne: No, I do not have time.

During that time, instead of making rigorous efforts to investigate the mishandling of 1.5 million pensions by the private sector, the Conservatives planned to hand over the management of any replacement of the state pension and SERPS to those same companies. So enamoured were they with the dogma of privatisation that they were prepared to hand over £320 billion of taxpayers' money to an industry whose credibility had reached rock bottom, as it had consistently failed to right the wrongs of the pensions mis-selling scandal. In many ways, it was hardly surprising that they should wish to do that, as they had ignored financial experts' warnings when they passed the Social Security Act in 1986 and happily endorsed the mass marketing of private pensions.

The Act was calculated to entice millions of people to switch from perfectly good pension arrangements for the promise of greater future security in the private sector. Between 1988 and 1994, insurance companies, independent financial advisers, banks and building societies sold more than 5 million private pensions. For the financial companies, it was a bonanza. For some of their customers it worked, but for a significant minority it did not. For them, pension advice was negligent and sometimes downright dishonest. As a result of the absence of effective regulation, hundreds of thousands of people were cheated by both cowboy companies and well-known firms. Each case was a personal tragedy and, instead of facing security in their retirement, hundreds of thousands faced uncertainty and poverty.

Bad as that was, it was made worse by the length of time those people had to wait for compensation. Had Labour not won the election in May 1997, many of them would still be waiting. The previous Government's history of cleaning up the mess that they created is a disgrace, to say the least. In 1994, the Securities and Investments Board went to the length of requiring firms to review the most urgent cases, but deadlines for those reviews just came and went and the Tory Government did nothing.

From 1994 to 1997, the Tory Government failed to tackle that problem effectively, but within 14 days in government my hon. Friend the Economic Secretary to the Treasury had met 24 firms responsible for three quarters of the cases and she left them in no uncertainty that she was determined to take firm action. The Tories did not get that far in three years.

To be fair to the hon. Member for Chingford and Woodford Green, he has written that the Government were

"right to demand that the mis-selling of pensions is fully resolved and reparations made."

However, he did not do that until August 1997, and he now wishes to portray himself as the champion of the pensioner. Where were those demands for remedial action between 1992 and 1997? Unlike the hon. Member for Gainsborough (Mr. Leigh), he does not even now, in 1998, have the courage to make a simple apology for that omission.

Results have been achieved because this Government have refused to let the issue rest on the back burner. My hon. Friend the Economic Secretary to the Treasury has focused public concern and media attention on the firms responsible. The Tories' previous level of inaction did nothing to help pensioners and the victims of the scandal; it served only to highlight their own lack of concern for some of the most vulnerable groups in our society.

The Labour Government have quickly ended the misery of many hundreds of thousands of people who were in fear of their financial security in retirement. The Labour Government will also improve the lot of many millions of pensioners by making a winter fuel payment to them, as well as cutting VAT on gas and electricity. Those steps, along with the others that we have taken to help ensure that all pensioners who are entitled to income support receive it, make the Labour Government's record of achievement one of which I am already very proud.

9.30 pm

Mr. Quentin Davies (Grantham and Stamford): This has been a good debate; in particular, it has been an important debate. I do not think that I can recall in my time in the House of Commons—it must be true for much further back—a Government going in for such systematic evasion of basic questions and such shameless financial

chicanery. Never before in my time have an Opposition had such an important task to perform in exposing the reality behind what the Government have been doing.

This has been a good debate. It was opened by my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith), who asked all the pertinent questions and did not receive a single response. He was followed by attempts by my hon. Friends on the Back Benches, in interventions and excellent speeches, to prise out of the Government a few answers. They also failed.

My hon. Friend the Member for Gainsborough (Mr. Leigh) made a speech with feeling, which was also extremely well informed. Having studied pension systems in many parts of the world, he made a particularly original contribution to the debate.

My hon. Friend the Member for Bromsgrove (Miss Kirkbride) gave the House an extremely lucid defence of the previous Government's record and pointed out, not least, that the average earnings of pensioners increased faster than national income over the period of the Conservative Government. That is ultimately what counts. She also addressed the issue of the Government's behaviour since the Budget last July, which was fatal for pensioners, and asked a raft of questions. She did not receive a single answer. I hope that she may receive an answer from the Under-Secretary when he winds up.

There is nothing wrong with the Government's rhetoric. Indeed, there is unlikely to be anything wrong with their rhetoric as they stole most of it from the Conservative party. What is wrong and damaging—in this case damaging to the interests of pensioners—is the reality. The Government should be profoundly ashamed that, after only nine or 10 months in office, there should be such a wide gulf between rhetoric and reality.

Whole sections of our country were systematically deceived by the Labour party at the election. Single parents were entitled to believe the assurances that their special benefit regimes would be protected by a Labour Government. Students were entitled to believe the explicit promises that they received, even from the Prime Minister in April, in the middle of the election campaign—on the record—that a Labour Government would not introduce tuition fees. Savers were entitled to believe the promises that PEPs and TESSAs would be safe, but they have retrospectively found that they are not.

Mr. Hope: Will the hon. Gentleman now apologise on behalf of the Conservative party for the scandalous and appalling mis-selling of pensions, and for the fact that the Conservative party has failed to do anything about the million pensioners who continue to live on income support and below the United Kingdom poverty level?

Mr. Davies: The hon. Gentleman makes my point for me. Everything that has been said in this debate not only by Ministers but by Labour Back Benchers relates to the past. They want to keep the electorate's attention away from the present and the future—away from the fatal impact of the Government's actions, in nine or 10 brief months, on pensions.

Pensioners comprise the largest group in our society who were systematically deceived at the general election. What were they told by the Labour party before the general election? Before voting in a general election, on whose words is one supposed to rely about the future pensions regime if not on those of a party's proposed Chancellor of the Exchequer? On 19 April 1997—on almost the eve of the election—the Chancellor said:

"All Labour's proposals will protect and improve the quality of life of pensioners".

That quotation bears repetition. He said:

"All Labour's proposals will protect and improve the quality of life of pensioners".

Pensioners therefore went to the voting booth believing that they would be protected. Only two months later, an unprecedented tax was introduced that, from 1999, will take £5 billion a year from the income of pension funds.

How can one possibly expect the British public to believe that pensioners will not be worse off if someone, each and every year, malversates £5 billion from their pension funds? It is an extraordinary state of affairs for a Government to have so little respect for the public's intelligence. Although the public fell for it during the general election, they will not fall for it if the Labour party does it again.

Every one of the Government's actions on pensions has undermined pensioners' standard of living and prospects for a secure retirement.

Mr. Coaker: Will the hon. Gentleman give way?

Mr. Davies: I cannot give way because of lack of time, but I may give way to the hon. Gentleman in a moment.

Criminologists sometimes do studies and write learned articles on a strange phenomenon that they encounter in their work. It is the phenomenon of someone who has conducted such an appalling crime that he or she cannot quite face the fact that it has been committed. I believe that—in the trade—it is called a criminal who is "in denial". If the Labour party is not blatantly telling lies, it must be in denial.

After last year's Budget, the Financial Secretary to the Treasury said:

"The measure is good for pensions and pensioners, not bad for them . . . People should understand that our reforms will benefit pension funds.—[*Official Report*, 3 July 1997; Vol. 297, c. 507.]

If taking £5 billion out of pension funds benefits pension funds, what does one have to do to damage pension funds? No one other than Ministers, and perhaps a few of their more sycophantic Back-Bench supporters, could even begin to believe such nonsense.

The Government Actuary does not believe such nonsense, because he has just produced a large report mathematically proving that pension funds will have to receive higher funding levels to compensate for the abolition of the dividend tax credit. Independent financial advisers also do not believe that nonsense. On the contrary, they formed up to the Secretary of State and to the Treasury and threatened that unless something was done to protect the value of personal pensions, they would advise their clients to move back into SERPS.

Pension fund trustees—managers of British companies that have occupational schemes—do not believe that nonsense. The National Association of Pension Funds has carried out a survey of them, according to which almost 90 per cent. of employers claim that the abolition of dividend tax credit

"will absorb increased costs, but many of them are planning to share the burden with their employees . . . One in seven employers also report that they are planning to reduce pension benefits".

[Mr. Davies]

So much for the Financial Secretary's words:

"The measure is good for pensions and pensioners, not bad for them . . . People should understand that our reforms will benefit pension funds."—[*Official Report*, 3 July 1997; Vol. 297, c. 507.]

Having been rumbled, the Labour party is seeking to retreat surreptitiously—piecemeal—hoping that no one will notice quite what is going on.

Let me ask the Under-Secretary—who has the difficult task of defending the Government this evening—six questions. I see that he is getting out his pen. The whole country will looking forward to the answers to my questions, and the whole country will know that, if there are no answers, the Government are continuing to avoid the facts. *[Interruption.]*

First, what is the cost of the additional rebates that the Government have decided to provide? Secondly, what would have been the cost if all the contracted-out pension schemes had been compensated at the rate accorded to appropriate personal pensions? Thirdly, what survey has been undertaken of the cost to local government pension funds over the remaining term of this Parliament—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the hon. Gentleman. May I say to the hon. Member for Corby (Mr. Hope) that I think he has used up his ration of sedentary comments?

Mr. Davies: Thirdly—as I was saying—what study has been done of the cost to local government pension funds of the abolition of dividend tax credit over the remaining four years of the current Parliament? Would the Minister care to quantify that? If no such study has been done, the Minister and his Government are in dereliction of their duty.

Fourthly, what is the logic or fairness of not compensating the occupational schemes—the contracted-out salary-related schemes—on the same basis as the appropriate personal pensions? The loss to both sets of funds is exactly the same. Will the Minister give the same answer as the Financial Secretary gave in the earlier debate—that employers can pay, and make up the difference? Is he going to say that the Government are acknowledging the existence of a surreptitious additional tax on employers?

Fifthly, what is the logic of not compensating the contracted-out money purchase schemes? What would be the cost of compensating them according to appendix D rather than appendix E of the Government Actuary's paper? Finally and most important of all, there is the question that the Government have systematically avoided at every Social Security Question Time this year. Will they state clearly whether or not they intend to means-test the basic old-age pension?

Those questions are not at all esoteric or technical, however much the Government try to hide behind complicated mathematics. They are questions of genuine, immediate and often searing importance to older people or those approaching retirement age who do not know whether, in their retirement, they will be able to continue to afford their houses, gardens, cars and way of life.

We have not had a worse example of cynicism in the last nine or 10 months, from a profoundly cynical Government, than what has happened to pensions. If the Minister thinks that a single one of my strictures is unfair, he has the opportunity to put the record straight and provide us for the first time with some answers.

9.44 pm

The Parliamentary Under-Secretary of State for Social Security (Mr. John Denham): I welcome the hon. Member for Grantham and Stamford (Mr. Davies) to the Front Bench tonight. He gave the speech because, as the hon. Member for West Chelmsford (Mr. Burns) explained, the latter did not know much about the subject.

Let me start with the six completely unanswerable questions. The first has already been dealt with in a parliamentary answer. The second could, I am sure, be answered in response to an appropriately worded parliamentary question. The valuation of local authority pension funds will take place in March this year. The remaining three unanswerable questions I shall answer in the course of my speech. I am grateful to the hon. Member for Grantham and Stamford for posing such challenging questions.

It has become clear beyond doubt in the debate, as the hon. Member for Gainsborough (Mr. Leigh) said, why pensions reform is necessary and right. It is also clear why it is this Government who have the determination and vision to bring about the changes.

The Opposition have been generous to the House with their time tonight. We have heard time and again how the previous Government failed Britain's pensioners. Throughout the debate, my hon. Friend the Member for Colne Valley (Kali Mountford), the hon. Member for Northavon (Mr. Webb) and others have reminded the House of the previous Government's actions, describing how pension rights were reduced throughout their period of office and nothing was done to ensure that pensioners would share fairly in rising national prosperity.

Despite the views of the hon. Member for Bromsgrove (Miss Kirkbride), it has been made clear how personal pensions were launched in an atmosphere of hype, fuelled by the then Government and exploited by poorly managed companies, so that more than 1 million people fell victim to mis-selling. I am afraid that my hon. Friend the Member for Corby (Mr. Hope) failed on several occasions to extract an apology for that mis-selling from that Government's representatives.

I do not intend to argue that no changes were needed to the pensions system in the past 20 years, and I would certainly argue that radical improvements are needed to modernise the system and ensure that it can develop and evolve to meet society's needs in the new world of work in the next century. Change is needed, but the party that called this debate stands condemned by its own record: it made changes, but they made things worse.

The symptoms of failure are clear. There is widening inequality among pensioners. One in four are reliant on income support or are entitled to it and not getting it. The previous Government were totally uninterested in those pensioners' plight. They turned a deaf ear to the problems that pensioners faced with their winter heating bills. Millions of people in work today are unable to build up pension rights sufficient to bring them security in retirement.

Perhaps 1 million people were encouraged by the previous Government not to join their employer's occupational scheme, which would have given them the

best chance of a secure retirement. Provisional figures show that membership by men of occupational pension schemes fell by more than 2 million while the previous Government were in office: that is 2 million more men no longer benefiting from what is usually the best pension scheme around.

Millions of people today cannot join an employer's scheme, and while personal pensions have been, and are, fine for some, many people who are in and out of work, the majority of them women, cannot maintain payments and find that the fees and charges can eat up a quarter or more—sometimes far more—of their savings by the time that they retire.

Mr. Gibb: Will the Minister confirm that, in view of the Secretary of State's announcement this evening of yet another pilot scheme, the mooted pensioners' guaranteed income scheme has been dropped?

Mr. Denham: We are committed to honouring our manifesto promise to try to find ways of getting more automatic help to the poorest pensioners, and the pilot schemes that we have launched today and the other research that we are conducting will give us the information that we need to design the best system to achieve that aim. The previous Government did not take such action in 18 years.

I have set out the legacy that the Government's pensions review will have to address, but return to the Opposition's claim that measures taken in last July's Budget, and measures which have followed in part the Budget changes, will damage pension provision. But all hon. Members know that any pension system depends on creating the wealth that will be needed to pay retirement pensions. Boom and bust economics, short-term fixes that throw people out of work and prevent them from saving, and uncertainty, which stops companies investing, all existed under the previous Government, and undermine the economy, investment, British companies and the ability to create the wealth on which our pension incomes depend.

Last July's Budget, which took place after the Chancellor gave the Bank of England greater power and independence, was intended to create conditions for steady, sustainable economic growth. We set out to put the economy on a solid foundation by scrapping measures that distorted investment decisions, by cutting corporation tax and, above all, by putting the country's finances on a sound footing. A Budget that is good for the economy is good for pensions.

There have been significant changes in the pattern of pension provision in recent years, which we needed to address. *[Interruption.]* I am happy to repeat that I believe that a Budget that is good for the economy is good for pensions. If Conservative Members do not believe that, I wonder what they believe is a good Budget.

Mr. Duncan Smith: I am listening carefully to the Minister, but does he accept that the Government Actuary's report makes it clear that the Government Actuary believes that income from investment fell by 0.25 per cent. directly as a result of the Budget?

Mr. Denham: I shall deal with the Government Actuary's report and our response to it. There have been significant changes in the pattern of pension provision in recent years. Some pension schemes have changed from salary-related schemes to money-purchase schemes. Other pension schemes have changed from employer's occupational schemes to group personal pensions. Those important trends were not caused by the Government, but were well established; indeed, the actions of the previous Government encouraged them.

We asked the Government Actuary to examine those trends, and issues arising from the Budget. The Budget was for the long term, pensions are a long-term business, and rebates are normally set for five years: in our judgment, no early action was needed at this stage in the quinquennium on salary-related schemes which are investing for the long term. However, some personal pensions providers might have advised members of personal pensions schemes to opt back into SERPS, which might not have been in their long-term interest. So, we have increased national insurance rebates to personal pensions to maintain the attractiveness of opting out.

We have acted to prevent the extra subsidy intended for small contracted-out money purchase schemes being enjoyed by larger schemes which have no need for it.

Mr. Gibb: Why have the Government decided to reduce rebates only for COMP schemes on the basis of an assumed rate of return of 2.25 per cent. when the Actuary has said that the rate of return for pension schemes is 2 per cent.?

Mr. Denham: The action taken on COMP schemes was foreshadowed by Lord MacKay of Ardbrecknish, Pensions Minister in the previous Administration, who said of the trend of moving from salary-related schemes to COMP schemes:

> "It appears that there are some schemes seeking to take advantage of these new flexibilities in order to maximise the national insurance rebate. There is obviously a great deal of money involved here, and the Government would be very concerned if this were to happen."

Lord MacKay made it clear that the previous Government would keep the effects of the contracting out changes under review, and the Government Actuary makes it clear in his report that if the trend for large schemes to change into COMP schemes continued, that would take funds from the national insurance fund. This Government have rightly acted to prevent that.

Mr. Duncan Smith: The Minister has just come up with a statement in answer to a straightforward question from my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb). My hon. Friend asked why the Government took a different settlement. The Government have missed the point. They did not allow for the fall-off in investment in COMPS. It has nothing to do with the fact that there may be some changes relating to those companies coming into COMPS and everything to do with the fact that the Government were trying to save money on the national insurance fund. That is the fact—savings to the Exchequer.

Mr. Denham: I made it perfectly clear: for occupational schemes there was no need to take action,

[Mr. Denham]

whereas for personal pensions there was that need and we took the appropriate action. We recognise that, over the past 20 years—the past 10 in particular—

Mr. Quentin Davies: Will the Minister give way?

Mr. Denham: No, I have given way generously. If the hon. Gentleman does not like the fact that we took the action to protect the national insurance fund that his predecessors said they would take when in government, that is his difficulty.

We recognise that the rebate structure that has evolved over the past 20 years has created inequalities. It does not necessarily match the needs of the different types of contracted-out pension provision now available. Although we have made the necessary short-term changes, we shall review the whole rebate structure in the light of the pensions review and the introduction of stakeholder pensions to ensure that it underpins the Government's new pensions policy.

The Government keep their promises and we have kept our promises to pensioners—both today's pensioners and those who will retire in future. We promised to maintain the basic state pension as the foundation for retirement and to uprate it at least in line with prices. We have kept that promise and we shall honour the manifesto on which we were elected. We have done more: we shall spend £200 million this year and next giving all pensioners help with their heating bills. We are doing more: we have cut VAT on fuel—

Mr. Burns: Prices or earnings?

Mr. Denham: If the hon. Gentleman, who is the Opposition spokesman on the subject, cannot be bothered to reply to the debate, he can at least do without making interventions from a sedentary position.

We are doing more: we have cut VAT on fuel after the Conservative party tried to raise it to 17.5 per cent. We are cutting other VAT, so that more pensioners' homes can be insulated. We are allowing local authorities to invest capital receipts to improve the homes of pensioners, among others.

We are doing more. For 18 years the Conservative party did nothing for those pensioners—mainly women, usually over 75, often living alone—who do not receive the income support to which they are entitled. Instead, the Conservatives blamed pensioners for their poverty. The Government have set out to find out why those pensioners do not claim and my right hon. Friend the Secretary of State has announced nine pilot schemes to find the best ways of identifying those pensioners and encouraging them to claim. We promised in our manifesto to find ways of giving more automatic help to the poorest pensioners and these early actions will help us to find the best way to do so.

The Government have taken action for today's pensioners already. In our pensions review, we are talking to and meeting today's pensioners and giving them a voice at the heart of government. While we tackle the problems faced by today's pensioners, we want to help the pensioners of the future too.

Miss Ann Widdecombe (Maidstone and The Weald): I thank the Minister for giving way. As we have only three minutes left, I did not want him to forget one very important question, which he promised to answer. Has his right hon. Friend the Secretary of State ruled out means-testing the state pension?

Mr. Denham: I have made it perfectly clear that we shall honour the manifesto on which we were elected. We shall increase and we have increased the basic state pension at least in line with prices. I am not surprised that Conservative Members scream and shout, because they did not do what my hon. Friend the Economic Secretary to the Treasury has done and set about tackling the problem of pension mis-selling. They did nothing about that problem for five years.

Undoing the damage done by the Conservatives is not enough. We do not want only some people to enjoy a good second pension; we want as many people as possible to do so. That is why we are looking at ways to support and strengthen the framework for occupational pensions. However, not everyone can join an occupational pension scheme, which is why we are consulting on our plans for low-cost, value-for-money, flexible stakeholder pensions. That is also why we want to make sure that those who cannot save for a second pension, such as carers, many of whom are women, can also enjoy security in retirement. We know the scale of the pensions challenge. We know that we must build consensus on a new pension framework that will last. That is why we are consulting so widely with pensioners, employers, trade unions and pension providers. It is a challenge that we must meet.

Tonight, it is the Conservative party that is condemned. For 18 years, it took away pension rights and gave people nothing in their place. It mis-sold personal pensions and did nothing to clear up the mess. For years, it fought against even pension fairness in divorce. It ignored pensioners living in poverty and blamed them for their lack of money. It put VAT on fuel and wanted to raise it to 17.5 per cent.

Mr. James Arbuthnot (North-East Hampshire) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 161, Noes 294.

Division No. 197] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Allan, Richard
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baker, Norman
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brand, Dr Peter
Brazier, Julian
Breed, Colin
Brooke, Rt Hon Peter
Bruce, Ian *(S Dorset)*
Bruce, Malcolm *(Gordon)*
Burnett, John
Burns, Simon
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chidgey, David
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*

Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton–Brown, Geoffrey
Collins, Tim
Cotter, Brian
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forsythe, Clifford
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Gale, Roger
Garnier, Edward
George, Andrew *(St Ives)*
Gibb, Nick
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gorrie, Donald
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hughes, Simon *(Southwark N)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Jones, Nigel *(Cheltenham)*
Key, Robert
Kirkbride, Miss Julie
Kirkwood, Archy
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Livsey, Richard
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Malins, Humfrey
Maples, John
Maude, Rt Hon Francis
May, Mrs Theresa
Michie, Mrs Ray *(Argyll & Bute)*
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Öpik, Lembit
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Rendel, David
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Ross, William *(E Lond'y)*
Rowe, Andrew *(Faversham)*
Ruffley, David
Russell, Bob *(Colchester)*
St Aubyn, Nick
Sanders, Adrian
Sayeed, Jonathan
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Matthew *(Truro)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyler, Paul
Tyrie, Andrew
Viggers, Peter
Wallace, James
Walter, Robert
Wardle, Charles
Waterson, Nigel
Webb, Steve
Wells, Bowen
Whitney, Sir Raymond
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Stephen Day and
Mr. John Whittingdale.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Banks, Tony
Barnes, Harry
Battle, John
Bayley, Hugh
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Church, Ms Judith
Clapham, Michael
Clark, Paul *(Gillingham)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darling, Rt Hon Alistair
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Harman, Rt Hon Ms Harriet
Healey, John
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Dr Lynne *(Selly Oak)*
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom

Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Liddell, Mrs Helen
Linton, Martin
Livingstone, Ken
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McLeish, Henry
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mallaber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Meacher, Rt Hon Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Oliner, Bill
O'Neill, Martin
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Clive Betts and
Mr. David Jamieson.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House welcomes the Government's commitment to maintain the basic state pension as the foundation of pension provision and to uprate it at least in line with prices; welcomes the tough action which is being taken to ensure that victims of pension mis-selling are compensated; welcomes the action the Government has already taken in giving a Winter Fuel Payment to all pensioners with fuel bills to pay and fulfilling its promise to Britain's pensioners by cutting VAT on fuel to five per cent.; welcomes the Government's progress in developing pensions policy which will benefit today's and tomorrow's pensioners; welcomes the widespread consultation the Government is undertaking and notes that the Government's Pension Review has received over 2,000 submissions from pension providers, employers, trade unions, pension experts and pensioners' organisations; notes the widespread support for the Government's proposals for Stakeholder Pensions; and deplores the previous administration's policies on pensions, their imposition of VAT on fuel and their attempt to increase VAT on fuel to 17.5 per cent.

It being after Ten o'clock, MR. DEPUTY SPEAKER *put the Questions which he was directed to put at that hour, pursuant to Standing Order No. 55(1) (Questions on voting of estimates, &c.).*

ESTIMATES, 1997–98 (NAVY) VOTE A

Resolved,

That during the year ending on 31st March 1998 an additional number not exceeding 975 all ranks be maintained for Service in the Reserve Naval Forces.

ESTIMATES, 1997–98 (ARMY) VOTE A

Resolved,

That during the year ending on 31st March 1998 an additional number not exceeding 460 all ranks be maintained for Army Service.

ESTIMATES, 1998–99 (NAVY) VOTE A

Resolved,

That during the year ending on 31st March 1999 a number not exceeding 49,965 all ranks be maintained for Naval Service, and a number not exceeding 17,755 for Service in the Reserve Naval and Marine Forces.

ESTIMATES, 1998–99 (ARMY) VOTE A

Resolved,

That during the year ending on 31st March 1999 a number not exceeding 132,060 all ranks be maintained for Army Service, a number not exceeding 97,800 for Service in the Reserve Land Forces, and a number not exceeding 6,000 for Service as Special Members of the Reserve Land Forces under Part V of the Reserve Forces Act 1996.

ESTIMATES, 1998–99 (AIR) VOTE A

Resolved,

That during the year ending on 31st March 1999 a number not exceeding 58,280 all ranks be maintained for Air Force Service, a number not exceeding 26,050 for Service in the Reserve Air Forces, and a number not exceeding 270 for Service as Special Members of the Reserve Air Forces under Part V of the Reserve Forces Act 1996.

ESTIMATES, EXCESSES 1996–97

Resolved,

That a sum not exceeding £195,333,507.98 be granted to Her Majesty out of the Consolidated Fund to make good excesses of certain grants for Defence Services for the year ended on 31st March 1997, as set out in House of Commons Paper No. 554.

SUPPLEMENTARY ESTIMATES, 1997–98

Resolved,

That a further supplementary sum not exceeding £2,442,361,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges for Defence and Civil Services for the year ending on 31st March 1998, as set out in House of Commons Paper No. 511.

Ordered,

That a Bill be brought in on the foregoing resolutions; And that the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. Alistair Darling, Mr. Geoffrey Robinson, Mrs. Helen Liddell and Dawn Primarolo do prepare and bring it in.

CONSOLIDATED FUND (No. 2) BILL

Dawn Primarolo accordingly presented a Bill to apply certain funds out of the Consolidated Fund to the service of the years ending on 31st March 1997 and 1998: And the same was read the First time; and ordered to be read a Second time tomorrow, and to be printed [Bill 139].

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, the Fossil Fuel Levy Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Jane Kennedy.]*

Question agreed to.

Fossil Fuel Levy Bill *[Lords]*

Not amended (in the Standing Committee), considered.

New clause 1

REGULATIONS AND ORDERS UNDER SECTION 33

'(1).—Section 106 of the Electricity Act 1989 (Regulations and orders) is amended as follows.

(2) In subsection (2)(a) after "regulations" there is inserted "other than regulations under section 33 (10)".

(3) In subsection (2)(b) after "than" there is inserted "an order under section 33 (5B)".'.—*[Mr. Redwood.]*

Brought up, and read the First time.

10.15 pm

Mr. John Redwood (Wokingham): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this, it will be convenient to discuss the following amendments: No. 6, in clause 1, page 1, line 6, at end insert—

'(1A) After subsection (5) there is inserted—

"(5A) The aggregate of any amounts paid by way of levy under this section in any period of six months shall not exceed the average amount so paid in the previous two six month periods unless the Secretary of State by order so provides.

(5B) An order under subsection (5A) shall be by statutory instrument and shall be subject to approval by the Commons House of Parliament".'.

No. 3, in page 1, line 18, leave out from 'to' to end of line 21 and insert

'add further classes of electricity generation to the definition of "leviable electricity" contained in subsection (8) above.'

No. 2, in page 1, line 21, at end insert—

'(c) substitute for paragraph (a) of the definition of "leviable electricity" in subsection (8)—'is generated by a fossil fuel generating station other than a coal–fired generating station which the Secretary of State has certified is a coal–fired generating station using "clean–coal" technology'.

No. 4, in page 1, line 21, at end insert—

'(10) The levy imposed on a supplier of electricity generated in pursuance of qualifying arrangements under paragraph (c) of the definition of leviable electricity in subsection (8) above may not be greater than the aggregate payments received in respect of that electricity under this section.'.

No. 5, in page 1, line 21, at end insert—

'(10) Any extension of the levy by regulations made under subsection (9) above which results in the levy becoming chargeable in respect of electricity on which it was not previously chargeable shall not have effect until such regulations are approved by resolution of the Commons House of Parliament.'.

No. 8, in title, line 1, after '33', insert

'and in consequence section 106'.

Mr. Redwood: It is a pleasure to be back at the Dispatch Box after a brief interruption to Department of Trade and Industry business, which seems to dominate the House this week. *[Interruption.]*

Mr. Deputy Speaker: Perhaps the right hon. Gentleman will wait a moment, and perhaps the interruption will be as brief as possible. Will right hon. and hon. Members please withdraw quickly and quietly?

Mr. Redwood: I am grateful to you, Mr. Deputy Speaker, for getting the House to settle down. I pay tribute

[Mr. Redwood]

to my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), who has been particularly assiduous in studying this short but complex Bill and in helping with preparing the necessary amendments. I hope that he will catch your eye a little later, as I am sure that the House would benefit from his expertise in these matters.

I wonder whether Labour Members have access to a briefing document, rather like the one with which they were equipped for DTI questions. If only that had been issued to all Members of the House before DTI questions, we would not have needed the questions, because everything that Labour Members said during those questions had been written for them from Walworth road. I assume that they will operate tonight on a similar basis.

Whether Labour Members are briefed or not, it is our job to bring to the notice of the House this complex, muddled and difficult little Bill and to illuminate its fundamental aspects with a series of new clauses and amendments designed to probe, test and pin the Government down as they go about their nefarious ways.

The main purpose of our amendments will be to impose some control for the House of Commons—Labour Back Benchers as well as Opposition Members—over the tax-raising powers that the Bill represents; to put in a plea for the coal industry and for the renewable energy industry, which we do not think is properly protected by the provisions of the Bill; to give Labour Members an opportunity to voice their views on the necessary balance of energy policy between gas, coal and oil; and to use the Bill to help to fashion a policy that might produce a better energy mix than the one towards which Ministers are muddling by their actions, inactions and lack of concern for many of the important energy industries in this country.

This is a complex measure because of the way in which it is drafted, and the way in which the original legislation was drafted. I shall try to simplify it for the House. Once upon a time there was a fossil fuel levy. That was an extra charge on electricity generated from coal, oil and gas. The money from the levy was given to power generation from cleaner and greener means. It was given to renewables and to nuclear. It was a boost to a green strategy. On that basis, it was introduced and approved by the House—a limited but helpful measure for the greener and cleaner energies that Ministers then had in mind.

Then there was a Labour Government. After all the muddles which we have seen, it seems a long time ago that they were elected. They were elected both to generate more power from cleaner methods and to save the coal industry. So far, they have found that impossible to achieve, and we see them slipping and sliding into ever bigger difficulties with the Bill, as our amendments will expose tonight.

Mr. Ian Bruce (South Dorset): Is my right hon. Friend a little surprised to know that in Committee we had the greatest difficulty in getting any information from the Minister about what the Labour Government would do to the coal industry? The Electricity Act 1989, with the non-fossil fuel obligation, allows the Government to help the coal industry in any way they want, using the levy mechanism that was originally put in place to help the nuclear industry.

Mr. Redwood: My hon. Friend has put his finger on a crucial point. I hope that it will be a matter for serious debate by hon. Members on both sides of the House. I know that there are good Labour Members who represent mining constituencies and who are deeply worried by the Government's approach to the coal industry. We have tabled an amendment that offers one partial solution to the problems of coal by offering opportunities to stimulate clean coal technology. We trust that debate on that subject will illuminate some important issues.

The Labour Government have not been able to make up their mind, so they have decided in the Bill to equalise the misery of the levy by proposing it for all, or most, electricity generation. The Bill is unclear because it gives an enabling power to impose the fossil fuel levy on—of all things—renewables. That is quite extraordinary. If the original measure had a single prime purpose, it was to impose a levy on fossil fuels to stimulate renewable energy. For that reason, it was very welcome to many elements of the green movement. Ministers are now taking the enabling power, which will mean that they could impose the levy on the very renewables that it was originally designed to help, as well as preserving the levy in part on the fossil fuels from which it originated.

The Labour Government clearly do not wish to call this new tax—which is what it would become—a fuel tax. However, that is what it is in effect. Under the legislation, the Government have decided to continue to call it the "fossil fuel levy", even though they intend it to apply to non-fossil fuels and perhaps to all fuels used in various types of power generation in this country.

At the same time as we have witnessed confusion, rows and disagreements in the DTI about whether to be more pro-coal, pro-gas, pro-renewable or pro-coal again, we have seen a rapacious Chancellor of the Exchequer, in his public capacity, acting entirely legally but undesirably in taking more money from business. We are worried that the open-ended powers of the Bill will give the Chancellor and his Government colleagues the opportunity to extend on that wider base an ever bigger fuel tax by the back door of the so-called fossil fuel levy.

Part of the purpose of our proposed new clause and amendments is to try to pin down the Government on the seriousness of their taxing ambitions and on whether some limits might be imposed—at least, the necessity to return to the House of Commons for affirmative resolution following debate before additional taxation can be imposed on the energy sector.

The Chancellor has found it relatively easy, in his own terms, to tax pensions, personal savings and businesses massively. He obviously views this as a rather modest measure to tax fuels more generally, and perhaps then will propose diverting some of the moneys from their original purposes to others that he already has in mind.

Our amendments Nos. 6, 4 and 5 are designed primarily to place some limit and parliamentary control on the tax-raising measures. I shall go into some detail on our new clause. New clause 1 is consequential on the drafting of amendment No. 4—it does not make sense unless one refers to that amendment, which inserts new subsection

(10) in the Bill. It tidies up the order-making powers in the original Electricity Act 1989, consequent on the suggested changes in amendment No. 4. I shall not detain the House further with technical explanations of new clause 1 unless Labour Members request that by way of intervention. I think that this will become clearer when they see the way in which amendment No. 4 is intended to operate.

New clause 6 is of considerable substance. It is one of our suggested mechanisms to impose a ceiling on the levy or tax-raising powers—

Mr. Deputy Speaker: Order. I am sorry to interrupt the right hon. Gentleman, but for clarification's sake and for the benefit of the House, I think that he is referring to an amendment rather than a new clause.

Mr. Redwood: You are quite right, Mr. Deputy Speaker. I had misread the significance of the firm line under new clause 1; I mean amendment No. 6.

Amendment No. 6 is an attempt to impose a ceiling on the levy, and we propose to do that by ensuring that the aggregate of amounts paid by way of levy under section 33 of the 1989 Act in any period of six months does not exceed the average so paid in the previous two six-month periods. That should be relatively easy for the Government to accept, if we are to trust them when they say that they have no wish to increase the tax burden on the industry.

If the Government are not willing to accept this or a similar formula, our worries will indeed be confirmed that the intention of the Chancellor and his colleagues is to find an easy means of taxation by the back door, without the normal scrutiny of a Finance Bill, at the expense of the fuel industry and, ultimately, the fuel consumer, the person whom the Government often say that they are keen to help, but to whom their measures on company taxation do the opposite.

Mr. Ian Bruce: I do not know whether my right hon. Friend had a chance to read the Standing Committee debates. Did he notice that the Government's intention to have 10 per cent. renewable energy would put up the price of electricity by at least 15 per cent., which is roughly the percentage on which they won the election by telling pensioners that they would not allow the Conservative Government to increase VAT on electricity bills to 17.5 per cent.?

Mr. Redwood: Indeed. I am grateful to my hon. Friend. He is ahead of me in the argument that I shall set out to the House. He is right to warn that the current energy policy could undo some of the good that had been established by competitive Conservative energy policies in lowering the price of energy delivered to customers. No small Budget measures by way of subsidy or compensation could offset measures of this magnitude if the Government did their worst through the blunders that they seem inclined to make on energy policy.

I notice that the Minister is not rising on any of this, so I assume that we are hitting home when we say that there are considerable dangers to customers as well as businesses in the policy that is unfolding in the Bill and elsewhere, and in the Executive actions and inactions of the ministerial team.

Amendment No. 3 offers the Minister greater flexibility in the proposed legislation. It shows how thoughtful we on the Opposition Benches are about the Minister's conduct. At times, we try to make his life easier, rather than more difficult, as well as to elucidate the mountainous problems that sit on his desk. This is a genuine attempt to assist him. The powers drafted by him or his advisers in the current text are rather clumsy. The amendment would allow the Minister to disaggregate. *[Interruption.]* The hon. Member for Bolsover (Mr. Skinner) says that I often understate my case. He is quite right.

Mr. Dennis Skinner (Bolsover): I was being ironic.

Mr. Redwood: I did not for one moment think that the hon. Gentleman was being anything other than ironic. I know that irony is the lowest form of wit and that he loves indulging in irony from his sedentary position below the Gangway, but as it was such a weak piece of irony, I thought that *Hansard* should have the advantage of it.

I am sure that the hon. Gentleman will be grateful for the way in which I read it into the record for him. If only he would refer to his Order Paper and his amendment paper, he might learn something about a subject that should be dear to his heart. I am shortly coming to the coal industry, where I shall look to him for some support. *[Interruption.]* The hon. Gentleman is saying rather a lot from a sedentary position. I am grateful for that correction. I hope that he will give the House the advantage of his expertise shortly, because coal is of considerable importance to the people he represents, as well as to the constituents of other hon. Members.

Amendment No. 3 allows the Minister greater flexibility. It allows him to disaggregate the definitions of leviable electricity. It would, for example, allow him to make distinctions between different types of renewables, because we would urge him not to extend the tax to renewables. If he finds it irresistible to extend the tax to some renewables, amendment No. 3 will give him an opportunity to select from within the range and be kinder to those that are more speculative, that represent a bigger technical leap or that, by reasons of scale, are more difficult to see through to a successful conclusion.

10.30 pm

I hope that the Minister will speak about the way in which the Government will look after the renewable energy industry and how he intends to promote it in the light of the change against it in the projected levy under the Bill; if he is going ahead with the powers and intends to take disadvantage of them from the point of view of the renewable energy industry, I hope that he will tell us what other measures he is planning to take to offset that and foster that important series of industrial activities.

I come now to perhaps the most important and contentious of the amendments, amendment No. 2, concerning coal. We are offering the House the opportunity to exclude clean coal technology power generation from the definition of leviable electricity.

The Minister has from time to time said, as did his colleagues in the run-up to the election, that one of the ways in which it was hoped to square the circle of wanting greener policies, but also wanting a reasonably sized coal industry, was by promoting and helping clean coal

[Mr. Redwood]

technology. We have so far seen very little of substance from this ministerial team to put any weight behind their promise to the hard-pressed and deteriorating British coal industry. This gives the Minister an opportunity to do something more.

The Minister for Science, Energy and Industry (Mr. John Battle): Is the right hon. Gentleman suggesting that he wants an exemption for clean coal power stations? Will he confirm that, unfortunately, at the moment there is none because the previous Conservative Government shut down the possibility when they let the technology go from Grimethorpe?

Mr. Redwood: The Government have done nothing of substance so far to promote that technology. I am offering the Minister a way—

Mr. Clive Betts (Sheffield, Attercliffe): Answer the question.

Mr. Redwood: I am about to answer the Minister. If the Whip will contain himself and return to his usual quiet charm, he may learn something.

I am offering the Minister a way of giving some incentive and promotion to the clean coal technology which he has said in the past is needed to provide a bigger coal industry than we are heading for under current ministerial policies.

I do not know whether the Minister is fully aware of the disaster currently hitting the coal industry as a result of the muddle and confusion created by the Government. Has he seen what has happened to coal output in recent months under the Government—a big reduction in coal output as a result of their policies? Has he seen what has been happening—

Mr. Michael Clapham (Barnsley, West and Penistone): I marvel at the hypocritical and disingenuous way in which the amendment is being moved. A clear illustration of that is the fact that the right hon. Gentleman was part of the Cabinet in 1993 which threw out the recommendation of the Select Committee on Trade and Industry that £380 million a year for five years be taken from the fossil fuel levy to finance clean coal technology.

Mr. Redwood: There is no hypocrisy on my part. If the hon. Gentleman had done his homework, he would know that I was a keen advocate of the saving of the Tower colliery in Wales, for which I had some modest responsibility as Secretary of State for Wales. That was bought out by the miners and became a successful enterprise. I am pleased that they did that, and it is a great tribute to their achievements. I was keen that that remaining part of the deep-mine industry in Wales should survive. Partly because of my intervention, but more because of the efforts of the miners, it did survive, and I pay tribute to their work.

Mr. Philip Hammond (Runnymede and Weybridge): Does my right hon. Friend agree that there is a considerable difference between a direct subsidy to a technology and giving it relief from a tax to encourage private sector investment by giving it a relative advantage against other technologies?

Mr. Redwood: My hon. Friend is absolutely right. This is a modest tax incentive, but it is a step in the right direction. The Government have an opportunity to accept the amendment and to tell us what more they will do. The only conceivable fig leaf on their lack of policy is that they make something of clean coal technology and look forward to a future where coal can be sold in reasonable quantities without damaging the stringent environmental targets which they have set or are thinking of setting.

I shall return to my argument about the current grave position of the coal industry.

Mr. Ian Bruce: Will my right hon. Friend give way?

Mr. Redwood: I shall develop my argument a little and then I shall be grateful for my hon. Friend's wise advice.

The Minister was taken off the case and the Paymaster General was brought in by the Prime Minister to rescue the coal industry. The Prime Minister seemed to announce a deal that had saved the coal industry, at least in the short term. We then learned that nothing had been arranged and the Paymaster General was brought in to arrange something. We now believe that all that was arranged was a decision by leading generators to bring forward third-quarter purchases of coal into the second quarter of the current year. Let us assume that that happens. We have had a mild winter so far, and coal burn must have been reduced as a result. That means that, by the time we enter the third quarter, the burn will be down, the stock position will be up—all things being equal—and the crisis in the coal industry will be that much bigger.

The Minister should recognise that the issue is not just how much coal generators buy in any limited number of weeks, but how much coal they buy and burn and how much coal they wish to buy and burn on a continuing basis over the years ahead. I believe that the Paymaster General's intervention will turn out to have been unwelcome for the Government. It will have built up modest expectations that will be disappointed and it will have exacerbated the problem of adjustment when we get to the end of the second quarter. Also, it leaves the basic conundrum completely unsolved: do the Government wish to make people burn more coal, is it possible to burn more coal and keep to the environmental targets which they have set or are inclined to set and are they in a position to deliver on their promises to the greens and the coal industry?

Mr. Bruce: I wonder whether my right hon. Friend is missing one of the points made ably by the hon. Member for Barnsley, West and Penistone (Mr. Clapham), which is that clean coal technology was at an advanced stage and nobody wanted to buy it. The previous Government decided not to put money into that. The opportunity for it to be used is available to the Government now and we

have not been able to get any commitment from the Minister during the Bill's passage that he will put his money where his mouth is.

Mr. Redwood: My hon. Friend is right. Ministers have been reluctant to produce a package of measures which would promote one of their chosen solutions to the problem of their making—clean coal technology.

Mr. Geoffrey Clifton-Brown (Cotswold): I do not know whether my right hon. Friend is aware of the fact that I had the former Coal Research Establishment in my constituency, just outside Cheltenham.

Mr. Battle: Who shut it down?

Mr. Clifton-Brown: Does my right hon. Friend agree that, if coal is to have any sustainable long-term future, we have to use the latest technology—fluid-bed technology and combined cycle technology with heat recovery? That is the only long-term sustainable way to burn coal.

Mr. Redwood: My hon. Friend is right. If they wish to make—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We cannot have the Minister making a contribution right now.

Mr. Redwood: I am grateful, Mr. Deputy Speaker. I shall be happy to answer any point that the Minister might like to make by way of a proper intervention.

My hon. Friend hon. Friend the Member for Cotswold (Mr. Clifton–Brown) is right. There has been an absence of positive action to back up some of the fine words—interspersed with some less fine words—from the ministerial team. The Minister owes the House an explanation tonight of the Government's stance on clean coal technology. They came to power saying, among other things, that they would be better for the coal industry than the Conservative Government had been, and that they would be better for clean coal technology than they claimed the Conservative Government had been. There is always room for improvement in this world, but nobody can say that, since May 1997, there has been any improvement at all. Indeed, there has been movement in the other direction. The mining communities feel let down by the Administration—they expected better and they are getting worse.

Mr. Hammond: Does my right hon. Friend agree that, although the focus over the past six or eight months has been on the pricing of coal contracts to generators, the long-term issue is not about price but about the Government's dilemma—the choice between their environmental targets and their commitment to the coal industry?

Mr. Redwood: Indeed, and we are finding it difficult to clarify how stringent the Government's environmental targets are. The Prime Minister—in a sweeping gesture—set a target for carbon dioxide emissions to be cut by a fifth; a massive movement, bigger than our partners were promising at the time of the conference where the Prime Minister made that promise. That would mean a further big reduction in the coal industry. Is the Minister prepared to quantify how much?

Mr. Battle: The right hon. Gentleman must be suffering from amnesia. Perhaps the late nights he keeps mean that he cannot cope. Does he remember being a member of a Government who passed the sulphur emission targets which would have shut down every coal power station in Britain except Drax and Ratcliffe? Who left us that legacy? Can he remind us?

Mr. Redwood: We read in the newspapers that the sulphur targets we set are thought to be too lenient by the Government, who are discussing a considerable intensification of those targets. Will the Minister confirm or deny that? It is rash for him to criticise the sulphur targets that we established in government if his Government are about to create stiffer targets which the coal industry will find it difficult, if not impossible, to meet.

The Minister seems quite unaware of the difficulties that the tensions are causing. As my hon. Friend the Member for Runnymede and Weybridge said, there is a dilemma. The Prime Minister once said that he thought that government was about making hard choices. There is a good, hard choice for the Prime Minister, the President of the Board of Trade or the Paymaster General—or even, conceivably, the Minister, if he is allowed back on the brief. The hard choice is: are the Government greener than the Conservatives, in which case less coal will be mined, or are they less green than the Conservatives, in which case more coal could be mined?

How will the Government resolve the issue? Are they primarily a green Government—in which case they should be honest with the miners and tell them that much of the game is up for the mining industry—or are they a Government who are true to their roots in the mining communities, who will set less difficult targets and who will actively promote the market for coal? I trust that the Minister has read the suggestions from the Coalfield Communities Campaign. It would be good to hear whether he thinks that his Administration would like to accept those suggestions. How would that relate to the Bill? Does the Minister agree that amendment No. 2 is a small step in the direction of helping the coal industry? He has the choice, and he should give the House the benefit of his feelings before the night is much older.

Amendment No. 4 concerns renewables, and states:

"The levy imposed on a supplier of electricity generated in pursuance of qualifying arrangements under paragraph (c) of the definition of leviable electricity in subsection (8) above may not be greater than the aggregate payments received in respect of that electricity under this section."

The intention is to make sure that the renewable industry is not cheated under the proposal by having to pay more in levy than it receives from the fund created by the levy payments.

The original intention of the levy was to be generous to the renewables industry at the expense of less clean methods of generating power. The Minister must be more precise than the Bill, given that he wishes to upset the thrust behind the legislation that he inherits. He owes it to the House to say whether he would be happy with the amendment, which is offered in a helpful spirit, or

[Mr. Redwood]

whether he seriously intends to take money away from the renewable energy sector by imposing a higher levy on it than the payments that it receives. Will the Minister answer that point immediately to save the House some time?

Mr. Battle *indicated dissent.*

10.45 pm

Mr. Redwood: I am happy to wait until the whole debate is answered, if that is the Minister's wish. He would have saved the House time by saying that he accepted the intention of the amendment, or a lesser or greater intention. We would be happy with an amendment that would allow the renewables industry to receive back more than it pays, for example. We would not be happy with a looser amendment, which would leave the renewables industry potentially subject to the depredations of the Chancellor of the Exchequer and the whims of the President of the Board of Trade, which is the position in the Bill as it stands.

Amendment No. 5 would deal with the democratic difficulties in this proposal. It is a strong principle of our fine and ever-modern unwritten constitution that the House keeps control over the vote of moneys—over the levying of taxation and financial levies on industries or persons. What my right hon. and hon. Friends most regret about the measure is that it gives wide-ranging powers to levy money from businesses without going through separate and normal democratic processes to ensure that the levy rates are properly debated and approved through financial legislation. It would be more honest for the Chancellor of the Exchequer to introduce this kind of proposal as part of a Finance Bill, because its power to levy the whole energy industry is so wide that it has the nature of a tax rather than a special levy for a special purpose, which is how it was originally designed and named by the previous Administration.

The amendment therefore suggests that there should be a separate resolution by the House of Commons in this or a future Parliament to extend the levy. That modest request would be in keeping with the long-established principles on which our democracy is based, and with the principles established by long debate, row and battle centuries ago, when hon. Members rightly thought that it was necessary to have control over the Executive and their ability to raise taxes from industries and people in our community. If the Minister is not prepared to accept this modest proposal concerning the affirmative resolution, I hope that he will give us the benefit of his ideas on how the House of Commons can remain involved in the levying of taxation on the energy industries, given the wide-ranging and open-ended powers that have been drafted in the current version of this obscure but quite important Bill.

Mr. Clifton-Brown: My right hon. Friend is dealing with one of the most fundamental issues that the House has to deal with at this point. Does he agree that the use of Henry VIII clauses, thereby giving Ministers unduly wide powers, is a serious deficit in the democratic process, and that even Ministers, who would naturally want to gain those powers, should resist those?

Mr. Redwood: My hon. Friend is right. DTI Ministers were detained for some hours last night because they were seeking Henry VIII powers over a minimum wage, with huge and unspecified cost consequences to the public as well as the private sector, and they were not prepared to put in the Bill the issue that concerns Labour Members as well as us—how much the wage would be.

Tonight, we have before us similar legislation, in which the Government wish to impose a levy on new industries and on sectors of an industry that have not previously paid it, without being prepared to specify in the Bill how much that levy would be and exactly how it would be spent on the other side of the ledger.

The Minister is looking around trying to think of something to say in response.

Mr. Battle: Sometimes strange things happen in this place: we change sides. Unfortunately, exactly his present argument was put to the right hon. Gentleman when he was in government in February 1989. He did not think that it was a great matter of principle then, because he voted against our attempt to introduce the affirmative resolution procedure under the 1989 Act.

Mr. Redwood: The Minister walked right into that; he now says that he thinks that it is a good idea to require an affirmative resolution. We seem to have reached happy agreement.

Mr. Battle: But I agree with you now.

Mr. Redwood: I think, Mr. Deputy Speaker, that the Minister means that he agrees with me—with the right hon. Member for Wokingham. But he does not agree with me, because my view is clearly that we need the affirmative resolution procedure, whereas he is saying that he does not want it. *[Interruption.]* I do not remember having expressed a view at the time.

Mr. Battle: No, but you voted.

Mr. Ian Bruce: My right hon. Friend is having an interesting exchange with the Minister, but if he reads the debates from 1989, he will realise that he is now supporting the view that the present Prime Minister held at that time. It is surprising that the Minister, who I suspect is quite ambitious, does not accept the logic of the argument that the present Prime Minister, then simply the hon. Member for Sedgefield, expressed on the issue at the time. I hope that now he will immediately agree to accept the amendments.

Mr. Redwood: We live in hope, but I fear that my hon. Friend's hope may have outrun the reality of the Administration whom we are, unfortunately, experiencing day by day.

The new clause and amendments are designed to deal specifically with three important issues. The first is whether the Minister will accept the amendments or give us another way in which the House can retain ultimate control over how high the levy could go. We offer him the route of putting a cap, or ceiling, on the levy, and also the route of giving the House its entitlement—a requirement for an affirmative resolution should any change in the levy, especially an increase, be recommended by the Administration.

The second big issue that we seek to highlight is the future of the coal industry. We see an industry that, measured by its output, is in sharp decline. We see an industry subject to quick fixes by the Paymaster General and other Ministers. It may be worthy of a soundbite or a trip down a coal mine by the Minister without Portfolio, but is not considered worthy of a serious energy policy that might provide some relief, although the industry will hit grave difficulties in the summer unless the Minister overcomes his slumbers and gets his job back from the Paymaster General.

We have offered a positive, though modest, suggestion—one of many that could be developed by Executive as well as legislative action, and one that is suitable in the context of the debate—to offer a small fiscal incentive for those developing clean coal technology, which could help the next generation of coal-fired generating plant.

The third important issue which we have highlighted is the treatment of renewable energy, which many Opposition Members believe could play an important role. It represents a very modest proportion of our current power generation, but there are many imaginative and innovative businesses in this country, and it is the kind of technology that may produce a pay-off in exports all over the world as well as at home.

That is common ground between the Minister and us. However, the Minister has an advantage that the Opposition do not have: he can take action this day, or tomorrow in his office, to do something about the idea, whereas we can merely urge action on him. We are offering him the opportunity to respond positively to the proposal and, within the confines of the debate, to tell us what else he can do to support the renewable energy industry.

I think that in one of his more fair-minded moments, the Minister would agree that our fossil fuel levy and its allocation did something to promote energy in this country and that, from a slow start and modest beginnings, we succeeded in promoting some interesting technologies and helping some companies. We would like to know how the Minister wishes to continue that work, and trust that he will respond positively to our new clause and amendments.

Will the Minister accept our new clause and amendments—which are good in intention, modest in scope and helpful—or will he make other proposals that will achieve similar jobs for the United Kingdom and for our energy industry? Will he now take seriously the need for democratic accountability, the need for policy that says something to the mining industry that it wishes to hear and the need to do more to promote the renewable energy industry?

Mr. Skinner: I have spent quite a while as an hon. Member, but listening to that ex-Minister, the right hon. Member for Wokingham (Mr. Redwood), talking about saving the 17 or 20 pits that are left has been like being in fantasy land. I could laugh, but I really want to cry. When the Tories got into power in 1979, there were 300 pits in Britain and about 13 pits in Derbyshire, where I come from. Now the ex-Minister has come to the House to tell us the fairy story that, after only 10 months in opposition, he has totally converted and wants to save those jobs.

Many of the areas that we are talking about have been subjected, with the help of the Tory Government, to opencast mining. Whether we like it or not—it is a sad thing to have to say—the fact is that, once we opencast that land, no one will ever again drive another shaft down it. The geology becomes unstable, preventing anyone from getting at any of the remaining coal. Opencast mining does not get all the coal; it gets only some of it.

I have listened to the ex-Minister for the past 40 minutes, and it has been enough to make a cat laugh. He was there in the Government—a Minister—for the greater part of the time that the pits were closed. If he was not a Minister, he was in the policy unit, telling the other Tory Ministers what to do.

Even after 1984, 174 pits were still left. Then we had the savage experience of Tory Ministers—all of them—going back on what they had told the Trade and Industry Select Committee, which produced its report. My hon. Friend the Member for Barnsley, West and Penistone (Mr. Clapham) was a member of that Committee, so he knows what he is talking about when he describes the £285 million that should have been used to develop clean coal.

When Ministers set up that Committee, they said that they would abide by its recommendations. But what happened? We had a vote in the House. On the night in question, almost every Tory Member, and every Tory Minister, went into the Lobby to shut those 31 pits, leaving about 20 pits. The Tories privatised the remaining pits, after which we lost another batch of pits, which has left us in this almighty mess.

Whatever phraseology that man—that shadow Minister—uses, the truth is that he could talk a donkey's hind leg off and until his belly warms. But out there in the country, he will not convince the people of anything other than the fact that the Tory Government were hellbent on revenge against the miners after their victories of 1972 and 1974, and that they would go to any lengths to make those miners and their families eat grass.

One of the reasons why we were able to collect money in places such as Bournemouth, Bath, Worthing and all those Tory constituencies—including Wimbledon and Harrow, where I often went—is that people there said, "We want to feed the families that Mrs. Thatcher is starving." When I say "Mrs. Thatcher", I include that shadow Minister. He was involved in it.

So I tell the ex-Minister not to come here with his fancy fairy stories about wanting to help miners. I have never heard such piffle in all my life. I think about the villages that I represent in Derbyshire, and realise that the social fabric has broken down because the Tory Government finally got rid of all their pits.

Let us be clear about it: there is a qualitative difference between how pits were closed when I was working in them and how the Tories closed them. When Parkhouse colliery closed, I had a chance to go to about 15 other collieries within a five or six-mile radius. When they closed down the last 15 pits, make no mistake! There was no chance of being transferred. Ninety per cent. of miners in my constituency were told, "Sorry, there are no more pits left for you to go to." That was the criminal action.

I had a choice; I went to another colliery, but all the young lads were chucked on the scrap heap. There used to be stable communities, where doors were left open at night. When I was first a Member of Parliament, I saw

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row after row of miners' cottages with their doors open. Now the social fabric has been destroyed to such an extent that people are kicking one another's doors in, and there are three padlocks on the doors.

11 pm

Let no one tell me that everything has happened in the last 10 months. I can be critical of this Government—I have already started—but I cannot blame them for what has happened in the coal industry. I may have to at some point, but I cannot now. There is not a single pit left in my constituency. There is not one in the whole of north Derbyshire; there is not one in Lancashire; there is only that co-operative left in south Wales—and this man here, the right hon. Member for Wokingham, is claiming credit for saving it. Come on!

I believe that there is one pit left in Durham, and there may be one left in Scotland. Let us think about it. In 1979, there were 300 pits; now we are down to about 20. Let me tell the House something else. The Government can have as many fossil fuel levies as they like, and they can shuffle the pack as much as they like, but they cannot repair the damage that was done over those 18 years of Tory government.

Mr. Clifton-Brown: The hon. Gentleman is displaying some of the best rhetoric that I have heard since I have been in the House, but will he tell us, factually, how many pits the Labour Government closed in the 1960s and 1970s, compared with the number closed by the Conservative Government in the 1980s?

Mr. Skinner: I can give the hon. Gentleman a rough estimate—and the figures bear comparison; there is no mistake about that.

When I first came down to lobby Parliament in 1967, there was a Labour Government. A fellow who is now in the House of Lords—Lord Marsh—was allegedly the Labour Minister of Power. I had suspected him a long way back, when he wore a CND badge at his selection conference, because I had not seen him on the Aldermaston march. The badge got him the selection and, having been selected, he had a wonderful plan. It was almost like the Heseltine plan—not the Heseltine plan; the plan from Henley-on-Thames. Lord Marsh was going to close down the industry then, although he was not going to use the fossil fuel levy and all the rest of it. He had to be bundled out of office. That is what we did when we marched down here in 1967 and broke into the Labour party conference to save the industry.

I will tell the hon. Member for Cotswold (Mr. Clifton-Brown) the difference in the situation. We were able to force a Labour Government to change course. We tried it in 1991 and 1992 with the Conservative Government, and we could not shift them. Between 70 and 80 pits were closed in the period that the hon. Gentleman is talking about.

I know the industry like the back of my hand; I know about all the closures. I can tell the hon. Gentleman that one pit has been closed in the last 10 months. I could not lay the closure at the door of my hon. Friend the Minister even if I wanted to, because the pit has been closed by private enterprise. The hon. Gentleman must understand this: once the coal industry is handed over to private enterprise, a Government cannot intervene, or can hardly intervene. Why? Because it is all about money—it is about shekels and it is about profit. The moment that Silverdale looked as if it could not deliver the goods, someone came along and said, "Close it."

My hon. Friend the Minister had better be aware of this point, as should every other hon. Member. Budge has about 17 pits. He is also mining about 16 million tonnes of coal a year from opencast. It sticks in my gullet to hear Budge asking the Labour Government for £300 million of subsidy from taxpayers' money, when he effectively stole the coal industry in the first place. With that subsidy, he could solve the problem himself, because all he has to do to save every single pit is turn off the tap of opencast coal production.

My hon. Friend the Minister should remember that point. When he has to make calculations, with or without a levy, he will have to bear it in mind that there are other components. He can say to Mr. Budge that we want to save the 20-odd pits that are left, but that he had better cut back on opencast. Changing the mineral planning guidance rules would make one hell of a difference. We could then save the deep mines and the miners who work in them.

My hon. Friend the Minister could do something about the French power that is coming over here. I do not go a bundle on this Common Market, and never will. I have never been caught up in it, unlike the right hon. Member for Wokingham, who is a Johnny-come-lately. He is anti-Market now, but at one time he was greatly in favour, like most of the Tories.

If 7,000 or 8,000 miners' jobs can be saved in Britain, we had better do that and not save the French nuclear power that is coming over here. If we can shuffle the fossil fuel levy in that direction, by all means let us do it. My hon. Friend the Minister should pay some attention to the question of imported coal, which comes from some of the most unlikely places. We cannot afford to chuck our few miners out of work while subsidising up to the hilt imported coal from Spain, Germany, Colombia and slave-labour economies.

The fossil fuel levy pales into insignificance compared with what can be done, but if Budge decides that a pit is not profitable, perhaps because it has run into some bad geology and is losing money, we can do nothing. Under nationalisation, we could save a pit by getting through the bad work, because there were enough profitable pits for the strong to help the weak.

Under privatisation, that will not happen: Mr. Budge will say, "That pit's unprofitable; it's going." Mark my words, if the coal industry remains in private hands, the owners of the few remaining pits will close them, just as they closed Silverdale, because it was not delivering. That is why the whole question is so important, over and above this tin-pot fossil fuel levy.

Ministers must pass the message on to Downing street or anywhere else that the only way of saving the few remaining pits, and taking them out of the grip of Mr. Budge and all the rest, is to bring the industry back into public ownership. That does not go down very well with new Labour, but it has to be said. It is much more important than some of the rubbish coming out of the mouth of the right hon. Member for Wokingham.

It has been a sad story, mainly because we had 18 years of a Tory Government who were determined to do the dirty on the miners and their families. By God, did they rub it in. Now we have to set up task forces in every single pit village to try to get work back into the communities. It is a sad story, all right.

I will give my hon. Friend the Minister the benefit of the doubt tonight, for what that is worth, but the decisions that we make on this little Bill are unimportant compared with what we have to do if we want to save the industry. If a Labour Government make the decision to save the 20-odd pits in Britain, it is possible to do it.

If we want to use the levy to shift a bit here and there and move the balance this way or the other, so be it: I go along with that. I believe in intervention and Governments moving in. I do not know whether it is old Labour or new Labour, or old-fashioned socialism. I do not believe in the principle of market forces.

I am like the farmers who ran the march the other week. They say they cannot produce food like the Mediterranean countries because they cannot compete with them. I am not against the principle of that dreaded word "subsidy". I believe that it is important to get people into work. I believe in welfare into work—in keeping miners in their jobs rather than chucking them on the scrap heap as window cleaners. We have got more window cleaners and taxi drivers in Bolsover and Barnsley than we have ever had before. That is a sad commentary on the proud pit villages that were destroyed by that lot opposite. I just had to stay to tell them.

The right hon. Member for Wokingham can spout as much as he likes. Some Tory audience might take it all in when he tells them, with his jerky movements, what he wants to do to save the industry. It is all but destroyed. The Labour Government must do something to save what remains of it. I will help my hon. Friend the Minister to do that. I had to do a little deal with him the other week to save concessionary coal; I hope that that show is on the road permanently. I will give him a hand with a shovel to save what remains of the industry, but I will not expect any help from that lot opposite, who destroyed the miners' jobs and left them to rot in nearly every pit village in Britain.

Mr. Deputy Speaker: Order. I did not want to stop the hon. Member for Bolsover (Mr. Skinner) in full flight. I have allowed a wide debate so far. Perhaps we can return to new clause 1. It would assist the Chair if mention were made of it.

Mr. David Maclean (Penrith and The Border): Mr. Deputy Speaker, we were privileged that you did not stop the hon. Member for Bolsover (Mr. Skinner) when he was in full flight. I have been here 15 years. I would never patronise the hon. Gentleman, but I must say that it was a privilege to listen to him and to the passion that he put into his speech. I hope that you will not stop the Minister if he decides to respond to the hon. Gentleman's points. I would love to hear his detailed response to them rather than to what the hon. Gentleman called this shoddy little measure or little piffle of a Bill.

It is to this little piffle of a Bill that I must turn. I oppose the measure, but I am a pragmatist. I accept that the Government have a huge majority; they can do what they like. They could do what the hon. Member for Bolsover wants if they had the mind and the guts. As the Government will get the measure through, I say only that, if they are minded to try to square the circle by taking the illogical step of imposing a levy on fuel generated by alternative, green means while going into the fifth round of the non-fossil fuel obligation, I assume that it is because they wish to show their green credentials.

The Government do not want to abandon NOFFO. They will continue to fund alternative means such as extra hydro power in Scotland, which is awash with it, and extra wind power in parts of England that are fed up with that. To continue with that and impose a levy on electricity generated by green means is illogical. If that is what they want, I urge the Minister to pay attention and to accept amendment No. 3. As my right hon. Friend the Member for Wokingham (Mr. Redwood) said, it would give him the flexibility and scope to impose levies on different sorts of electricity generated by alternative or green means.

If the Minister is minded to do that, I should be particularly interested to hear his views on the sort of levy that he might impose on wind power generated in parts of the country where wind power might no longer be so desirable as it was in the past. If the non-fossil fuel obligation is intended to encourage alternative energy sources and technology that are on the frontiers of science, one of the areas of wind power that should be looked at is wind power generated by offshore means. I believe the technology to do that has been developed, and, with the subsidy which NOFFO grants, the technology is capable of coming on stream which would enable us to build much bigger, more substantial and more stable wind farms, slightly offshore—perhaps even quite a bit offshore—where they would not be an eyesore and a nuisance to constituents of mine living in the Lake district or close to it. I hope that the Minister will seriously address that point.

11.15 pm

I have written to the hon. Gentleman in the past suggesting that, as we have now had four rounds and are entering the fifth round of NOFFO, and as the previous Government's policy—slavishly followed by the present Government—has succeeded in encouraging alternative forms of energy and alternative renewables, the time may have come to look at the direction in which we are going. I know that the Labour party is reviewing most areas of policy—indeed, everything seems to be under review—but I wish that the Minister would put the policy on renewables, particularly as it affects wind farms on sensitive sites in this country, under urgent review.

The Minister has decided not to use the planning mechanism as a means of further tightening things up. Although that is a possible avenue which I should happily encourage a socialist Government who believed in extra planning controls to follow, he has decided not to go down that route. As he is taking in the Bill the additional instrument of imposing a levy on renewables, he should take up the suggestion in amendment No. 3 to give himself more flexibility. Rather than adopt a broad-brush approach and impose a levy on all forms of renewables, he would be able to target the levy on certain types of renewable that we might consider, after a review, are less appropriate now.

I have skirted the subject, but let me say bluntly that I am concerned that some operators have now decided that wind farms are a good cash cow. Because of the subsidy

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that is available, parts of my constituency are now plagued by speculative planning applications, not for half a dozen windmills, but for up to 200 windmills in areas on the edge of the Lake district national park and other areas of outstanding natural beauty.

Although, at the end of the day, many of those wind farm developments have been turned down by the planning authority and, thankfully, by the Department of the Environment, Transport and the Regions inspectors, and although some will no doubt be turned down in future, they cause enormous concern and blight for a period of 12 to 18 months while the application goes through.

Mr. Peter Atkinson (Hexham): Is my right hon. Friend aware that in my constituency, which his borders, there are six existing applications for wind farms, two of which are in the north Pennines area of outstanding natural beauty?

Mr. Maclean: My hon. Friend is absolutely right. In all corners of my constituency and that of my hon. Friend, which cover some of the most beautiful parts of Northumberland, there is a rash of planning applications in areas of outstanding natural beauty. No doubt many of those applications will be turned down, but the concern caused is considerable.

That offers another chance for the Minister to show his green credentials. I assume that he has not abolished NOFFO, for the simple reason that he does not want to tell environmentalists, "We are getting rid of the renewables policy." I accept that there are parts of the renewables policy which are perfectly sensible.

It is correct and appropriate to introduce a policy such as NFFO, which we did in 1995, to encourage alternative technology. Wind farm technology is now well proven. It works. The time has come for it to stand on its own feet without taxpayer subsidy. Let us take the subsidy that is available to land-based wind farms and push some of it towards new technology that would enable wind farms to be built offshore, for example.

That option is available to the Minister. I do not suggest that his whole Bill should be scrapped, much as I dislike its concept, but if he is going to go ahead with it, for goodness' sake let him take the appropriate power in amendment No. 3. Let him take the suitable power, so that he is able to target the levy towards those renewable sectors that we want to encourage and towards some of the renewable sectors where we already have sufficiency and of which we do not want any more, particularly in sensitive areas.

Mr. Ian Bruce: My right hon. Friend makes an important point, particularly as the Government, by press release, have told the world that we are going towards a 10 per cent. requirement of electricity generated. However, they will not tell the House or the world how they are going to achieve that. Clearly, one of the problems that has brought so many Labour Members into the Chamber is that that requirement will almost certainly mean a reduction in coal generation.

Mr. Maclean: My hon. Friend makes a good point. No doubt the hon. Member for Bolsover will fight that corner as robustly as he did tonight. In many ways, my suggestion is a tiny help to him. I suggest that some parts of the renewables policy go too far. If the Minister wishes to divert some of the energy and some of the subsidy through NOFFO into alternative forms of renewables, rather than into large wind farms in inappropriate areas, he will have my full support.

While he is at it, will the Minister talk to Scottish Office Ministers? I have no political connection with Scotland at all now; I am merely an occasional visitor when I am allowed across the border. However, it still seems extraordinary to visit some favoured haunts in the highlands, an area that is awash with hydro-electricity—Scotland, I believe, is an exporter of hydro-electricity—to see NOFFO being used in Scotland, encouraging the damming up of yet more small lochs, and to see small, unnecessary hydro-electric projects there, adding to the plethora of hydro-electricity it already has.

The Minister has a chance to use the amendment to be much more selective and incisive in the tools he uses to direct electricity generation and renewables policy. I disapprove generally of his approach, but, if he is minded to take it, let him adopt the scalpel rather than the sledgehammer, which he has in the Bill.

I hope that the Minister will respond to my points, but, if he is not minded to do so, I would dearly love him to respond to what the hon. Member for Bolsover said—if not tonight, then at some other point. This debate will run and run.

Mr. Hammond: The hon. Member for Bolsover (Mr. Skinner)referred to this measure as a tin-pot fossil fuel levy. The whole point about the levy is that it is unlimited in its potential extent. At its height, when the levy was 11 per cent., I believe that it raised about £1 billion a year, which by anyone's standards—and whatever the purpose for which it is applied—would hardly be considered a tin-pot amount of money. That sum could be used seriously to tackle many of the problems in different sectors of the energy industry.

I am happy that there is only one group of amendments on the amendment paper, which suggests that we might get home for breakfast, but, with your permission, Mr. Deputy Speaker, I should like to discuss the amendments and the new clause separately, because they have a certain logical consistency.

Amendment No. 5 would add to the wording of clause 1(3), to make any extension under section 33(9) of the Electricity Act 1989 subject to affirmative resolution of the House of Commons. The purpose of the amendment is simply to ensure adequate opportunity for scrutiny on a matter that gives considerable cause for concern not only to Conservative Members but, as we discovered on Second Reading and in Committee, to Liberal Democrat Members, for a variety of reasons.

Our principal concern is that clause 1(3), which inserts a new subsection (9) into section 33 of the Electricity Act 1989, is something of a blunt instrument, which would allow the Secretary of State to remove the definition of leviable electricity altogether, so that all electricity became leviable, or to leave the definition exactly as it is. Clause 1(3) does not allow the Secretary of State any discretion to extend the levy to certain areas that are not currently leviable, without at the same time hitting the full range of unsubsidised renewable technologies and any other technologies that currently escape the levy.

It has been suggested by my right hon. Friend the Member for Penrith and The Border (Mr. Maclean), who is no longer in his place, that large-scale hydro-electric projects in Scotland might properly have the levy extended to them. We have tabled amendment No. 3 specifically with the purpose of giving the Secretary of State the ability to add power-generating resources selectively to the scope of the levy without forcing him or her to extend it across the range of all electricity.

It is common ground between Labour and Opposition Members that the NOFFO regime has been a success, not perhaps principally in the large amount of electricity that is generated under it—although some 200 or so projects are approved under the NOFFO arrangements, the amount of electricity generated is still quite small—but in terms of the convergence that has already been achieved. It is now a realistic probability that some of the technologies will reach market pricing and that we will shortly see such electricity sold directly into the retail market as green electricity purchased as such by consumers.

Mr. Ian Bruce: It would have been extremely helpful to the Standing Committee to hear from the Minister what he intended to do with the non-fossil fuel obligation. If we could have had a clear picture of what he intended in the next round for NOFFO, we could have been very much more helpful and worked on a bipartisan approach. Is it not ridiculous that the Minister's right hon. and hon. Friends are urging him to take action on things such as clean coal, yet he still will not answer Lord Ezra or anyone about exactly what he intends to do, or what other non-fossil fuel obligation he intends to require?

Mr. Hammond: My hon. Friend anticipates the point that I was about to make. A future amendment of section 32 of the Electricity Act 1989 may enable the levy to be used in support of clean coal technology or any other new or existing technologies. It would be interesting in that context if the Minister could tell us the current status of the private Member's Bill introduced by Lord Ezra in another place. I am surprised that the hon. Member for Bolsover did not mention that Bill. The Minister was probed on it in Standing Committee.

The noble Lord was given to understand that the Government would treat his Bill benevolently when it reached this place. By the time of the Standing Committee's proceedings, the Minister had not answered a letter from Lord Ezra; we would be interested to know whether the Government intend to make time for that measure when it gets to this House. That would have a significant impact on the matters we are debating this evening.

11.30 pm

Perhaps the Minister will also tell us what steps have been taken—I know that he has taken some already—to clear with the European Commission any moves that the Government might be minded to make to allow the subsidising, through the NOFFO mechanism, of clean coal technology; or to allow other measures to help the coal industry. Such measures would not, I believe, become possible until they had been cleared by the Commission.

The levy is relatively low at the moment—less than 2 per cent.—but at its peak it was set at 11 per cent. At that level, it could provide a technology not subjected to the levy with a powerful competitive edge over one that was subjected to it. In pursuit of environmental and other objectives, it might be useful for the Government to have the power to include certain new technologies in the levy, without necessarily extending it to all technologies.

Mr. Ian Bruce: My hon. Friend makes an important point about the amount of money raised under the previous Administration, when there were difficulties with the nuclear industry. That money is no longer included in the price of electricity. The mechanism involved is a very powerful one; yet we still cannot find out from the Minister by how much he intends the levy to rise.

Mr. Hammond: My hon. Friend is right. Any measures that the Minister was minded to introduce to extend the use of the NOFFO arrangements to support clean coal technology would require an amendment to section 32 of the Electricity Act 1989. Lord Ezra, when the Bill was introduced in another place, sought to include such a provision, but was ruled out of order.

Dr. Ian Gibson (Norwich, North): On a point of order, Mr. Deputy Speaker. Following the blistering attack by my hon. Friend the Member for Bolsover (Mr. Skinner), may I take it that the shadow Front-Bench team has been chased from the Chamber? The hon. Members for Daventry (Mr. Boswell) and for Chesham and Amersham (Mrs. Gillan), and the right hon. Member for Wokingham (Mr. Redwood), have all disappeared from the scene. What credibility can we ascribe to the remaining members of a party whose Front-Bench team disappears in this manner?

Mr. Deputy Speaker: That is not a matter for the Chair.

Mr. Hammond: We will do our best. Perhaps our right hon. and hon. Friends have gone to the Tea Room for a short break, in anticipation of lengthy proceedings.

Mr. Ian Bruce: My hon. Friend will know that we operate a lean and mean team. With so many DTI Bills coming through, and with so many DTI Ministers—with all their flats—dealing with them, Conservative Members still appear able to debate these matters cogently while encountering a great deal of difficulty even getting Labour Members to get to their feet.

Mr. Deputy Speaker: Order. Perhaps we can now return to the amendments.

Mr. Hammond: I will not be tempted down the route that my hon. Friend offers me.

Amendment No. 2 offers the only means, within the limited scope of the Bill, of allowing the Minister to show his practical support for clean coal technology. It is a small start. How much excluding that technology from the scope of the levy would be worth would depend entirely on the level of the levy at the time. Clearly, if the levy was 11 per cent., it could be a considerable advantage which might make a significant difference to a private investor considering investing in clean coal technology for retrofit. If the levy was only 2 per cent.—*[Interruption.]* I am sorry: I have been tempted off my track by the Minister.

[Mr. Hammond]

The current problems in the coal industry have focused attention on support for coal mining and coal burning processes. The issue is not just the price agreed with the generators, as much of the press speculation and comment over the past few months has suggested. It is also the contradiction, as my right hon. Friend the Member for Wokingham (Mr. Redwood) said, between the Government's commitment to reduced emissions of greenhouse gases, which we all welcome, and the Government's undoubted desire to help the coal industry if they can. Even before the election they were balancing on a tightrope, trying to satisfy the green lobby while masquerading as the friend of the coal mining community. Now they must decide on which side of the tightrope they will fall off.

The only route out of the problem for the Minister is to use the mechanism of the NOFFO—section 32 of the 1989 Act—in the future to support clean coal technology, while not negating the Government's commitments on greenhouse gases.

We are trying to draw out the Government's policy. We know that a number of reviews are taking place. Perhaps it would have been better if the Bill had been limited to subsections (1) and (2) of clause 1, which would have made it truly just a technical measure, as the Minister has suggested at various times that it is.

By including subsection (3), however, the Minister has given himself powers considerably to extend the scope of the levy. In those circumstances, we must probe him about his wider intentions. Had he completed his review of the future of renewables, funding and the NOFFO mechanism and then introduced a new Bill that amended section 32 of the Electricity Act 1989 and widened the scope of the levy as subsection (3) does, that might have been more logical.

We need to know whether the Government intend to use section 32 to try to support the coal industry. Are they interested in using the levy as a tool to support the industry, as our amendment No. 2 suggests? What levels do the Government envisage for the levy in the future? We would not necessarily be hostile to a higher levy if it made sense, but we are not minded to write blank cheques for the Government.

We want to ensure through the amendments that there is a proper system of reporting back to the House, and that any measures that the Government introduce to extend the scope of the levy will be properly reviewed in Parliament. We need to know how they will reach their ambitious emissions targets, how much that will cost, and how they will finance those costs. We seek openness and debate. What I have suggested the Government might be considering would not necessarily be wrong, but it would be wrong to sneak it in through the back door of subsection (3) and other provisions of the Bill.

If support for clean coal and other technologies through the levy is a coherent part of the Government's energy policy in the long term, and not just a short-term fix, it might be sensible to use the mechanism of the non-fossil fuel obligation. We will keep a check on what the Government do in that respect. For that purpose, we have tabled amendment No. 6. We do not suggest that the Government should not contemplate increasing the level of the levy, but, if they do increase it, that should be subject to approval by Parliament, so that a proper check can be maintained.

In discussions such as this, it is important not to forget that, alongside the environmental argument for supporting alternative technologies and managing the fuel equation in our electricity generation industry, there is a second pillar of argument for supporting new energy technologies: security of supply. That tends to be an on-off issue. At certain times—for example, in 1973 and during the Gulf war—security of supply becomes extremely fashionable and the driving force in particular areas of energy policy. At other times, when our energy supply does not seem to be seriously threatened and our energy security is not obviously under threat, the issue slips out of sight, and the environmental focus tends to take over.

Anyone who has attended any of the excellent seminars organised by the various strategic and international study institutes with which London is blessed will realise that, although our energy supplies do not appear to be under any imminent threat, many quite plausible scenarios suggest that we would be wise to consider energy security as an important part of the equation. That is a second, and quite legitimate, reason for encouraging indigenous energy sources—although I do not suggest for a moment encouraging them at any cost.

Mr. Clapham: Does the hon. Gentleman accept that the previous Government and the one before that set us on a course of over-dependence on gas? In light of that, it is extremely difficult for this Government—who are trying to do something positive for the mining industry—to be effective.

Mr. Hammond: Doing something positive for the mining industry includes immediately approving new gas-fired power stations, which the Government said they would not do. Gas is an indigenous energy source in the United Kingdom—at least at the moment—unlike some of our other energy sources.

I do not suggest that we should pursue energy security at any cost. However, if security can be achieved in a way that is compatible with a sensible environmental policy at a sensible cost, that is a legitimate objective to pursue. Sections 32 and 33 of the Electricity Act 1989 may be a legitimate route for achieving that objective as well as environmental objectives.

Mr. Ian Bruce: Looking back at the debates on the original electricity legislation that introduced the non-fossil fuel obligation, one notices that the cost differences between gas, coal and nuclear and wind power then are incredibly different from those levels today. The non-fossil fuel obligation and the fossil fuel levy give the Government flexibility and should be retained. We are rather surprised that the Government do not agree.

Mr. Hammond: The flexibility that I believe the amendments would give the Government could prove useful to the Minister. For the second night in a row, I find myself in the somewhat unusual position of urging the Government to give themselves more discretionary power. We can envisage the advantages that that would have.

I turn now to amendment No. 4, which I think stands a little apart from the other amendments, in that it seeks to protect electricity generated from renewable technologies

under qualifying arrangements. The amendment seeks to prevent a situation whereby any given source of electricity supply would be subject to a levy that might be more than the subsidy being received in respect of that electricity.

We might contemplate that situation when the price of renewable energy generated from certain technologies converged with market prices. We might see that the subsidy payable is quite low—or very low indeed—at a point in the not too distant future, perhaps under some of the bids that the Minister is receiving under the current NOFFO round.

If at some point the levy were to be raised from its current low level to 5 or 10 per cent.—somewhere within the range that has been experienced since the mechanism was introduced—a technology-based renewable energy generating station could pay more levy than it receives in subsidy. I think that the Minister had some sympathy in Standing Committee for the argument that it would send the wrong signals to the renewable energy generation industry were we to suggest that, as it approached convergence and lost its subsidy, it might become a net payer of levy. We would not like to send it that message.

All these amendments have a certain coherence. Their overriding theme is the need for transparency and accountability as the Minister seeks to use the mechanisms that are available to him to deal with the issues. There is no suggestion that we would not be sympathetic to what he might have to do, but there is a desire to ensure that the House is properly informed, and that proper debate takes place.

11.45 pm

Mr. Ian Bruce: I notice that the Chamber is starting to fill up with Whips. The Deputy Chief Whip is present. Obviously, he is a little worried that the Whip on duty is the same one who was on duty last night when we were debating the National Minimum Wage Bill. Perhaps the Deputy Chief Whip is concerned that we may talk through the night. I can reassure him that it is not our intention to delay the House unduly, but the Bill before us is important. The Minister, who takes this matter extremely seriously, will want to respond in full to matters that have been raised in this full and sensible debate.

Whips are, supposedly, the silent people. In Committee, they were keen to ensure that the Committee was filled with the Stepford tendency of new Labour MPs who would not—

Mr. Deputy Speaker: Order. I do not want to know what the Whips did in Committee. It has nothing to do with me. We have amendments before us and the hon. Gentleman will speak to them.

Mr. Bruce: I am most grateful to you, Mr. Deputy Speaker, for reminding me not to be tempted by such important people as the Deputy Chief Whip.

It is important that the House has the opportunity to have a full debate. It has allowed the hon. Member for Bolsover (Mr. Skinner) to speak on a subject about which he is knowledgeable and passionate, and his speech was a treat to us all. Indeed, he spoke directly to the substance of the amendments before us. We also had a treatise from my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), which went into great detail about the amendments that we tabled.

I shall respond to any interventions that hon. Members may wish to make. If they wish me to go wider, I should be happy to do so. I shall talk about the background to the amendments and why it is so important that the Minister is given the opportunity at this early hour to tell the House what is in his mind about where we are going. However, before I start my full remarks, I should speak briefly about the non-fossil fuel obligation, which is part of section 32 of the Electricity Act 1989 and concerns the protection of public interest, and section 33, which the Bill will amend. Those terms can confuse people about exactly what is intended.

You will know, Mr. Deputy Speaker, that, in deciding which amendments to select for debate, Madam Speaker and her Committee are always extremely wise and beyond criticism. Madam Speaker was correct not to select the three amendments that I tabled—

Mr. Deputy Speaker: Order. No comment should be made on amendments which have not been selected. There was good cause not to select them, and the House knows that. Nor should the hon. Gentleman deal with the origins of the amendments. The amendments are here for debate, and that is what the hon. Gentleman must do.

Mr. Bruce: I am grateful to you, Mr. Deputy Speaker, for keeping me on the straight and narrow.

The Minister may argue, probably correctly, that section 32 of the Electricity Act 1989 already contains powers to promote clean coal technology, and that may well be a reason for rejecting the new clause. We are simply seeking, as we did in Committee, to tease out whether the Government need various powers. It is important to examine the Government's intentions.

The hon. Member for Bolsover, like other hon. Members, will want the Government's fuel policy to be sufficiently flexible. The levy should not go on specific non-fossil fuels when one of the original purposes of NOFFO and the levy to pay for it was to provide for the cost of closing nuclear power stations when they came to the end of their life. That levy has been extremely effective. Electricity prices have fallen since its introduction, rather than risen, as was the suggestion then. The Government may want that fall to continue or they may want to ensure that they can increase electricity prices in the future to pay for Kyoto. No one has yet told us how our obligations under Kyoto will be paid for.

We already know that the Government plan to put taxes on aggregates and landfill, and to encourage the burning of waste to generate electricity—a controversial subject. This evening, I attended a dinner of the Institute of Wastes Management, where the problems of people not wanting what is considered to be invasive technology in their back yards was discussed.

Mr. Hammond: Does my hon. Friend agree that amendment No. 4 would allow the Minister to distinguish between technologies in the way that he is suggesting is necessary?

Mr. Bruce: Indeed. Section 32 helps the Minister to deal with the protection of public interest—that is what the section is called in the Electricity Act 1989. The additional flexibility is designed to enable the Minister to deal with difficult situations.

[Mr. Bruce]

The mechanism is still being used effectively by the Government and they say that they want to continue to use it. The fact that that mechanism has stood the test of time is a tribute to our Conservative predecessors, who obviously got it right. It is rare for a mechanism which was heavily criticised to have stood the test of time. We should not want Ministers and Whips to have to find more parliamentary time to introduce yet another measure when it was decided how the obligation would be imposed. Our amendment offers the Minister a new mechanism to enable him to do a better job for the future and to tell us about funding.

Mr. Hammond: Does my hon. Friend agree that amendment No. 3 gives the Minister every power that he would have within the Bill as drafted, plus some additional powers to use subsection (3) in a more subtle way than is currently offered?

Mr. Bruce: I am loth to say that the Minister would not want to be subtle. However, his response in Committee demonstrated that he wanted to bamboozle us. In a rather aggressive manner—I know that that is just his way and that he does not mean anything by it—he seemed to be telling Conservative Members that anything that we do to help him so that he can help the public and his friends in the coal industry should be rejected at every opportunity.

The cap on the levy is dealt with in the amendments. That could lead one to believe that we are suggesting that the non-fossil fuel obligation should be used for all sorts of additional purposes and also that it should be held back. It is somewhat contradictory. We are saying not that the non-fossil fuel obligation and the levy should never go up beyond the level that we are suggesting, but that, if it were to be increased, the House should have an opportunity to discuss it. Those are crucial issues for the future.

The environmental lobby is keen to ensure that we have as much information as possible about where it believes that the country should be going. The Government are looking at all sorts of things, including their transport policy. They are all asking what we should be doing for Kyoto. They are asking what we should be doing for the future.

We are not talking about no-cost options. It is important to know that the Minister has a power that could put up electricity prices substantially—I do not believe that there is any limit. The Minister could wake up one morning and be told by the Chancellor that he is trying to do something for Kyoto but that he does not want to do it by general taxation because he would be found out and people would be critical. In those circumstances, the price of electricity could be increased by an order, which hardly needs to be debated in the House.

Mr. Hammond: Does my hon. Friend agree that the levy has something of the nature of a hypothecated tax, which has the extraordinary characteristic of being self-collecting? The spending Department spends and it automatically collects the right amount through the mechanism of the levy.

Mr. Bruce: Indeed. It is a subtle and clever mechanism that a hypothecated tax has been operating in the United Kingdom for over a decade without anybody noticing. People have noticed electricity prices going down, despite Labour propaganda suggesting that prices have been going up.

If we are to be honest, it is important that people should know the costs. My hon. Friend the Member for Runnymede and Weybridge knows that the levy, which was introduced by a Conservative Government, transferred existing costs of nuclear power on to the coal industry, as there was inequality between those two forms of energy. Because nuclear power stations were nationalised—nobody seemed to care that they were uneconomical—the extra costs had to be found. A subtle and clever mechanism was brought in, and any Chancellor who recognises how clever that mechanism is will be tempted to use it. Despite the fact that the Treasury is not speaking before the Budget, perhaps it is listening to the debate. It may think that this is an ideal way to raise additional taxation.

The House would like to discuss this matter further, and I am disappointed—as are my hon. Friends—that no Labour Member, other than the hon. Members for Bolsover and for Barnsley, West and Penistone (Mr. Clapham), who intervened passionately, has taken part in the debate. I shall now allow the Minister to respond—assuming that I cannot tempt any Labour Member to express his views. I would not want to hog the limited time we have available, and I should not want to delay the start of the Third Reading debate.

12 midnight

Mr. Battle: This is a Bill of two clauses, which deals with the type of electricity on which the fossil fuel levy can be charged. The levy is the main means of raising the funds to support renewable technologies for the generation of electricity, and the Bill will ensure a level playing field in the generation of electricity. It will maintain the existing levy on nuclear energy generated in England and Wales and will bring under the levy for the first time the imports of nuclear electricity—a matter to which my hon. Friend the Member for Bolsover (Mr. Skinner) referred. The imports from France of nuclear energy will be brought under the levy. I accept that it is a small measure, but the Bill will shift the balance in favour of renewables and will ensure that the nuclear industry pays its share.

It has been an interesting debate. We had a wide-ranging speech from the right hon. Member for Wokingham (Mr. Redwood) who, sadly, had to leave us. We have had contributions from the hon. Members for South Dorset (Mr. Bruce) and for Runnymede and Weybridge (Mr. Hammond). I heard critical mutterings, but let us be fair—those hon. Members have been present throughout our proceedings on the Bill—on Second Reading, for the whole of the Committee stage and tonight. At least two Opposition Members are seriously interested in the Bill, and I have listened to what they have had to say.

Amendment No. 2 proposes that electricity supplied from clean coal generating plants could be exempted from the levy, but sadly there are no such generating plants operating in Britain. Simply exempting electricity supplied from such stations from the scope of the levy would not give sufficient incentive for such plants to be built. We are looking carefully at how to encourage clean coal technology. We already provide support for the development of clean coal technology under the foresight programme; some £4 million has been provided this year alone.

Mr. Ian Bruce: The Minister has clearly done some homework on clean coal. Is the technology ready to go, assuming that a NOFFO bid was allowed and we had some response?

Mr. Battle: There are one or two rumours of interest, but no more than that. We are looking for clear proposals. I hope that proposals for clean coal technology at an affordable price can be introduced quickly.

Mr. Norman Baker (Lewes): Will the Minister clarify the Government's position on the coal industry? Do they believe that the coal industry is at its optimum size? Should it be expanded, altered to include clean coal technology, or further reduced for environmental reasons?

Mr. Battle: We see a future for deep-mined coal in Britain, and we want clean coal technology as a means of ensuring that. We shall work to that end, but we inherited incredible difficulties from the previous Government.

Amendments Nos. 3 and 5 provide for the scope of the levy to be extended to new categories of electricity, but that approach differs from the approach envisaged in the Bill. I emphasise that the Bill simply amends section 33 of the Electricity Act 1989. For example, had we not acted to extend the levy to the nuclear industry from 1 April this year, as the primary nuclear contract set by that Act runs out, nuclear generators could have benefited from the resulting market distortion to the tune of £60 million to £70 million a year at the expense of customers. That is why we have placed the levy on nuclear energy, including that generated in France. The approach proposed in amendments Nos. 3 and 5 is based on the continuation of that distortion. We introduced the Bill in the first place to get rid of that.

Mr. Hammond: I accept what the Minister says, but he misrepresents amendment No. 3, which simply seeks to give the Secretary of State the power, should she wish, to extend the levy sector by sector to other types of technology, rather than extend it to all forms of electricity. How could the Secretary of State object to being given more power to act more subtly if she wants to?

Mr. Battle: I was coming to precisely that point. Perhaps I should accept no more interventions but try to answer the debate. The approach proposed in the amendments is based on the continuation of distortions. The problem with that is that support is not closely targeted on the companies that need it, nor is the amount of extra revenue that they can generate in the market tied to the amount of support that they need. In other words, such an approach would be wasteful and inefficient, and would not achieve the objectives that the hon. Gentleman suggests it would.

Our approach is better, because we are signalling, through the Bill, that one day all electricity may be leviable. We hope that green, renewable sources of electricity generation will be able to compete on equal terms with other forms of generation in the future, and I see no reason why such electricity should not then be subjected to the levy. The effect would then be that resources could be targeted closely on those renewable generators that need and deserve support, which is precisely the point made by the right hon. Member for Penrith and The Border (Mr. Maclean). I agree with him. The amount of support that those generators receive can be measured according to their needs. We believe that that would be a more effective way to proceed.

At present, most renewable generators cannot produce electricity at prices that are competitive on an open market. Amendment No. 4 fundamentally misunderstands how NOFFO operates. As Opposition Members who have been present throughout the Bill's proceedings know, we have spelt out the fact that the levy is paid to people who produce the electricity: it gives them the difference. Opposition Members are nodding, so we know where we stand. There is therefore no reason to give further support, as the amendment seeks to do.

Amendment No. 6 seeks to ensure that the amount of levy paid by licensed electricity suppliers stays the same or falls. That is short-sighted because we cannot predict what will come in the bids for NOFFO for renewables. The procedure is demand led. If new schemes come forward, even those set up by the previous Government, we shall not shut them down and come back to the House every time. We want renewables to be supported, which is why we have the Bill.

Mr. Hammond: The amendment does not say what the Minister says it does. It says that, if the levy is to rise, the Secretary of State must come back to the House and get that rise approved by means of a statutory instrument, subject to the approval of the House of Commons. What is wrong with that?

Mr. Battle: It is late and the hon. Gentleman was up late last night, too. He seems unable to listen. If bids 3 and 4 for the NOFFO projects come through, as they will this year, is the hon. Gentleman saying that we must come back to the House for every renewable scheme? There were hundreds of such schemes. The idea is nonsense and would hold the whole process up. I do not think that that is the intention behind the Opposition amendments. NOFFO 3 and 4 projects have yet to come on stream and, as a result, the overall amount of support could rise.

Opposition Members aired the same thoughts under different guises in Committee. Furthermore, the Bill has already passed through the other place and had a good airing there. We gave the Opposition plenty of time in the Standing Committee. Indeed, in the other place the Opposition spokesman, Lord Fraser of Carmyllie, said:

"Indeed, but for that rare aberration of political judgment by the British people on 1st May, I have no doubt that I would have been introducing this self-same Bill from the other side of the Chamber. In those circumstances, it is unnecessary for me in any way to

rehearse the elaborate and detailed argument which the noble Lord usefully gave to the House in support of this measure".—[*Official Report, House of Lords*, 18 July 1997; Vol. 581, c. 1144-45.]

I could not agree more, and I ask the Opposition to withdraw their new clause. They have made their points, and we have taken them on board.

Question put and negatived.

Bill read the Third time, and passed, without amendment.

Sudan

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

12.11 am

Rev. Martin Smyth (Belfast, South): I welcome the opportunity to raise the subject of Sudan. For many years, I have been concerned by the fact that that country has largely been ignored by the media and the world at large. More than 1.5 million Sudanese have died, and more than 4 million, in a population estimated at about 27.5 million, have been displaced. As the conflict appears to be black versus black, Arab versus black, or Muslim versus Christian, it has not caught the imagination or interest of the world.

As a guest of the National Assembly, with two others from the United Kingdom, I visited Sudan for a week in January. Our hosts treated us with great kindness and courtesy, and I met a variety of people, formally and informally.

A German who had formerly lived in Sudan and was visiting from another African country, told me that the international sanctions had forced the National Islamic Front regime to develop its own economy, with some success. In his opinion, that was in contrast to the earlier Mahdi Administration, which received lavish international aid but did little to improve the lot of the ordinary people in the Sudan.

I know that the Government support, as I do, the Intergovernmental Authority for Development process—but has the Minister found, as I did, that, as ever in a situation of conflict, the first casualty is truth? Propaganda takes over, with a bias one way or another.

Many issues could be raised. I recognise some other problems that could be examined in depth—problems that any Administration, in the Sudan or anywhere else, would have to face. The devastation of the south and the resulting shift of population means that the percentage of southerners in the Khartoum area has risen from 1 per cent. to 30 per cent.

Those displaced persons live in what is virtually a dust bowl, in shanty accommodation. Charges have been levelled that the authorities—mainly, I suspect, minor functionaries—have followed plans under which unregistered churches are demolished to make way for roads.

People have been removed to other areas and left to build their own houses. No real sanitation is provided on those estates. Schools also have been affected. The human rights committee of the National Assembly has a virtually impossible task in attempting to adjudicate on any charges.

Islamic activists have been moved into areas that are occupied by Christians who have already been displaced. Islamic activists are advised of community meetings, so that they might vote on local issues. The consequence is that the authorities can claim that they are acting at the behest of local people.

I ask the Minister whether the United Nations rapporteur for the United Nations Commission on Human Rights has updated his October 1997 report, and whether he has been free to move unrestricted in Sudan.

On a brief visit to Juba, we heard from Muslim and Christian leaders that their people had co-existed in friendly relationships, and mixed at different levels. Nevertheless, there was evidence of appalling need in that area. The National Islamic Front said that it would rebuild when the war was over. However, the decay and lack of proper infrastructure was reflected in the people's low morale and poor condition.

Is the Minister confident that all possible action is being taken to ensure that humanitarian aid is available in all areas? Is he aware, for example, that the Sudanese Administration have regularly siphoned off aid, and diverted it to soldiers or to Muslim groups that they claim are as much in need as others?

While we were in Khartoum, a Catholic Fund for Overseas Development delegation that was accompanied by the Roman Catholic Archbishop of Liverpool advised us that tools and seed that had been destined for the south had been so delayed that they could not be used when they arrived, as the time for planting and the rainy season had passed. Consequently, there was no development of the harvest. Moreover, food that was sent where it was needed had not been distributed, but was held in Government stores.

What representations have been made on the imprisonment and torture of citizens in Sudan? I discovered that the Presbyterian minister in Juba had been arrested by security police, and beaten without trial or sentence. Although allegations of illegal conduct by him were given as the reason for his arrest with others, no one was able to provide a witness. He was therefore released. I did not meet him during my visit, because he had moved out of the country, to Nairobi, to recuperate from his beatings. Such incidents are typical in Sudan.

Has there been any response to the Government's representations on the abduction of young people, who are forced into service in the defence forces? When I raised that matter with the authorities, they attempted to compare the practice with national conscription in the United Kingdom. I was happy to remind them not only that conscription in the United Kingdom no longer exists, but that, even in wartime, there is an opportunity for conscientious objectors to perform first aid or other civilian activities rather than in military operations.

I certainly do not believe that such conscription should be sustained as a way of treating fellow citizens, carrying them off into slavery. Does the Minister accept that there is evidence that such a practice continues in Sudan? Does he give any credence to the National Islamic Front Government's line that that practice is not really slavery, but a tradition among the people—that it is how they live? Such a line seemed rather far-fetched.

Conversely, I could not accept the criticism of those within and outwith Sudan who condemned groups—from Switzerland and other countries—that were concerned about the problem, and provided money to ransom slaves. How long will such practices be supported by those who do nothing either to stop them or to redeem slaves?

I found evidence of duplicity when it was claimed that the south could vote in four years for independence or for a federal Sudan. While some Christian leaders were hopeful, I formed the opinion that most Muslim leaders were determined to keep Sudan as a whole, no matter what happened, and to advance the concept of Arabisation and Islamisation.

There was certainly a pattern historically, according to some Christian leaders I met who were arguing for an independent south. A few had served in the Mahdi regime. It was the old policy of "divide and conquer", which has ever been a powerful and persuasive policy of Governments of one sort or another.

The Muslim view of an Arabisation/Islamisation of the Sudan was patent. As a result, disillusion has crept in. Hence the split between the former southern commander Kerubino Bol—a signatory to the 21 April 1997 peace agreement—and the Government. He appears now to have allied himself to the leader of the Sudanese People's Liberation Army, John Garang.

This surfaced while we were there. News broke of rebel troops surrendering in Wau, the third main city. For my benefit, Muslim leaders assured me that—unlike those in Northern Ireland, where we were arguing for the handing over of weapons and decommissioning—they were kind-hearted, and were allowing people who were coming over to their side to maintain their weapons as a sign of good faith.

A few weeks ago, I discovered here in Westminster, from other sources, that some old weapons had apparently been handed over for new. Sudanese representatives, however, advise me now that this was a Trojan horse group. At least, several hundred of them—armed with modern, in the Sudanese view, largely Soviet-block assault weapons—co-operated with an SPLA attack. They alleged that they had been led by Commander Kerubino, who is currently missing. He was a Dinka, who had had a disagreement with Riek Machar, a Nuer. Machar, as the Minister will know, is the appointed chairman of the southern executive, not elected by the people but appointed by the regime.

After initial success in the centre of the city of Wau—having taken over some strategic places—the rebels were ultimately repulsed, but still hold the outskirts of the town. Because of the link with the Dinka leader, the Dinka civilian population were attacked savagely by Government forces. Has the Minister any recent news of developments in that regard?

Significantly, Wau was the centre where, according to a United States report, Iraq helped Sudan to develop chamical warfare capabilities in the mid-1990s. I know that, in a Question Time relating to Iraq, the Foreign Secretary had no evidence of that. Will the Minister now say whether there is any fresh evidence? On that occasion, the Foreign Secretary said that he would inquire into it.

What representation has been made concerning attacks on civilian targets? Will the United Nations, which seems divided on many matters, now seek to implement UN resolutions? Sometimes, as in the House, resolutions are made without much resolution. In particular, will the UN implement a no-fly zone, as in southern Iraq, to diminish NIF capacity to wage war against its own people by bombing them?

In the regrettable plane crash in which Lieutenant-General El Zubei Mohammed Salih lost his life with six others, one of those killed was Arok Thon Arok, a southern leader who had signed the agreement with Riek Machar. At the public mourning, Dr. Hassan al Turabi, the ideological leader of the Islamic regime, announced, according to *The Guardian* of 19 February, that Arok Thon Arok was a last-minute convert to Islam. The news was greeted with triumphant shouts from several thousand mourners: Islamisation even in death.

[Rev. Martin Smyth]

The reality was different. Six bodies were laid out in white winding sheets, each covered by the national flag. Arok Thon Arok's corpse, in a coffin, was finally released to his family, after some debate, for a Christian burial. In our modern world, with its emphasis on pluralism, people must be given true liberty within the law—we understand that Sharia law was not to be extended to the Christian and Animist communities—to follow their religious and political convictions. I believe that that is Her Majesty's Government's position. Should not Sudan share that policy with the free world?

I express my appreciation and gratitude to our ambassador and the embassy staff in Khartoum, who were very helpful in arranging meetings.

12.26 am

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): I congratulate the hon. Member for Belfast, South (Rev. Martin Smyth) on securing this debate. I know that he has been a Sudan watcher over many years, and I place on the record my appreciation of the measured way in which he introduced the debate. I will try to answer his specific questions, but there are one or two matters on which I will not comment tonight, simply because I cannot give an answer. I will reflect on the debate in the cool light of day—which will be sooner than we had expected—and write to him.

Sudan is a troubled country, racked by civil war, divided against itself. Much of the south has taken up arms against the Government in Khartoum and the north. In the 14 years of bitter fighting, the conflict has become more than simply north against south, if indeed that was ever a realistic description.

The conflict has been complicated by tribal and other divisions among the southerners, some of whom, as the hon. Gentleman said, are Christian, while some are Muslim and others Animist. The Sudanese People's Liberation Army has been active for many years in the south, but it has now joined the parties of the democratically elected Government who were overthrown in the 1989 coup to form the National Democratic Alliance, under which umbrella the conflict has spread to the east of the country.

As the hon. Gentleman said, Britain is one of a number of countries seeking to help to bring this sad state of affairs to an end. While those efforts continue, our policy towards Sudan reflects our concerns about human rights abuses in both the north and the south of the country, with the Sudanese Government's refusal to countenance multi-party democracy.

We are also concerned about the aggressive way in which the Sudanese Government have pursued the civil war, and about their involvement with terrorist groups and regional insurgencies that threaten Sudan's neighbours—in particular, their support for the Lord's Resistance Army, a brutal organisation that is responsible for killings, abductions, lootings and even, almost certainly, the sexual exploitation of children in northern and western Uganda.

The Government and civil society in this country have in no sense abandoned Sudan. As the hon. Gentleman knows, we maintain the embassy in Khartoum, and I was delighted to hear his congratulatory remarks about the role of the ambassador. A senior official from the Foreign and Commonwealth Office visited Sudan in July 1997 for discussions with representatives both of and against the Sudanese Government.

We keep open links with the Sudanese opposition. During the last seven months of 1997, the Minister of State, my hon. Friend the Member for Leeds, Central (Mr. Fatchett), met the former Prime Minister, Sadiq al Mahdi and the NDA leader, Muhammed Osman al Mirghani, as well as the Sudanese ambassador.

A series of meetings in 1994 and 1995 appeared to be making progress. In May 1994, IGAD adopted a declaration of principles, which includes the right of self-determination for all Sudanese people, and the separation, as the hon. Gentleman mentioned, of religion and state for the settlement of the conflict. We supported that process, but it ground to a halt in May 1995 in the face of the Sudanese Government's rejection of the declaration. The Friends of IGAD and, more recently, the IGAD partners forum that replaced it, continued to encourage the IGAD process.

Military pressure from rebel groups and diplomatic pressure from outside persuaded the Sudanese Government to resume the IGAD process on the basis of the declaration of principles. The first round was held in Kenya in October and November last year. The next round will be in April, with further contacts after that.

We believe that the regional approach offers the best chance of the comprehensive settlement to the conflict that the people of Sudan need and deserve so much. I say "comprehensive settlement" because the conflict in Sudan is more than a question of north versus south. A number of Sudan's ethnic groups have joined the struggle against Khartoum. The plight of the Nuba people was recently highlighted by Africa Rights, a non-governmental organisation. Many of the Beja in the east have joined the opposition through the Beja Congress. A settlement that did not take account of their interests would not be acceptable. We therefore continue actively to support the IGAD process.

We support the process both in public and in private. My hon. Friend the Minister of State made clear our welcome for the renewed talks on 30 September. We were a party to the EU statement of welcome and encouragement at the start of the talks. We have been in touch with all parties, urging them to approach the talks constructively and in good faith.

The hon. Gentleman mentioned the recent fighting in the south of Sudan, and asked whether I had any recent news of it. As he said, it has reportedly been taking place in several areas. We know of reports of it in the Wau area. It is unclear who is winning, but it is clear that the cost of fighting has been further human suffering. As always, the innocent bear as much of the brunt as those directly involved.

The hon. Gentleman mentioned Sudanese chemical warfare capabilities, and drew attention to his exchange with my right hon. Friend the Foreign Secretary and to the recent United States report claiming that Iraq had helped Sudan to develop such capabilities. The Foreign and Commonwealth Office cannot validate those reports, and is not aware of any fresh or substantiated evidence on the matter.

The hon. Gentleman raised the important question of human rights. I, too, have been a Sudan watcher over many years, and the human rights situation in Sudan

continues to give serious concern. Increased respect for human rights in Sudan is a centrepiece of our policy. We want a peaceful, democratic Sudan, where the human rights of all citizens are equally respected. I endorse the hon. Gentleman's demand for pluralism in Sudan. We recognise pluralism in our country, and support it in all countries.

Rev. Martin Smyth: Does the Minister agree that people purporting to be Christian rebels have also been guilty of some violations of human rights?

Mr. Lloyd: With the hon. Gentleman, we deplore the abuse of human rights from whatever quarter. Human rights are indivisible: they cannot be partial or arbitrarily based.

In that context, the UK was active in securing the passage of resolutions highly critical of Sudan at the UN General Assembly in each year between 1992 and 1997, and in getting agreement at the UN Commission on Human Rights to the appointment of the special rapporteur. The rapporteur's most recent report—October 1997—expresses deep concern about the serious, widespread and continuing human rights violations in Sudan. The update of that report has yet to be issued, but we believe that it is due any day now. As far as we are aware, there has been no change in respect of the special rapporteur's freedom of movement.

One of the hon. Gentleman's specific human rights concerns involved the practice of the Government of Sudan of conscripting secondary school children. Her Majesty's Government have expressed their deep concern about that practice to the Government of Sudan, who defended themselves, claiming that every country in the world has conscription, and that defence of one's country is a national duty. We shall continue to monitor the situation, and will raise the matter again if evidence of its continuation emerges.

Human rights work constitutes a major part of the work of the embassy in Khartoum. Staff there raise specific cases with the Sudanese authorities, and make use of their contacts to urge greater respect for human rights. For example, our ambassador has raised recent church destructions with the National Islamic Front leader, Dr. Hassan al Turabi.

With regard to the hon. Gentleman's points about abductions, we unconditionally condemn all forms of slavery. Even if that is not Government policy, as the Government of Sudan claim, they are at least morally responsible, and we hold them accountable to suppress the practice.

The hon. Gentleman asked about the ability of aid to reach all quarters. There are difficulties in getting aid throughout the length and breadth of Sudan—that is a matter of practical fact. However, we continue to put pressure on the Sudanese Government to ensure that it gets through as widely as possible. Since January 1991, we have committed more than £137 million to Sudan, including our share of EU assistance for humanitarian aid. Last year, we gave more than £3 million in food aid to various parts of Sudan, and we recently announced a pledge of £4 million for emergency food and non-food aid in support of the UN consolidated appeal.

The issue of sanctions and embargoes against Sudan allowed the hon. Gentleman to propose an interesting alternative to existing measures. We will look at any proposal for further UN sanctions on its own merits and in the light of non-compliance by the Government of Sudan.

I have been unable to respond to several of the hon. Gentlemen's points, but I should like to conclude by saying that we are with him in our concern that the people of Sudan are the ones who have suffered during the long years of the civil war. We and all the friends of Sudan are doing all we can to bring the suffering of those proud and decent people to an end. That must be the resolve of the House, the Government and the world community. However, the responsibility now lies with the Government of Sudan, and we all hold them accountable to ensure that they play a part in that task.

Question put and agreed to.

Adjourned accordingly at twenty-three minutes to One o'clock.

House of Commons

Wednesday 11 March 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Local Authority Debt Repayment

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Clelland.]*

9.34 am

Mr. Graham Brady (Altrincham and Sale, West): I am grateful for this opportunity to initiate a debate on an important, if rather abstruse, issue of local government finance. Just the name of capital financing adjustment seems to lead to people's eyes glazing over and their turning quickly to another matter. However, it is important that we consider the issue. It is particularly important that the Minister should hear the views of hon. Members on this important element of capital financing for local authorities.

The issue sounds dull and complex. Sadly, little attention has been paid to it. It is fortuitous that this debate is taking place only one day after a debate on the hidden tax increases that the new Government have already introduced. For my constituents—and all the residents of the borough of Trafford—this is yet another hidden tax. The Government's changes to the calculation of the capital financing adjustment will mean a tax increase for millions of people throughout the United Kingdom.

Like many of the Government's changes, those changes have been introduced by stealth, taking funds away from Trafford and many other local authorities. Perhaps worse than that, not only have the Government taken funds from authorities that have traditionally been prudently managed, but they have transferred them to some of the most profligate and ill-managed authorities in the country.

Trafford councillors are appalled as much by the way in which the new charge has been sneaked into place as by the financial penalty that is being imposed on them. The complexity of the matter is being used to cover the Government's tracks. That tactic has also been used for the introduction of the £5 billion annual pension tax through a technical adjustment that was little understood at the time. The same approach to taxation was shown by the Government's shift to quarterly payment of corporation tax. At the time, it was portrayed as a benefit for business, but it will be a £22 billion cash flow cost for businesses during this Parliament.

During this short debate, I hope to shed a little light on the complex matter under consideration and to attempt a simple explanation of the impact of the Government's changes. The previous Government calculated the capital finance standard spending assessment on the basis of a notional 1990 debt level. That rewarded councils that had behaved thriftily and responsibly during the 1980s—councils such as Trafford, which had benefited from good Conservative administration through the 1980s. Indeed, Trafford had benefited from Conservative administration from its inception in 1974 until the tragic events of a couple of years ago, which, I trust, will be only a brief interlude of insanity for the borough.

The Government's new system adopts a different approach, taking into account the higher of either notional or actual debt in calculating the capital finance SSA. That reallocates the given cake that is available to favour profligate authorities—very often, it hardly needs to be said, Labour authorities—at the expense of those that have been better managed. Many of the councils benefiting from the change are those that flouted public spending controls in the 1980s, often through creative accounting techniques that have since been made illegal.

Mr. Tony McNulty (Harrow, East): Such as?

Mr. Brady: If the hon. Gentleman is patient, he will hear some examples. I know that he does not expect to be disappointed.

The history of the capital financing adjustment is like a trip through an old Labour theme park. From newspaper reports from the 1980s, I have found a series of examples, which the hon. Member for Harrow, East (Mr. McNulty) has asked for. *The Times* of 24 June 1987 stated:

"Local ratepayers could face a 35% increase to finance creative accountancy debts: unions in Manchester fear 16,000 council workers may have to be dismissed",

and

"David Blunkett admits that his authority's capital programme stands to be 'devastated'".

That was at a time when Manchester city council raised £200 million by selling civic buildings, including the central library, to a company that it wholly owned, and arranged a two-year rent holiday. Similar tactics were used in Brent and Lambeth. Some of the perpetrators of such scandalous abuses are now members of the Government; others sit on the Government Back Benches—although I do not see any present for this debate.

Labour claims to have changed, but in office, stealthy changes to the capital finance system for local authorities are often portrayed as technical changes, which people will not understand or notice. Changes are being introduced in a quiet, cautious way, with no fanfare or announcement of the impact that they will have. Such changes are rewarding old friends and punishing well-managed authorities.

My borough of Trafford will lose £700,000 from its SSA. That equates to the cost of 28 teachers, whom the borough could otherwise have employed. It amounts to the funding of two primary schools for a year. It could have been used to reduce each council tax bill by £10.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Is my hon. Friend aware that, in West Sussex, the result of fiddling with the formula is a £2 million reduction in our central Government grant, which is equivalent to a rise of 1.5 per cent. in council tax?

Mr. Brady: I am grateful to my hon. Friend for bringing that to my attention. It is by no means an isolated incident. The change in capital financing has shifted funds from prudent authorities, from authorities that have

[Mr. Brady]

borrowed sensibly or not at all, to authorities that indulged in very high levels of borrowing before April 1990. Such a perverse policy rewards activities, policies and management techniques in local government that any Government would say they wish to avoid. The Minister must therefore explain why his Government feel it appropriate to reward authorities that have behaved badly at the expense of those that have behaved well.

The reduction in Trafford's SSA is equivalent to the cost of 350 secondary school places, which could otherwise have been provided. That is particularly relevant in Trafford, because our excellent local schools are so popular that they should be given funds to expand, and not be deprived of the funds that they need. The loss of £700,000 combines with other factors in this year's SSA settlement to mean a real-terms cut of £3 million. That will mean higher taxes, together with lower service levels. The same pattern is being repeated across the country as local authority budgets are fixed for the coming year.

Mr. Brian White (Milton Keynes, North-East): Is the hon. Gentleman saying that, until 1 May, all local authorities were given lots of money and that the activities that he is describing have occurred only since 1 May? Many of us were in local government for a long time and experienced the previous Government's restrictions on local authority capital financing, which were far worse than anything that the hon. Gentleman is describing. He ought to be addressing the previous Government.

Mr. Brady: We would all be delighted with more resources in national and local government, in order to provide services. Such resources must be divided fairly, in an understandable way, which rewards and is seen to reward good, not bad practice.

Mr. McNulty: Will the hon. Gentleman give way?

Mr. Brady: No, I am dealing with the previous point. My contention, which the Minister must answer, is that the Government's policy on changing the way in which the capital financing adjustment is calculated effectively rewards bad practice and penalises good practice.

The overall loss to well-managed authorities will be significant. The loss of about £50 million in the shire counties compounds the sense that they are being penalised, often at the expense of cities. The example of Trafford illustrates that the change is not simply a raid on shire counties. The policy also penalises metropolitan boroughs that have been better managed.

The worst thing about the policy change is not its day-to-day effect or its effect on particular local authorities—it is the principle that the Government are setting out as a guide for local authority practice. The message of the policy is that the Government intend to reward and encourage bad management, profligacy and waste, and to punish good, thrifty councils.

Mr. Ken Purchase (Wolverhampton, North-East): Will the hon. Gentleman give way?

Mr. Brady: I am coming to a conclusion; I shall not give way.

If Labour has changed, it must review the decision and reverse the policy. I urge the Minister to address that.

9.45 am

Ms Sally Keeble (Northampton, North): I am grateful for the opportunity to speak in the debate. I had not intended to do so, but, given the remarks of the hon. Member for Altrincham and Sale, West (Mr. Brady), I felt it necessary to spell out some of the thinking in Labour-controlled local authorities during the 1980s and to support the steps that the Government are taking.

The hon. Gentleman is quite right that local government financing is extremely abstruse. I and many of my colleagues wrestled with it in the 1980s and the early 1990s, so we know very well that, when spending allocations were fixed around some notional figure, strange anomalies sometimes arose. One found that spending programmes were moved between revenue and capital purely because of the availability of finance and not necessarily because that was the best way of financing or because the projects concerned were top priorities.

Underlying what the hon. Gentleman said, I detected a desire to draw distinctions between good and bad local authorities, and the implication that the good ones were Conservative and the bad ones Labour. That is the complete opposite of the truth. If Conservative authorities had been so good, more might have been left. Conservatives lost profoundly at the ballot box, which, in any democracy, is the ultimate test.

Mr. Brady: I am sure that the hon. Lady is well aware that, over the years, many factors have resulted in certain changes in local authority control. One of the principal factors in recent years was that the Conservative Government had become unpopular. There is no question about that, and we are well aware of it. Even though that happened, the borough of Trafford remained under Conservative control from 1974, when it was set up, until 1995. The Labour party has only a very tenuous grip on it, and should wisely consider some of the specific examples that I quoted.

Ms Keeble: That was a speech, not an intervention. The reason why people supported Labour-controlled local authorities in the 1980s and the 1990s when, I admit, some of us made mistakes, was that we were overwhelmingly seen to be supporting the communities that we represented. People supported us because we had that link. As leader of an inner-London authority, I had to grapple with supporting and protecting communities against the appalling scandals of Tory economic policy and the impact that it had.

During all the Tory years, male unemployment in the ward that I represented was about 35 per cent., and unemployment among women was so high that I think that it would have been virtually impossible to calculate. Local shops closed down not because of lack of trade but because people in the community did not have enough money in their pockets to be able to buy enough to keep the shops open. There was low income and unemployment. Whole communities were discarded by the Tory Government as being unworthy of, for example, job creation schemes. Disadvantages were not tackled. Such communities were deemed unworthy of programmes that could deal with disadvantages of race, sex and disability.

Labour councils had to pick up the tab for protecting the communities that Tory central Government had discarded. In Southwark, we used to call the Tory Government the "shower across the water". It was apparent what was happening. In examining our management of local finances, we had to bear certain things in mind. My council was much criticised by the shower across the water—I was going to say "you lot", but I thought that I might get into trouble.

Most local councils look to maximise spending on local services, because they are the only services that people will get. Labour councils offered the only lifeline out of poverty and unemployment. By reorganising their operations, most Labour councils sought to maximise spending on services and not on bureaucracy.

Mr. Tim Yeo (South Suffolk): The hon. Lady is obviously concerned that Southwark should have enough money to spend on services. Does she share the concern expressed by my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) about the effects of the change to the capital financing adjustment? In Southwark, the standard spending assessment for next year will be reduced by £860,000 as a direct result of that change. Does the hon. Lady believe that that will help the voters about whom she is so concerned?

Ms Keeble: I do not represent any of the Southwark constituencies, so it is difficult to comment on the details of those figures. I am talking about the council's history and how we have arrived at our present position. In that context, I am explaining why the Government are taking the right decisions. The council sought to maximise expenditure on services, which meant that the money spent—be it revenue or capital—was geared directly to ensuring maximum service provision.

Mr. Tony Colman (Putney): Does my hon. Friend agree that all debt entered into during the 18 years of Tory central control was approved by the then Department of the Environment? Local authorities could not go it alone: their debt was always fully approved by the Tory Government of the day.

Ms Keeble: Exactly. I thank my hon. Friend for that comment, which brings me to my next point—and if the hon. Member for Altrincham and Sale, West objects, I shall certainly give way.

Southwark council was aware that, despite opposition to Conservative policies on local government finance, we had an obligation to operate within the law and to ensure that we made sound financial arrangements for local services upon which the community relied. That is why we adopted both capital and revenue spending regimes that were not always incredibly helpful: we had to live within them in order to ensure that services were not disrupted by intervention from central Government via the Department of the Environment. That is why my hon. Friend's point is so important.

Mr. Brady: I am keen to reply to that specific point. It takes no account of the case that I made regarding some of the creative accounting techniques used. A key problem in the 1980s was not the levels of debt authorised by the Department of the Environment, but the mechanisms that local authorities sometimes used to avoid those controls.

Ms Keeble: I am sure that those creative accounting techniques have no bearing on the changes that we are discussing today. The most scandalous accounting—I shall not call it creative accounting—was practised by Westminster council. Southwark council examined the local government spending rules and worked out how we could use those rules—completely within the law and approved by the Department of the Environment, as my hon. Friend the Member for Putney (Mr. Colman) said—to maximise spending on the local services on which our community relied.

That brings me to a matter which I am sure that my hon. Friend the Minister will mention. The experience of those years left me—and probably most my colleagues—in absolutely no doubt that the rules for local government spending were abstruse and chaotic and urgently needed reform. Both the revenue and capital rules should match closely the needs of the area, so that SSA calculations are not based on the nonsense of hotel nights, and so on. Capital should reflect expenditure. It should be calculated in such a way that money allocated may be spent on capital projects, such as schools, and is not allocated to different forms of notional spending that would ultimately skew the way in which the money is spent.

I had to wrestle with those problems for eight years, and for three years as leader of Southwark council. I am extremely pleased that the Government are considering ways of changing both revenue spending and capital spending to ensure that they provide a good, sound basis for service provision. I am absolutely delighted that, through some other departmental and job creation programmes, the Government are addressing some of the employment issues that were such a problem for the council. That will automatically ease the serious pressures on council revenue spending with which I and many of my colleagues have wrestled in the past.

9.56 am

Mr. Laurence Robertson (Tewkesbury): I congratulate my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) on the way in which he introduced the debate. He put his finger on a complicated matter which has a great effect across the country, particularly in councils such as Trafford and Tewkesbury. I thank my hon. Friend for bringing the issue to the attention of the House.

The information that I shall use in my brief contribution was provided by the Under-Secretary of State, the hon. Member for Greenwich and Woolwich (Mr. Raynsford), a short time ago by way of a written answer. I am grateful for his assistance. When I examined the settlement in Tewkesbury, I found that the council faces a 5.1 per cent. reduction in its standard spending assessment. I found that quite odd, so I examined the situation more closely—the Minister was kind enough to provide the details—and I discovered that, if national totals had been taken into account, Tewkesbury would have received an increase of 0.8 per cent. If demographic changes in Tewkesbury had been taken into account, it would have had an increase of a further 0.6 per cent. However, the method of distribution would have meant a loss of 6.5 per cent.

Because of the changes, the net reduction in Tewkesbury is 5.1 per cent. I am told that changes in the composition of the indices in the all other services block and changes in the treatment of debt are responsible for that. That seems rather unfair. Tewkesbury does not have any debt, and that seems to have cost it dearly. My office contacted Tewkesbury's finance section yesterday, which

[Mr. Laurence Robertson]

agreed that the settlement was unfair. The council said that it might not have paid off its debts if it had known that the new system would be introduced. I am sure that many councils will be encouraged to take on more debt, in the knowledge that the Government will bail them out. The Government seem to have created a rather odd system that will encourage debt, which must lead to a reduction in council services throughout the country.

Mr. Colman: Will the hon. Gentleman join me, as a Member of Parliament with a Tory-controlled council—Wandsworth—which has reduced its services, in condemning Tory Wandsworth for sitting on more than £30 million of balances and refusing to pass a Labour group proposal for a lower council tax of £295, when it has been affected in a similar way to the hon. Gentleman's council?

Mr. Robertson: I will certainly not join the hon. Gentleman in condemning any council. I am not making that point, and I do not have the knowledge to speak about Wandsworth, although I understand that it has held a responsible level of council tax, community charge or rates for many years.

If a council increases its debt, the voters in the area should, unfortunately, have to pay for it until the next opportunity to kick out that council. I do not see why people in Tewkesbury, which has incurred no debt, should have their grant reduced simply to pay for the sort of councils that my hon. Friend the Member for Altrincham and Sale, West discussed.

Ms Keeble: Can the hon. Gentleman relate figures for finances to the services provided? People are extremely interested in what they get for their money. In particular, could he say what his county council is doing about some of the services that are most important to local people, for example, nurseries?

Mr. Robertson: The hon. Lady may recall that I asked a question of the Secretary of State for Education and Employment about Gloucestershire county council. Mistakenly, the right hon. Gentleman assumed that it was under Conservative control and condemned it for its nursery policy. In fact, for many years, it was controlled by the Liberal Democrats, so he got that wrong. He also got another aspect wrong, as the Labour group on the council has tried to deny passported money going to schools, and it is going to the schools only because of the Conservative group on the council. Therefore, perhaps the hon. Lady ought to look a little more closely at the matter than the Secretary of State did on that occasion.

To return to the reply that the Under-Secretary was kind enough to give me, it seems that the reduction in total of revenue support grant and redistributed non-domestic rates in Tewkesbury exceeds the reduction in the SSA. The hon. Gentleman informed me that that follows changes to the SSA system and, crucially—this will come across to council tax payers in the near future—one of the causes of the change has been a shift in the cost of local authority services from central Government to council tax payers. With the new change, it seems that the cost has been shifted only to certain council tax payers—in other words, those in prudent authorities and not those who live in the sort of authorities that my hon. Friend the Member for Altrincham and Sale, West so eloquently described.

10.1 am

Mr. Tim Yeo (South Suffolk): I am grateful to you, Mr. Deputy Speaker, for calling me rather earlier than I had expected. That gives me the chance first to congratulate my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) on what everyone present would recognise as a speech impressive in its command of a complex subject, eloquent in its trenchant denunciation of the extraordinary change that the Government have made in the capital financing adjustment this year and powerful in its conclusions, to which I will return.

The debate is important because we are just beginning to see the consequences of the changes to the capital financing adjustment and timely because those changes will become apparent to council tax payers throughout the country in the next few weeks as demands hit mats. Although change in the capital financing adjustment is a complex issue, the consequences of that change are fairly simple and I shall concentrate on them. The effects of that change, and a number of other changes in the way in which SSAs are calculated, are beginning to be revealed in a series of record increases in council tax. In the next five or six weeks, council tax increases in a large number of authorities will be higher than any increase since the system was introduced.

Mr. White: In the 1996 Conservative Government's Budget, it was stated that council taxes for last year and this would be raised far higher than inflation, to shift the balance back to local tax payers. That was the your Government's policy, but you seem to have forgotten that.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I must remind the hon. Member that I was not a part of any Government.

Mr. Yeo: I am glad that the hon. Member for Milton Keynes, North-East (Mr. White) raised that point, as I intend to come directly to it. The Secretary of State for the Environment, Transport and the Regions has confirmed that, had the Conservative party remained in power, the average rise in council tax would have been significantly less than the rise that results directly from the Labour Government's decisions. We have him on record in the House saying so, and I shall quote the relevant section of *Hansard* in a moment. This year will be notable for record increases in council tax and, unfortunately, for reasons that I shall explain, it may not be the last year in which we have such increases.

I was surprised by the speech of the hon. Member for Northampton, North (Ms Keeble), who spoke of her experience in Southwark. Given the record of that borough, frankly, I would rather have kept quiet in the House about my involvement.

Ms Keeble: As I said, all of us have made mistakes. However, is the hon. Gentleman aware that Southwark was the only council that froze the poll tax for the whole three years that it was in existence?

Mr. Yeo: I am afraid that we are not debating the poll tax and it was not even directly the cause of the

Conservative defeat at the election last year, since it was abolished before the previous election, which the Conservative party won. It is difficult to see how one can relate that tax to the change in the capital financing adjustment, which is the subject under debate. The hon. Lady referred to Southwark at some length and, given the borough's record, I should have thought it wiser to keep quiet about any connection with it, had I had any such connection—I am glad to say that I do not.

If the hon. Lady had troubled to inquire about the subject that we are debating, she would have found that Southwark has lost £862,000 of SSA directly as a result of the change. Like many other inner London boroughs, it has suffered badly in the SSA calculations this year because the Government and the Labour party are so consumed with envy at the outstanding success of Westminster and Wandsworth they have deliberately fiddled the formula to attack Westminster and, unfortunately, have swept up a lot of other inner London boroughs as well. I hope that, after they have seen enormous rises in council tax in London, that point will not be lost on voters in inner London on 7 May.

Mr. Adrian Sanders (Torbay): It is not merely the London borough of Westminster that has lost out in the settlement. One of the other changes in the formula has been the adjustment to the bed nights, which has cost many coastal resort local authorities and areas that receive visitors a great deal in their SSA this year—something which the Minister, in a recent debate, agreed to reconsider for next year. I hope that the hon. Gentleman will re-emphasise that. The restoration of the special recognition of the extra costs of being a tourist area, such as providing more public conveniences, car parks and leisure facilities, would be welcome. The loss of that recognition has also cost council tax payers dear.

Mr. Yeo: The hon. Gentleman is right to draw attention to that matter. I confess to having some sneaking sympathy for the Minister. Dividing up the cake among the local authorities is a problem for any Government. They will never produce a formula that will satisfy every local authority or even every group of authorities, because they have directly competing interests in this matter. Whatever the size of the overall cake, some will be disappointed.

As my hon. Friend the Member for Altrincham and Sale, West rightly pointed out, the problem about those changes is that they seem to have been motivated by a desire to penalise authorities that have been acting responsibly. Southwark has lost out, and I hope that the former voters in Southwark of the hon. Member for Northampton, North will be aware of that. Northamptonshire county council has also lost badly as a result of the change, and I am sure that her voters will be interested in the enthusiasm with which she supported the Government's decision to make the change when it has clearly penalised them so directly.

The consequence of the changes is a huge rise in council tax. Throughout the country, council tax payers and service users are starting to learn exactly what it means to have a Labour Government at Westminster. It is clear, even before next week's Budget, that Britain cannot afford a Labour Government.

The capital finance adjustment and the other changes to the calculation of SSAs will result in an increase in council tax in Devonshire of 19 per cent., in Northumberland of just under 18 per cent., in Cheshire of 17 per cent. and in Norfolk of nearly 16 per cent. I could name several other councils that face equally formidable increases. For example, Gloucestershire, which includes the constituency of my hon. Friend the Member for Tewkesbury (Mr. Robertson), faces an increase of almost 11 per cent.

Mr. Andrew Reed (Loughborough): Does the hon. Gentleman accept that the standard spending assessment is a complex issue? Last year, under a Conservative Government, my local authority of Charnwood—of which I was then a member—faced a 12 per cent. increase because of the changes in the SSA, despite the fact that it raised its spending only in line with inflation. Does he accept that, because the SSA is so complex, there will always be such variances?

Mr. Yeo: As I said in response to an earlier intervention, I recognise that any change in the SSA formula is likely to produce losers as well as winners, which is a matter of concern to those authorities and residents that are affected. Our concern is whether the capital financing adjustment is justified, why it was made and what its consequences will be.

The effects of the change are by no means confined to the shire counties that I mentioned. In Wakefield, for example, the increase in council tax will be nearly 12 per cent. and in South Tyneside it will be nearly 10 per cent. Even in London, where there will be elections on 7 May, there will be substantial increases—Hillingdon, for example, faces an increase of 12 per cent.

Mr. Gibb: Is my hon. Friend aware that none of those figures take into account the consequences of the Government's decision to end dividend tax credits paid into pensions funds, which means that there are further increases in the pipeline? The county council in West Sussex, which covers my constituency, is £4 million a year short because of that measure, which is equivalent to a further 3 per cent. rise in the council tax.

Mr. Yeo: My hon. Friend makes a most important point, to which the House will soon want to return, especially when, in the next few months, the results of the actuarial valuation are published. The Government have been waiting for those results to establish what action should be taken to deal with the huge burden that has been placed on all employers, particularly local authorities.

The pensions tax will lead directly to substantial increases in council tax or to substantial cuts in services unless the Government give an unequivocal assurance that the full amount of any shortfall—any additional employer's contribution that councils will have to make—will be covered by an increase in the SSA. The Government have refused to give such an assurance, which is extraordinary, as the more prudent councils may want to start taking into account that huge new burden in their longer-term spending plans. Without that assurance, they may find it necessary in the next budget round to start planning substantial service cuts or even more swingeing increases to the council tax.

Mr. Colman: I declare an interest as the chair of the United Kingdom standing committee on local authority superannuation funds. The average funding is just over

[Mr. Colman]

90 per cent. of the full funding level. For a number of local authorities, it is significantly higher—way above 100 per cent. The main reason why the figure is 90 per cent. is that, in 1990, the previous Government asked for a reduction in funding levels to 75 per cent. to pay for the implementation of the poll tax.

Mr. Yeo: The hon. Gentleman emphasises the gravity of the situation. If he is concerned that the funding level is inadequate, how can he support a tax that makes the position very much worse? He has made the case for the Opposition more eloquently than anyone has before. It is precisely because there is concern about funding levels in local authority pension funds that it is a disaster for the Government to refuse to give the assurance that the councils need.

Council tax payers in the various types of authority will face increases—if I had time, I could give a much longer list. The local authorities that I mentioned have one factor in common: they have all suffered as a result of the Government's decision to change the treatment of local authority debt that was incurred before 1990—in other words, to change the capital financing adjustment.

Mr. Colman: The constituency that I represent is covered by Wandsworth local authority, which has also "suffered"—to use the hon. Gentleman's word—because of the change. Will he join me in condemning the fact that Wandsworth has refused to reduce its council tax to the level that the Labour group wanted—£295—despite the fact that it was able to build up a balance of £30 million through the Tory years of special treatment?

Mr. Yeo: I am happy to debate with the hon. Gentleman—all day, if necessary—the merits of the London borough of Wandsworth, which is an absolutely outstanding example of how to run a local council. It is a byword for efficiency, innovation, satisfactory service and value for money, as the residents have shown by continuing to return a Conservative majority.

I had the pleasure of visiting Wandsworth the other day; it was the same day that I happened to visit Hampstead, in the London borough of Camden. In Wandsworth, I was told how public libraries were to be open on Sundays; in Hampstead, I was told that public libraries were closing—they were closed not only on Sundays, but on every day. That is the difference between an authority that embraces the opportunities of partnership with the private sector and is determined to continue increasing value for money and the quality of its services, and one that sits back and adopts the old socialist local government nostrums, which have been tried and which have failed so many times.

Mr. Brady: I was intrigued by my hon. Friend's mention of libraries. He may be interested to note that, in my constituency, the borough of Trafford, which is now under Labour control, has recently decided to close three public libraries. The Government are supposed to be championing literacy, but they are taking away money from the borough.

Mr. Yeo: My hon. Friend makes a most important point. That is another example of how the Government like to say one thing when their actions cause the opposite result. We have seen that time and again.

Each of the authorities that I have mentioned have suffered as a result of the change to the capital financing adjustment. On 2 December, in the statement on the revenue support grant settlement for next year, the Secretary of State for the Environment, Transport and the Regions confirmed—it can be found at column 161 in *Hansard*—that the council tax rise should be 7 per cent. if the Government continued to use the Conservative Government's figures and estimates on public spending. By the time that the Secretary of State and his fellow Ministers had finished fiddling the formula, many local authorities faced increases of double that amount—some of the ones that I have mentioned face increases substantially more than that.

My hon. Friend the Member for Altrincham and Sale, West rightly described the changes in the capital financing adjustment as a stealthy and hidden way of taxing people. As he pointed out, the effect of the change is to penalise local authorities that have chosen to repay their debts rather than to spend more money. That is a legitimate choice—many people would call it prudent. It certainly should not lead to council tax payers being penalised by a funding fiddle and a distortion of the formula.

Let us consider Hampshire county council, whose SSA was cut by more than £3 million as a result of the change. Not surprisingly, on 2 January, the council wrote to an official at the Department of the Environment, Transport and the Regions about the change. It says in paragraph 14.1—in case the Minister's officials happen to have one to hand for his benefit:

> "Hampshire County Council considers the change to the 1990 debt indicator in the Capital Financing SSA a retrograde and unfair amendment to SSAs. It effectively transfers support from councils who prudently used capital receipts to reduce debt to those who used them to increase their capital programmes. Whilst this was a perfectly legitimate decision to take, it should not result in higher SSA. This breaches the fundamental principle that SSA distribution should not be influenced by the spending decisions of individual councils . . . councils like ours are being unfairly penalised for their prudent policies."

My fear, which I think may be shared by my hon. Friend the Member for Tewkesbury, as well as by my hon. Friend the Member for Altrincham and Sale, West, is that the change has been made not for reasons of need or because a careful study has been made of the relative levels of deprivation in one authority as compared with another, not because there has been some move of population, not even because the Government have reconsidered what kind of facilities are needed in places such as holiday resorts on the south coast, but purely for political reasons.

It is mostly—not all, I accept—Conservative local authorities that prudently repaid their debt, so it is mostly Conservative local authorities that suffer under the change. The trouble is that, whichever party controls the local authority affected by the change, it is the people who live in that area who suffer and will have to pay higher council tax, and will find that local authority services in their borough, district or county are reduced.

As the change rewards authorities that were high spenders, people are likely to suffer even more in the future. Councils can read signals as well as hon. Members. My hon. Friend the Member for Altrincham and Sale,

West was right to draw attention to this point. The Government are encouraging spendthrift councils and penalising prudent councils.

Ms Keeble: I am surprised that the hon. Gentleman regards the measure as unfair. Surely, if councils do not have capital spend because they have repaid debt, they do not need recognition of the impact of their capital spend on revenue budgets. Surely it is right that the Government should take cognisance of the impact of capital programmes that were approved by the Department of the Environment on revenue budgets. Otherwise, revenue budgets, especially for road improvements, get clogged up by the servicing of debts.

Mr. Yeo: The difference between us is simply that the Conservative party has a different approach. We believe that, if a council can see ways of saving money on behalf of its taxpayers, it should be encouraged to do so, not discouraged from doing so. That is why we structured the SSA calculation to give that encouragement. That is why I find the change so alarming, not just for this year—although it is bad enough for this year—but for future years. If councils are told, "Don't worry. Don't bother to do anything prudent. Don't say that you believe in saving or investment but just go ahead and be as extravagant as you want," that is what some councils will do. Not all councils will do so. Councils under Conservative control—too few at present, but about to increase in number, I am sure—are unlikely to respond to that signal, but other councils may do so. That is what is so worrying. People in those areas will suffer.

Mr. Andrew Lansley (South Cambridgeshire): I apologise to you and the House, Mr. Deputy Speaker, that I cannot be here for the whole of this debate.

The point that my hon. Friend makes is a good one. Does he recognise that the authorities that underspent on capital in respect of debt interest payments in relation to the SSA, such as mine in Cambridgeshire, were able to use that excess headroom to support service provision elsewhere? Is there not a corollary that those who were spending on debt interest over and above the SSA ought not to be bailed out so that they do not suffer the income detriment?

Mr. Yeo: My hon. Friend has put his finger on an important point which goes to the heart of the matter. I agree with what he says. I am glad that he has drawn attention to the record of his authority. Hon. Members on both sides of the House ought to be aware of the consequences of the change now and in the longer term for their local authorities and the people who live there.

On a number of matters, the Government have been at pains to lay great stress on the importance of consultation. I pay tribute to the volume of consultation papers coming out of the Minister's Department in recent weeks. I believe that we shall be getting some more on such alluring subjects as whether the Minister will honour the Government's election pledge to end crude and universal capping. We await that one with great interest. I hope that it will give some explicit answers, perhaps more explicit than the recent paper on best value, which left unanswered almost as many questions as it dealt with. If the Minister would like to give us any hints of what will be in the paper on capping, it would be riveting information for those of us who have troubled to come along for today's debate. Everyone in the House has an intense interest in the financing of local government. It is not a particularly fascinating debate for those who do not have an interest, but we should like a clue about what is coming up on capping.

The Government have laid great stress on consultation. That is why I was surprised to read in the letter from Hampshire county council, to which I have already referred, in paragraph 14.3:

> "It was not the subject of consultation with the Local Government Association in this year's SSA SubGroup meetings."

I find it rather shocking that a Government who keep telling us that they want to consult before they make changes have slipped this one through. Perhaps they were afraid of the response that the consultation might produce.

Overall, the effect of the change has been to remove £52 million from the SSAs of shire counties. It has added £33 million to the SSAs of metropolitan districts. Once again, the Government's priorities are clear. When it comes to allocating public money, new Labour always favours the towns and hits the countryside. My hon. Friend the Member for Altrincham and Sale, West drew attention to Trafford council libraries in his constituency. We keep hearing from the Government that they are governing in the interests of all the people and want to respond to the recent impressive demonstration of concern by people from rural areas, yet when it comes to making a hard choice between town and country, they choose to take the money away from the shires.

Out of the 34 shire counties, all but two lose SSA directly as a result of this change in the methodology. Lancashire loses more than £3 million and will have to raise its council tax by 14 per cent. Essex loses close to £3 million and will have to raise its council tax by almost 15 per cent. Lincolnshire loses more than £1.5 million and will have to raise its council tax by more than 13 per cent. The list goes on and on.

Mr. Lansley: The list could go on. Will my hon. Friend reflect that it is not only that a county council such as mine will lose £1.5 million and will have to increase its council tax by 10.2 per cent. but that, as a consequence of capping—Cambridgeshire is capped at a relatively low level of council tax—it will have to cut services? There is a threat to close four old people's homes in Cambridgeshire alone.

Mr. Yeo: My hon. Friend is right. I am glad that he quoted Cambridgeshire. I should have included it on my list if I had realised that he would be present, but it is better that he should do so. He is also right to draw attention to the fact that not only is this about increases in council tax—painful as they will be for people who were told last year that Labour would not increase taxes—but it is a clear example of broken pledges even before we have had what we understand will be further substantial taxes on motoring. My hon. Friend is right to say that this is also about cuts in services. We shall see wholesale cuts in services throughout the country in the next few months, made by Conservative, Labour, Liberal and coalition councils. They all face the same dilemma. That is the direct consequence of the decisions made by the Labour Government since 1 May last year.

Ms Keeble: I thank the hon. Gentleman for giving way again. I appreciate that I have been up and down quite a

[Ms Keeble]

lot in this debate. I do not understand why councils should have to make cuts. If the SSA provides them with an element of spending to service debt and if your argument is that good councils have paid off their debts and do not need the money to service their debts, they should not have to raise revenue to compensate. That is my understanding of your argument.

Mr. Deputy Speaker: Order. The hon. Lady has been here long enough to realise the form of address.

Ms Keeble: That is what I understand the hon. Gentleman's argument to be. He undermines his own argument.

Mr. Yeo: Those authorities could see what the standard spending assessment calculations were last year. As we learn from Hampshire, they did not have a chance to express a view about the changes this year. I see the Minister shake his head. He will be able to respond in due course. I quoted from a letter.

The change clearly has an adverse effect on the authority's SSA. To compensate, it will have to raise tax or cut its services, and many authorities will do both.

Mr. Lansley: My hon. Friend has been generous in giving way to me, as I arrived late. Does he recognise that, last year, for authorities such as mine, a notional debt level was built into their SSA allocation and, because they had extinguished their debt, they could use that SSA for service provision whereas, this year, because of the Government's change in funding, that notional debt has been reduced, the SSA has been reduced, and the money is not available for service provision?

Mr. Yeo: That is exactly the point. I congratulate my hon. Friend on expressing it so succinctly. A change that was not based on an assessment of changing need, but was simply a financial change—made out of pique, I suspect, for political reasons—has reduced the resources available to authorities such as Cambridgeshire county council, which will therefore have to cut services, raise council tax or both. The service cuts will be painful for those who have relied on local authority services hitherto.

The settlement will be expensive for council tax payers throughout the country, especially in the authorities to which I referred. In the shire counties, the average council tax rise is almost 12 per cent.—three times the rate of inflation. Band D taxpayers in shire counties will pay an extra £120 next year. The average council tax rise across the country looks as though it will be about 8.5 per cent. Even in the metropolitan districts, the group most favoured by the Government, the increase will be more than twice the rate of inflation.

Mr. Reed: Does the hon. Gentleman accept that Charnwood borough council hardly represents an urban area, yet our council tax increase this year will be 7 per cent., and the Labour-controlled local authority there, in a shire borough, will raise its spending by 3.4 per cent. again, almost in line with inflation? Does he recognise that the urban-rural myth that he is trying to perpetuate is unacceptable?

Mr. Yeo: It is not a myth, but a fact, and it is unacceptable. It is revealing of the situation that we have now reached that the hon. Gentleman gets up and says proudly that, in his area, the council tax will be up by only 7 per cent. If we had had a Conservative Government, that would have been the average for the whole country. A loyal Government Back Bencher would not get up and boast what a wonderful outturn it was for Charnwood that its council tax was up by only double the rate of inflation, and only double the rate at which actual spending has increased. That would have been the case across the country, had the Conservatives still been in government.

I have had rather longer than I expected to explore the subject, and I am grateful for that opportunity and for the contributions of my hon. Friends. There are plenty of questions for the Minister to answer. I hope that he will explain why the change is justified, and confirm that the consequences are as they have been described. I hope that he will give an assurance that, next year, proper account will be taken in good time of the concerns of authorities that are adversely affected by any proposed changes.

We have concentrated this morning on the capital financing adjustment, but, as the Minister knows, there were other changes to the SSA methodology about which we were concerned. It is an important and complicated subject, on which genuine consultation is necessary. I hope that he will give us some assurances about that.

10.33 am

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Mr. Nick Raynsford): I congratulate the hon. Member for Altrincham and Sale, West (Mr. Brady) on his success in securing this debate. By the end of it, he may feel a little less satisfied at having chosen the subject because a great deal of the innuendo and comment from his side of the House has been incorrect, is based on a misunderstanding of what has happened and has no substance in fact, as I shall demonstrate during the next 20 minutes or so.

As we probably expected, the debate has ranged more widely than the SSA element for debt repayment. It might therefore be appropriate if I make some general points before dealing with the specific subject raised by the hon. Gentleman.

This Government have a new agenda for Britain's future and a vision for local government's place in that future. We want to reinvigorate local government in ways that encourage increased democracy, with local people having the chance to have more of a say in the affairs of their council; increased autonomy, with more freedom for authorities to take their own decisions; increased accountability, with elected representatives being more visibly accountable for their actions; and increased partnership between central and local government and between local authorities and people, businesses and groups in their areas. As the hon. Member for South Suffolk (Mr. Yeo) observed, we are issuing a number of consultation papers that focus on those and other matters to encourage a serious debate about how we take forward the future of local government.

As part of the process required to achieve our aims, a review of local government finance is being carried out by our Department, working closely with local government, business and other representative organisations and other departments. Consultation papers on possible changes to aspects of the local government finance system will be issued over the next month or so, as part of the wider consultation on modernising local government.

The volume of local government business reflects the importance that we attach to local government. The local government agenda will keep us all busy over the current parliamentary term and, I hope, beyond it. We need to make prompt progress. Our agenda is positive. We are a Government who want to be judged on our success in improving the quality of life for all people and by the extent to which we have made a difference. The extent to which local government is delivering services efficiently and in an accountable way to local communities is extremely important to us.

On local government funding, all public expenditure programmes must be examined rigorously each year; local government spending, which accounts for a quarter of all public expenditure, is no exception. Decisions on local government spending must look not only at the pressures on local authorities, but at the scope for greater efficiency and effectiveness within local authorities.

We are committed to working within the public expenditure plans that we inherited from the previous Government. While keeping within existing spending targets, we have reorganised priorities. We have put £835 million more into education, every penny of which will be covered by an extra £835 million of revenue support grant. That is a better, fairer, more flexible settlement than in previous years and has allowed an increase of total standard spending by 3.8 per cent.

We have provided an extra £350 million for community care. We have also provided £1.3 billion for capital spending needs to improve the state of school buildings through the new deal for schools and £800 million extra for housing through the capital receipts initiative.

We are committed to reviewing the local government finance system in future years, but we will continue to expect local authorities to behave prudently and responsibly.

Mr. Gibb: I was interested in that list. How much did the Minister allocate to local government when he heard the July Budget and the announcement that dividend tax credits repayments would be ended? What assessment has he made of the impact that that will have on local authority pension funds?

Mr. Raynsford: The hon. Gentleman raises an issue which was raised in the earlier debate. He will know from earlier discussions that there is no impact in the current year as a result of that change. As the hon. Member for South Suffolk recognised, the actuarial assessment is currently taking place. The Government have always made it clear that as and when that assessment has been made and the net cost—I emphasise the net cost, after compensating savings have been taken into account, rather than the gross cost figures which are misleading and have been unwisely bandied about in recent months—is known, the Government will take those figures into account in framing the appropriate support for local authorities in future years. I repeat that there is no impact in the current year.

Mr. Brady: I am concerned by the Minister's suggestion that there is no impact in the current year. Surely the fact that there has been no actuarial revaluation yet does not mean that there has been no impact in the current year. It simply means that in a future year, when the revaluation has taken place, a greater provision will have to be made to make up for this year when nothing has been done.

Mr. Raynsford: The hon. Gentleman fails to understand that local authorities must act on the basis of an actuarial assessment and that their contributions are fixed on that basis until the next valuation. When the next valuation takes place, the impact is taken into account and the contributions, net of savings which may result, will be decided. That is why there is no impact in the current year.

SSAs are the basis for the distribution of revenue support grant. They are based on measures of spending need that apply to all authorities and are discussed with local government representatives. I want to knock on the head one of the falsehoods that have been peddled this morning—the suggestion that the changes have been introduced by stealth and that local authorities had no opportunity to discuss them. That is not true. They were discussed at the SSA sub-group which discusses the local government settlement each year. The issue has been debated on numerous occasions and was raised at the sub-group this year.

The SSAs for 1998–99 were debated in the House on 5 February, and the local government finance settlement for 1998–99 has been agreed. Having said that, we are committed to a fair distribution of Government grant among authorities and believe that there is still scope for improvement in the arrangements in future years. My colleagues and I will look closely at the current SSA system. We will listen to local government views on how SSAs might be improved, both for 1999–2000 and in the longer term.

As the hon. Member for South Suffolk said, changes inevitably produce gainers and losers. Some authorities will plead for changes that benefit them—it is the nature of their role—and others will plead against them because they adversely affect their future prospects. That is why the Government must reach an informed judgment about the balance of merits and disadvantage in deciding what is best. That is what we have done this year and it is what we will seek to do in the future.

Mr. Lansley: The Government felt able to make changes to the SSA methodology for this year, but they failed to live up to their promise to introduce the changes recommended by the Elliott review into the area cost adjustment. Will the Minister give a pledge that the review will be completed in time for changes to the area cost adjustment to occur for the 1999–2000 financial year?

Mr. Raynsford: The area cost adjustment has been debated previously: the hon. Gentleman raised it in an Adjournment debate I answered some time ago. I made it clear at the time that we had undertaken to review ACJ this year before the settlement was reached. The fact that we have not carried out the proposed changes is simply a reflection of the fact that there was a stark division of opinion in local government about the impact. Some authorities—notably the hon. Gentleman's local authority, Cambridgeshire—were keen because they would gain from it. Others who would lose were opposed.

In our discussions, it emerged that there were possible alternatives, including a specific cost option, which had not been researched thoroughly. We believed—it is an

[Mr. Raynsford]

entirely responsible decision—that that research should be undertaken and evaluated before any final decision was taken on a matter that is inevitably controversial, as it benefits some authorities and damages others. That is in train and we will discuss it further when we have the benefit of the further research on the specific cost option.

If the hon. Member for Altrincham and Sale, West believes that the SSA system does not treat Trafford fairly, I would be happy to examine any proposals he has for different methods of calculation. However, I stress to him—and to any other hon. Member who raises these issues—that any decision has to be universal and the changes must apply to all authorities. We must consider the impact in the round—both the negative and the positive. We want to feel confident that the changes will produce a sounder assessment of need.

Mr. Brady: I thank the Minister for his generous offer to take account of any proposals I may make about a fairer way of assessing SSA for the borough of Trafford, provided they can be taken in the round. The point he made about gainers and losers is important. As a matter of generality and principle, will the change reward or benefit authorities with high levels of debt in the 1980s and penalise those with low levels of debt in the 1980s?

Mr. Raynsford: I will come to that point in a moment. I have advised the hon. Gentleman that he might not be happy with the evidence I shall present to him.

For 1998–99, we decided that it was sensible to change the method of calculating the capital financing SSA. During the 1980s, local authorities had a choice of whether to use capital receipts to pay off debt or to finance new capital expenditure. That choice was made available by the then Conservative Government and it continued until 1990. Decisions taken on whether to apply receipts for debt redemption purposes or for new investment were entirely legitimate, and authorities were perfectly free to come to a decision under the arrangements.

When SSAs were introduced in 1990, the previous Government decided to favour those who had applied capital receipts to debt reduction and penalise those who had chosen new capital expenditure by treating everyone as if they had chosen to use capital receipts to repay debt early. I stress that that was not a requirement of the regime that existed prior to 1990. There was a retrospective process of rewarding some and penalising others for decisions taken prior to the introduction of the new arrangements.

Mr. Yeo: Does the Minister think that it is wrong to reward prudent councils?

Mr. Raynsford: It was wrong to introduce regulations that had a retrospective impact when authorities had no way of knowing that they would be penalised as a result of acting in a way accepted by the then Government as entirely proper. It was a shabby change in the regulations and it caused widespread concern in local government. I am surprised that the hon. Gentleman is defending it.

Mr. Yeo: If the Minister thinks it is so shabby, why is he doing exactly the same thing now?

Mr. Raynsford: If the hon. Gentleman listens, he will hear that we are making a change to restore the fairness that should have existed from 1990. We are not making a change that will benefit any authority as a result of their decisions on whether to use receipts for one purpose or another. Their decisions will have no impact on their SSA entitlement. Decisions taken prior to 1990—decisions taken one way or the other in a perfectly proper way within the rules that applied at that time—should not retrospectively result in an authority getting more or less SSA than they should be entitled to. That was the error of the Conservative Government. I am surprised that the hon. Gentleman is defending it.

Mr. Yeo: The only difference between what the Minister is doing now and what the previous Government did—which he says was shabby—is that the effect of the change made by the previous Government was to benefit prudent authorities and to damage spendthrift ones. In line with old Labour thinking on this matter, he is making the same type of change—the only difference being that he has chosen to benefit the spendthrift authorities and to hit the prudent ones.

Mr. Raynsford: The hon. Gentleman is wrong on this, as on so many other issues. The change is creating a fair framework that will treat all authorities on an equitable basis. The debt is being assessed on either the actual or the notional—whichever is the greater. This will be a fair system, reflecting the position as at 1990, so that authorities will be subject to a regime they can understand and of which they know the consequences. However, they will not be retrospectively penalised for decisions they took in good faith before that date—perfectly legitimately—for which the previous Government penalised them.

That was a typical example of the previous Government making assumptions after the event about how local authorities should have treated capital receipts. Authorities that had properly decided to use their receipts to finance new capital expenditure felt justifiably aggrieved. To correct this, we decided that the debt calculation for the 1998–99 settlement should be based on an estimate of 1 April 1990 debt which is the greater of actual or notional debt. This will enable authorities that chose in the 1980s to undertake capital expenditure rather than repay debt early to meet their unavoidable loan charges while allowing them to spend at SSA on services such as education, health and police.

Mr. Gibb: The change in the formula will result in West Sussex receiving £2 million less from central Government. How can that be fair?

Mr. Raynsford: The hon. Gentleman clearly has not been listening. Any changes in the formula will have an impact. There are gainers and losers. If he will wait a moment, he will understand that the changes will not have the consequences that he and his colleagues have suggested. They are not designed to reward the profligate and penalise the prudent. That is simply not the case, as I shall demonstrate in a moment.

By taking the larger of the actual or notional debt, we have ensured that other authorities that chose before 1990 to repay debt early will continue to receive SSA provision for the capital expenditure required to provide necessary services. Thus both groups of authorities are treated fairly, whereas the previous arrangement penalised one and rewarded the other.

As the hon. Member for Altrincham and Sale, West pointed out, the change to the treatment of debt at 1 April 1990 has resulted in a reduction in the SSA element of debt charges for some authorities, including Trafford.

That is not the case in Tewkesbury. As a result of the adjustment to the capital spending SSA, some £20,000 extra was given to Tewkesbury.

Mr. Laurence Robertson *rose—*

Mr. Raynsford: From the hon. Gentleman's earlier intervention, he seemed to have a rather different impression.

Mr. Robertson: I am grateful to the Minister, who has been generous in giving way. I was quoting from the written answer that he gave me.

Mr. Raynsford: The hon. Gentleman must look carefully at the response. The overall impact was a reduction, because there were a number of changes. In terms of the change to capital financing, Tewkesbury was a gainer, so the change does not have an adverse effect at all on Tewkesbury, which demonstrates the incredible complexity of the process. When one is juggling a number of different indicators, there will be some that gain and some that lose. The overall impact is not terrifically predictable. That is why it is so important to try to ensure that we are as fair as we possibly can be.

It is inevitable that there will be some losers when there is a change to SSA methodology, particularly with a service such as debt charges, where the national amount is determined in relation to the amount that authorities will in aggregate spend on borrowing costs in the coming year. However, I am convinced that the change to the methodology was fair and proper. It was discussed with local authority associations in the SSA sub-group and the outcomes are a major improvement on the previous methodology. There would, of course, have been no need for any painful adjustments in the coming year if the previous Government had adopted a fairer basis for sharing the costs of borrowing when SSAs were introduced.

Mr. Sanders: Is the debate not connected to the use of the public sector borrowing requirement and how it impacts on local spending decisions on capital items? Does the Minister favour the alternative—general government financial deficit system—which would iron out many of the anomalies that stem from the 1990 changes?

Mr. Raynsford: The debate has ranged widely, but I suspect that I would incur your wrath, Mr. Deputy Speaker, if I were tempted to stray into the territory of the public sector borrowing requirement, which the hon. Gentleman invites me to do, so I shall stick closely to the subject of the debate—capital financing SSA rules.

It has been argued that the change allows authorities to influence their SSAs. That is one of the charges that the Opposition have made. Let me make it absolutely clear that we have no intention of allowing authorities to take decisions that will affect their SSA entitlement. The adjustment simply reflects the position before the introduction of SSAs in 1990. There is no possibility of authorities taking decisions that will influence their entitlement in any way.

Mr. Lansley: The Minister is mis-stating the proposition in order to attack it. The point is that, through the change, he is seeking to replace a notional basis of debt calculation in an SSA with an actual debt calculation from the 1980s, when the SSA, as we know in respect of expenditure, is a notional rather than an actual figure. It is not a target for spending but an assumed level of spending, just as there was an assumed not an actual level of debt.

Mr. Raynsford: The hon. Gentleman has clearly not been following the debate closely. The whole basis of the assessment is to ensure that legitimate decisions taken by authorities before 1990, when the new system was introduced, should not have an adverse impact on authorities' entitlement to SSA.

Neither does the change condone creative accounting. The suggestion that it does is one of the more preposterous arguments advanced by the Opposition this morning. Any creative accounting would, by definition, have been used to get outside the normal borrowing procedures. It is not taken into account in the provision of SSA cover for debt repayment.

It has also been argued that the change to the debt charge methodology is designed to favour so-called high-spending profligate Labour authorities at the expense of low-spending Conservative authorities. That is not the case. It is always difficult to convince Opposition Members of this because there are so few Conservative authorities left where one could demonstrate the impact, but one of the largest gainers from the change is the royal borough of Kensington and Chelsea. I hope that the hon. Member for Altrincham and Sale, West will recognise either that that borough is profligate and Labour controlled or that his argument is false.

The reality is that the royal borough of Kensington and Chelsea has been Conservative controlled throughout the past 20 or 30 years and is one of the largest gainers from the change, which entirely kills the preposterous argument that we are acting in a partisan way.

Mr. Brady: I thank the Minister for giving way once again, but is the best that he can do to find a particular case that he claims disproves the generality of the situation? Boroughs such as Trafford, which was under Conservative control throughout the 1980s and, like many other local authorities, ran its affairs prudently, are being punished. The Minister cannot escape from that by using Kensington and Chelsea as an example.

Mr. Raynsford: I thought that the hon. Gentleman might say that, so I have some examples of prudent authorities that have been penalised as a result of the changes. Those suffering a larger reduction than Trafford include Lancashire, Sunderland, Coventry, Liverpool and Tower Hamlets. Does he regard those as prudent, well managed and being penalised unfairly? If he does not, his argument is false.

Mr. Brady: The principal mass of authorities that are being hurt by the measure are in the shire counties.

[Mr. Brady]

My authority, and others that the Minister has named, may be exceptions of metropolitan areas that are suffering from the Government's attack, but the shire counties are losing £50 million.

Mr. Raynsford: The hon. Gentleman is extremely confused if he believes that Liverpool, Tower Hamlets, Sunderland and Coventry are shire counties. Even my authority, Greenwich, is in virtually the same position as Trafford, so I hope that Opposition Members will recognise that the change has been introduced because we believe that it is right, not because of its impact on the party political nature of any authority, or on particular benefits to any local authority.

Mr. Yeo: No amount of selective quotation from the list of more than 400 authorities can alter the fact that it is primarily, but not all, Conservative authorities that have been penalised, and it is primarily spendthrift Labour authorities that have benefited. If the Minister publishes the complete list in *Hansard*, those facts will be apparent to even the most casual reader.

Mr. Raynsford: The hon. Gentleman, like his hon. Friends, is confused. That intervention was in the same vein as his speech, which was full of inaccuracies and verged at times on the hysterical. He made a number of ill judged and unfounded allegations. The reality is that we have introduced the change because we believe that it is logical and that there is justice in it.

The particular circumstances of metropolitan districts such as Trafford are recognised in SSAs in several ways, including population density, shared facilities and various indices of need.

Trafford's 1997–98 SSA has increased by £4.75 million—3 per cent.—for 1998–99. That is the figure arrived at after adjustments for changes in function have been made. Much of that rise is due to the adjusted increase in SSA for education, everyone's top priority service, which in Trafford represents an extra £4.031 million—a 5 per cent. increase. The hon. Member for Altrincham and Sale, West must recognise that the Government are putting money into education in his area, which is right both for the nation and for the people of Trafford.

The RSG distribution for the 1998–99 settlement is a closed matter, following approval of the local government finance settlement by the House on 5 February, and it will not be reopened. It is now up to authorities to set their budgets in the light of all their circumstances, including the provisional capping principles.

We shall consult widely on the best way to take forward the future financing of local government. As I have already said, we are issuing several consultation papers, and will enter detailed discussions with representatives of local government on the matter. We also intend, as my right hon. Friend the Deputy Prime Minister has made clear—

Mr. Deputy Speaker (Mr. Michael Lord): Order.

Parliament (BBC Coverage)

11 am

Mr. Denis MacShane (Rotherham): I am grateful to have been allowed a debate on this important issue. I declare an interest—the profound debt of gratitude I owe to the BBC for having dismissed me some 20 years ago. I joined the corporation as a journalist straight after university, and had a wonderful six or seven years.

However, I became involved in politics, standing for Parliament in Solihull in 1974 and arguing, in the way that embryonic politicians do, that the BBC should change itself. I argued that it should allow women to read the news, and should employ more black and Asian journalists. At the time, those were outlandish ideas. I also said that BBC journalists should be better paid—a preposterous notion.

Alas, I committed an inexcusable professional error, so the BBC, rightly and condignly, dismissed me. That probably saved my sanity. I cannot imagine what would have happened to me if I had remained a BBC employee.

I do not want the debate to take the form of BBC bashing, which is an occupational malady for politicians. Politicians who complain about the media are rather like sailors who moan about the weather, and spin doctors who complain about the media are rather like snakes who protest about being in the snake pit.

We are discussing not so much the right of Members of Parliament to be heard on the BBC as whether the BBC is taking steps that will lead to its decoupling not so much from Parliament as from the people.

I am no unconditional worshipper of Parliament. Frankly, much of what is said here is tawdry, tedious and, as we have heard during some recent days and nights, time-wasting. The modernisation of the House is long overdue. The people's will and the people's voice have been heard, are being heard and will be heard in many different ways; expressions of the people's views will be heard other than through the House.

I would make a small wager that Parliament will survive. Ministers will come and go, Speakers and Deputy Speakers will come and go, but Parliament will go on and on. The purpose of the debate is not to substitute Parliament for the editorial control of the BBC, but gently to suggest that the BBC may not survive as a publicly funded institution if it insists on de-linking itself from Parliament.

Politicians, separately from what is heard in the House and its Committees, will of course continue to be heard on the airwaves. Ministers will queue up to be "Paxmanned", and will stumble out of bed for early morning television and radio shows. I do not suggest that the voice of politicians is likely to be unheard or even reduced.

The voice of politicians as Ministers, as the Executive, will continue to be powerfully heard, and the rent-a-quote merchants, the stunt boys and girls who force their way on to the airwaves now and then, will be heard, too. Indeed, if the BBC reduces its parliamentary coverage, we shall see more of politicians in other ways, on the streets with stunts and cheap campaigns designed to get coverage.

Mr. David Winnick (Walsall, North): Although the BBC has a justifiably excellent reputation both in Britain

and abroad—we must remember what happened during the attempted coup in the Soviet Union in 1990—what sort of BBC would there be without this place? Without parliamentary democracy, the BBC would be merely a state organ, such as exists in countries that lack parliamentary democracy. Is it not a pity that the BBC bosses do not recognise that?

Mr. MacShane: My hon. Friend makes a valid point, but I am trying to keep my speech as short as possible so that as many hon. Members as possible can contribute to the debate.

We are not talking about politicians being kept off the airwaves; the loud, the powerful and those who represent Government will always get a hearing. However, beyond those people are the myriad voices and views of Members of Parliament working in the House and in its Select and Standing Committees, raising all sorts of issues and reflecting all sorts of perspectives.

It is true that many of those are "off message", as we now say—idiosyncratic or difficult. So be it. The BBC may want to make its coverage of Parliament as bland as possible, but we do not have to sit idly by while that happens. It is essential that the House, and, through the House, the nation should understand what is happening.

The BBC is proposing a fundamental and permanent downgrading of its parliamentary coverage. First, "Yesterday in Parliament"—probably the main link between Parliament and the people—is to disappear. Secondly, "The Week in Westminster" is to lose its present format and slot. Thirdly, the excellent "In Committee" programme is to go.

Mr. Robert Sheldon (Ashton-under-Lyne): My hon. Friend may not be aware that the Liaison Committee, which consists of the Chairmen of all the Select Committees, met last week and authorised me to write to the chairman of the BBC about the importance of "In Committee"—a letter to which Sir Christopher Bland has replied.

Select Committees now have much more important tasks, seen by the public, than they used to. On many days, including today, what happens in them is front-page news. However, such items do not show how Committees come to their conclusions, which is of enormous importance. Would it not be a disaster if the BBC failed to recognise its obligation in such an important matter?

Mr. MacShane: I am most grateful to my right hon. Friend. One of the critical remarks often made about the House is that, as today, the green Benches are relatively empty. However, it was ever thus. When Sir Martin Gilbert, the distinguished biographer of Winston Churchill, walked around here with me once, he said, "Do you know that, when Winston Churchill made those memorable speeches warning of Nazism in the 1930s, the House was empty?" It is not the presence of Members on the Benches that makes the debates and the voice of the House important, but what is said here, free of any influence other than the duty to conscience, constituents and the national interest.

Mr. David Davis (Haltemprice and Howden): I commend the hon. Gentleman on his excellent judgment in choosing the debate, and also on his opening remarks, one of which I believe was a quotation from Enoch Powell.

May I reinforce what was said by my predecessor as Chairman of the Public Accounts Committee, the right hon. Member for Ashton-under-Lyne (Mr. Sheldon)? Of course, Select Committees' deliberations occasionally make the front page of the newspapers, but the only leverage that a Select Committee has—this is much truer of the other Select Committees than of the PAC—is exposure to the light of the aspects of government that it scrutinises.

The "In Committee" programme provides the only real exposure that the scrutiny carried out by many Select Committees receives, and it is vital not only for the task of the BBC but for our task. If the BBC removes "In Committee", as appears to be the plan, it will cut the effective powers of scrutiny of the House of Commons.

Mr. MacShane: I hope that the chairman of the BBC will listen to those two powerful interventions from the previous and present Chairmen of the most important, senior and influential Committee of the House.

As I said, "Yesterday in Parliament", "The Week in Westminster" and "In Committee" are to go. BBC2's morning report of Parliament will disappear and I understand that the BBC is threatening to do away with the regional television parliamentary programmes. Any one of those changes would have been cause for concern, but in their ensemble, they represent a concerted attempt to downgrade coverage of Parliament in a fashion unprecedented in the BBC's history.

In its defence, the BBC has been disingenuous, if not deceitful. Its army of spin doctors has been fanning out, pretending that what is proposed is only a minor change. Yet at stake is nothing less than a dismantling of mainstream, accessible broadcast coverage of Parliament. The transfer of programmes to graveyard slots or on to the ghettos of long wave, or the absorption of parliamentary coverage into generalised current affairs programmes, will massively reduce the opportunity or choice of listeners to hear what is said in Parliament.

I am particularly concerned about the BBC's cleansing of "Yesterday in Parliament" from the "Today" programme. It has been more than disingenuous in its justification of expelling parliamentary coverage from "Today". The BBC says that, as soon as Members of Parliament come on to the air, audiences plummet, but the BBC's figures do not remotely justify that claim.

The chairman, in his letter to Madam Speaker dated 21 November 1997, said that Radio 4 loses 1.3 per cent. of its audience between 8.30 am and 8.45 am and, when "Yesterday in Parliament" comes on, it loses 0.9 per cent. Frankly, 0.9 per cent. is not a massive loss. Most people have finished their breakfast and are on their way to work after 8 o'clock, and that is when the "Today" audience plummets.

According to the chairman's own statistics, in the period between 8.30 am and 9 am, it is the sweet and caressing tones of Jim Naughtie and Sue MacGregor that lose more audiences at a faster rate than the voice of parliamentarians.

Mr. David Davis: The hon. Gentleman will not be invited on to the "Today" programme again.

Mr. MacShane: Alas, the only time I was on the "Today" programme was when I attacked the BBC, so I have some hopes. Those who stay on message never get on it.

[Mr. MacShane]

What else do we know about the audience for "Yesterday in Parliament"? Between June 1996 and June 1997, the audience for "Yesterday in Parliament" went up, not down. We also know that, when other material is broadcast in the Monday morning slot, the audience is no greater. We also know from evidence given by the BBC to the Select Committee a fortnight ago that only 80 per cent. of Britain can receive long wave, to which the BBC proposes to transfer "Yesterday in Parliament". If one goes into Dixons to buy a modern radio, one often finds that long wave is not available on the radio.

We know, too, that up to 1.3 million people—about the combined sales of *The Times*, *The Guardian* and *The Independent*—are connected to Parliament on week-day mornings. That is a goodly part of the population. "Yesterday in Parliament" represents less than 1 per cent. of all that Radio 4 broadcasts, so sacrificing it seems wholly unnecessary. Its slot in the "Today" programme is vital because, like it or loathe it, "Today" cannot be ignored; it is our national newspaper of the day. It is not just for Members of Parliament or, as *The Guardian* so charmingly put it the other day, for pointy heads and policy wonks—whoever they are. It is listened to by civil servants, business leaders, journalists and teachers throughout the country, wanting to hear, wanting to know, getting a chance to learn what Members of Parliament have to say in the Commons and in Select Committees and what is said in the other place.

Listeners can hear the awkward squad—those parliamentary roundheads and cavaliers who dare to be Daniels, who dare to stand alone, who dare to have a purpose firm and dare to make it known. Cleansing them from the "Today" programme may suit some spin doctors on both sides of the House and the Executive, but their voices should be heard.

Still, the BBC, like all great bureaucracies, is made of rubber; it comes bouncing back with unconvincing arguments. "We are giving you more time," it says—yes, but fewer listeners. As the *Critical Quarterly*, in its remarkable black paper on education, put it 30 years ago, "More means worse." We already have a parliamentary channel on cable broadcasting Parliament around the clock. *Hansard* is available on the Internet. Wall-to-wall coverage of Parliament will not help anyone.

As a former journalist, I am particularly saddened because "Yesterday in Parliament" is a superb piece of broadcast journalism. It distils, into a little under 15 minutes, 12 or more hours of parliamentary proceedings. Extending it to 30 or 45 minutes, or even two or three hours, will weaken the force of that journalism. I do not want more Members of Parliament on the air, but I want the nation and its listeners to have the possibility of hearing what is said and done in the House in their name at a time and on an airwave when they are tuned in.

I have said that the BBC's arguments are disingenuous. Its statistics simply do not add up. But the BBC has been more than disingenuous; it has been deceitful in promising that real consultation would take place. In essence, what was floated, proposed and lobbied for last summer is what will take place.

I do not like to use the word "contempt". That is an overused word in Parliament. But the BBC chairman has not been straight with the Speaker. As so often happens to the great and the good when they accede to that post, they immediately go native and become mouthpieces for whatever the BBC bureaucratic moloch wants to do.

We must be realists. The BBC is not King Charles I in a fight with the Commons. The world will not stop if 15 minutes of my hon. Friend the Member for Bolsover (Mr. Skinner), the right hon. Member for Kensington and Chelsea (Mr. Clark), my hon. Friend the Member for Linlithgow (Mr. Dalyell) or the hon. Member for Billericay (Mrs. Gorman) are replaced by Mr. Humphrys making sure that no Minister or shadow spokesman can form a sentence with a beginning, middle and end without being interrupted.

Yet I fear for the future if the BBC refuses to listen and act on this debate. If the BBC thinks that Parliament is no longer important, the time may come when Parliament attaches no importance to the BBC. As someone who believes in the BBC, I ask myself whether that is the end game—a furtive, shabby, dishonest decoupling of the BBC from its unique character in the world as a publicly funded, editorially independent but parliamentary accountable broadcaster.

Are those who dream of privatising the BBC—we know some of their names—pushing forward that agenda? The broadcasting of parliamentary proceedings in a mainstream outlet of the BBC is nearly as old as the BBC itself. In ending that service, the BBC is telling the nation not only what its chairman and his officials think of Parliament, but he is announcing urbi et orbi, that the marriage between the BBC and the British public may be drawing to a close. Is that what the BBC wants? Is it what Britain wants? I urge the chairman, even at this late stage, to think again.

11.17 am

Mr. Paul Tyler (North Cornwall): I am delighted to follow the hon. Member for Rotherham (Mr. MacShane) and I congratulate him on securing the debate. He supported me when I raised the issue at business questions some 10 days ago, and I am delighted to endorse every word that he has given us this morning. I am sure that other hon. Members on both sides of the House will share that view.

My text is C. P. Scott:

"Comment is free but facts are sacred",

which we might update by adding that commentary is fun but reportage is serious and sacred. That is what we are discussing today. We are addressing not simply the numerical figures of audiences or the new ghetto which will be created for those who take an interest in our proceedings, but the character of some of the programmes that the BBC now proposes to give its listeners and viewers.

It is not only Members of Parliament who have considered those programmes to be important in the past. The BBC itself has always viewed those programmes as extremely important and as part of its duty to its public and the nation. I have quotations from several episodes in the BBC's history to prove that point. The BBC's annual report and accounts for 1945 state:

"From the opening of the new Parliament in August 1945, a quarter hour period (10:45 to 11:00pm) was devoted in the Home service to a summary of each day's proceedings, under the title 'Today in Parliament'. This made it possible to keep listeners more closely informed on Parliamentary matters."

In 1946, the then assistant Postmaster General, Mr. Wilfred Burke, said:

"Another new condition is one to which the House will attach considerable importance. That is the new obligation laid upon the Corporation to broadcast a daily report of the proceedings of both Houses of Parliament."

No less a person than Mr. Herbert Morrison, the then Lord President of the Council, said in 1946:

"It is one of the duties of the BBC to keep the country informed about Parliament."

In 1982, a report from the House of Lords Select Committee on Sound Broadcasting stated that the BBC

"shared the wishes of members of both Houses that the proceedings of Parliament should reach as wide an audience as possible; in their judgment"—

the BBC's judgment, not that of the House of Lords—

"the new format of 'Yesterday in Parliament' was more likely to achieve this than the old."

The BBC's annual report in 1985 stated.

"Recorded actuality from both chambers and from committees regularly finds a place in news and current affairs programmes in the networks, the regions and local radio where there has been growing demand."

There was no sign then of the BBC claiming that parliamentary coverage was, literally, a turn-off for its listeners and viewers. The 1985 annual report also commented:

"The BBC's commitment"—

a strong word—

"to full and serious reporting of parliamentary affairs is reflected in such programmes as 'Today in Parliament', 'Inside Parliament' and 'The Week in Westminster' where recordings are used to good effect. The new format of 'Yesterday in Parliament' within the 'Today' programme has improved audiences."

As the hon. Member for Rotherham said, that comment does not suggest a falling audience—far from it.

Perhaps the most important statement of all was made last December by the Minister for Arts, whom I am delighted to see in his place on the Government Front Bench. He said that the BBC agreement

"contains one specific programming requirement introduced . . . in 1948 and re-iterated in 1996, that the corporation 'shall transmit an impartial account day by day, prepared by professional reporters, of the proceedings in both Houses of Parliament.'"—[*Official Report*, 11 December 1997; Vol. 302, c. 1258.]

Given that background of commitment to regular reporting and its importance to our House, the other place and the world at large—the programmes are popular and people want them—why are we now given several extraordinary excuses as to why those programmes no longer have a place in the schedules? The hon. Member for Rotherham effectively dealt with the ludicrous argument about the fall in audience between 8 am and 9 am. It is absurd, and I do not know how anyone could come before the Speaker or any other House authority and pretend that that was a good reason.

The figures show that, outside the "Today" programme itself, there are more listeners for "Yesterday in Parliament" and "Today in Parliament"—the listenership is growing—than for any other programme on Radio 4 except "The Archers". I am devoted to "The Archers", but if we have to start having murders, suicides or tractor accidents to persuade the BBC that we are important enough to be broadcast at a reasonable hour, that implies that the BBC is tearing up the commitment given under Lord Reith and in every era since.

I come from a scattered and sparsely populated rural area in Cornwall and I am, therefore, especially concerned about the notion that long wave is somehow an adequate substitute for FM. That is patent nonsense. Ever since this debate was announced, I have tried to persuade the BBC to provide me with a map to show the coverage of the United Kingdom achieved by long wave. I am told by the BBC that it is an "imprecise science"; in other words, it does not know. It can provide a map of the FM coverage of the United Kingdom, but it cannot provide a map that shows the areas in which long wave is easily received. Even some parts of London find it difficult to achieve good reception of long wave. The sudden suggestion that the quality of the receivers and the transmitters will be dramatically improved in weeks so that everyone can listen to long wave is patent nonsense.

All those arguments were "exposed"—I use the word advisedly—by Mr. Peter Hill in *The House Magazine* in October last year. He wrote a skilled, careful, scientifically based article, as we would expect from a former senior and distinguished reporter of the BBC. I find it extraordinary that the chairman and senior officials of the BBC are still repeating the arguments that have been so effectively disposed of. At a cross-party meeting that several hon. Members had with the controller of Radio 4, he was still repeating some of those arguments even when they no longer held water.

As I implied at the beginning of my speech, I believe that there is a hidden agenda behind the BBC's moves. It is not simply a numbers game, because the very character of the programmes is at risk. I shall take one example of that. "The Week in Westminster" is to move to Thursday evening, which will more than halve its audience, and that is bad enough. However, as a sop to the House, the BBC proposes to broadcast the programme in weeks in which the House does not sit. How can a programme called "The Week in Westminster", which purports factually to report parliamentary matters, be broadcast when the House is not sitting? The answer must be one of two options. Either the programme will become a report of the week in Whitehall and be all about the Government, not the House—but that is not what the BBC is pretending—or it will not be reportage at all, but commentary. We have a huge amount of commentary already on all channels, radio and television. We ask only that a small portion of the schedule is consistently addressed—every week and to a real audience composed of the whole United Kingdom—to reportage of the Houses of Parliament, including, as the hon. Member for Rotherham said, what happens in the Chambers and in Committees.

By definition, "The Week in Westminster" on a Thursday evening will not look at the whole week. It will contain nothing about Fridays. Is Friday now unimportant in the House? If so, someone should tell the Speaker, the Whips and the House officials. It appears that Friday will no longer exist, simply because the BBC, at the stroke of a pen, is to dispose of the programme to Thursday nights.

More important, "The Week in Westminster" would dramatically change in character. It would no longer report what the nation's representatives are saying and

[Mr. Paul Tyler]

doing in this place—it would be about the Government or would be a commentary on the parties and political affairs outside this place.

Mr. Nicholas Winterton (Macclesfield): I have followed the hon. Gentleman's speech carefully and he is doing a great service to the House. Does he agree that, to all intents and purposes, the executives of the BBC are trivialising and making peripheral what goes on in Parliament? We do not want that, and I do not believe that that is what the people of this country want.

Mr. Tyler: I agree with the hon. Gentleman. We do not agree often, but he has put the point succinctly and it leads precisely into my concluding point. Those who want to see and hear their parliamentary representatives working in this place, representing them, will be treated by the BBC as a tiny, insignificant and unimportant minority. They will be consigned to a scheduling ghetto. That is not just an insult to Parliament but an insult to our constituents and to the BBC's listeners and viewers. I hope that the BBC will think again.

11.28 am

Mr. David Winnick (Walsall, North): The other day, I received a note from the public affairs unit of the BBC—I presume that one has gone to other hon. Members—that began "Dear David" and asked whether I would signal my support for the proposals. It is surprising that I received such a note, whether it began "Dear David" or otherwise, bearing in mind my earlier interventions on the matter, including my Adjournment debate on 11 December 1997, during which I was, to say the least, extremely critical of the proposals. My hon. Friend the Minister replied to that debate, as he will to today's.

As my hon. Friend the Member for Rotherham (Mr. MacShane) and the hon. the Member for North Cornwall (Mr. Tyler) said, we must emphasise that what appears to be a technical matter—broadcasting on long wave or on FM—has great relevance to the proposals. I said in my Adjournment debate that "Today in Parliament" had lost more than half its audience since it went over to long wave in 1994. Parliamentarians as well as listeners would agree that it is an excellent programme. It is perhaps too long for the morning, but in the evening it provides good coverage of what has gone on in both Houses of Parliament. The BBC must have known that putting "Today in Parliament" on long wave would substantially reduce its audience. The BBC cannot be naive about the matter, and I can think only that it deliberately made the change because it believes few people want to listen to Parliament's proceedings and few are obsessed by politics and current affairs, and that it could find other listeners.

As the hon. Member for North Cornwall said, the BBC is making a great deal of the fact that the Friday programme, which is briefer than the Monday to Thursday programmes, will be extended. However, that late evening programme, which is the only one broadcast on FM, will move to long wave only, so there will be no real gain for it, as the BBC is perfectly aware.

The BBC has taken a propaganda line since last July when the proposals were leaked. Points of order were made in the House, and hon. Members will remember that Madam Speaker said that she was displeased by BBC proposals, but, all along, the BBC propaganda line—as has been shown during the debate—has been that people switch off because they are bored by the 15-minute or 16-minute recording of what occurred the previous day in Parliament. The reasons for fewer people listening from 8 am have been stated, although the BBC was originally reluctant to give the figures. Even now, the audience of "Yesterday in Parliament" is well over 1 million, which is larger than that of "Newsnight"—who knows what proposals the BBC has for that excellent programme?

Most people have no desire to switch off at all. I rang the BBC during the summer recess to ask how many people were listening to the substitute slot. The answer was that there was little difference between the number of people who listen to "Yesterday in Parliament" and those who listen to the substitute slot when Parliament is not sitting. Where is the evidence that listeners are bored and fed up with listening to parliamentarians for 15 or 16 minutes a day, and switch off such programmes when they come on air? There is no reason to believe that there is any truth in the BBC propaganda line.

The controller of Radio 4 said last summer that 350,000 listeners switched off when "Yesterday in Parliament" came on in the morning, but the BBC is now reluctant to repeat that comment. My hon. Friend and the hon. Member for North Cornwall explained that people switch off between 8 am and 9 am for obvious reasons: they are taking their children to school, going to work, and so on. The BBC was willing to use its propaganda line, when it seemed that it might be effective, to discredit the reporting of Parliament.

One cannot have a great deal of respect for people who use such tactics, but I have the greatest respect for the journalists who are involved in "Yesterday in Parliament" and the evening programme. One can criticise from day to day, and ask why one item has been excluded and another has been given so much time, but the people involved are skilled, and there is no doubt that they do an excellent job, and have done so on radio and television since the broadcasting of the proceedings of the House. Their position is being undermined by their bosses, who give the impression that what they do is not of great value, which is unfortunate.

I shall not mention the other changes, because my hon. Friend and the hon. Member for North Cornwall discussed them in detail. The essence of the matter is whether the BBC recognises that it has a public service duty adequately to report the proceedings of Parliament. I have concluded that the BBC has a different view. I have said that I have the greatest respect for the BBC, its coverage and the way in which it broadcasts overseas events. I referred to the attempted coup in the Soviet Union, and said that it took place in 1990, but I was a year out: it took place in 1991. One remembers that Mr. Gorbachev learned the details of what was going on from the BBC.

One wants to defend that fine reputation; indeed, whether the BBC has been underfunded or had difficulties with the Foreign Office over funding for its overseas broadcasts, parliamentarians have come to the rescue and intervened constructively. Unfortunately, the view on domestic matters, and certainly on the reporting of Parliament, is that listeners are not interested in politics, and any old excuse is made to cut such reporting. Hon. Members are right to think that Ministers and spin doctors

will benefit at the expense of parliamentarians. I do not believe that should happen without a great deal of criticism.

I said in business questions and repeat today that we know what sort of institution the BBC would be without this place and without parliamentary democracy. Its freedoms, like the freedoms and civil liberties of all the people of this country, come from one place only—the Houses of Parliament, where the rule of law is established. It is unfortunate that the BBC does not recognise that and act accordingly.

The proposals, which I understand the chairman of the BBC will discuss when he comes to the House on Thursday, should be thrown in the dustbin. Despite all our protests, including that of Madam Speaker, the chairman, the director-general and the controller of Radio 4 may push them ahead. That is their right, and we cannot tell them what to do, but if they treat Parliament in such a contemptuous way, and refuse to listen to our justified criticism, we shall inevitably show contempt for those who control the BBC.

11.37 am

Mr. Nicholas Winterton (Macclesfield): This is a unique debate. I am not entirely sure, because my hon. Friend the Member for North Thanet (Mr. Gale) has just entered the Chamber, but I suspect that there will be virtual unanimity on the anxieties expressed by the hon. Member for Rotherham (Mr. MacShane) about the BBC proposals for the reporting of Parliament.

Yesterday, I chaired a meeting of the all-party media group, at which Matthew Bannister put the case for the BBC. He put a good case, but a number of people disagreed with it. I repeat what I said in my intervention on the hon. Member for North Cornwall (Mr. Tyler): the BBC is seeking to peripheralise and trivialise the coverage of Parliament. That concerns me very much. I have been here for more than a quarter of a century, and over that time the BBC's serious coverage of Parliament has been reduced. I believe that the current proposals will reduce it further.

The hon. Member for North Cornwall referred to Peter Hill, a BBC journalist with considerable experience, who is totally committed to Parliament and who covers it remarkably well. As has been said, last autumn he wrote an article severely criticising what the BBC intended to do. Nor do I think that the House should take lightly the concern expressed by Madam Speaker. It is not often that the Speaker of the House of Commons publicly states her concern about what is going on, but Madam Speaker believes fervently in the role of Parliament, and thinks that it should be covered properly by the BBC.

Uniquely, I must agree with every word said by the hon. Member for Walsall, North (Mr. Winnick). He and I are generally very much on opposite sides. It is good to note the virtually unanimous condemnation—I use that word advisedly—of what the BBC intends to do.

I shall not repeat the arguments about the change from FM to long wave, for the simple reason that they have already been fully and accurately deployed; but I sometimes wonder why the BBC keeps referring to audience figures. I believe that the figures are wrong. Moreover, the BBC is funded in a unique way, and, in accordance with its charter, has a serious commitment to providing a public service. That commitment will be greatly damaged if it implements its proposals.

I mentioned Matthew Bannister. He is very articulate. I knew him for many years before he rose to the higher echelons of the BBC, and I have a high regard for him and his ability. When he came to the all-party media group last night, however, it seemed to me that he was very much carrying out the instructions of his media bosses. As my hon. Friend the Member for North Thanet will confirm if he catches your eye, Mr. Deputy Speaker, he tried to justify the proposal by saying that, far from cutting coverage of the House, the BBC was giving it extra time.

As the hon. Member for North Cornwall pointed out, the BBC says with great sincerity that it will broadcast "The Week in Westminster" when the House is not sitting. I agree with the hon. Gentleman that "The Week in Westminster" will become a programme about Whitehall and government. It will consist merely of reporting and comment, rather than being a serious programme giving people what I think they want to hear. As an evergreen Back Bencher, I think that it is important to Members of Parliament that their constituents can hear what their representatives have said on the Floor of the House from time to time—with, of course, appropriate editorial treatment. After all, we believe—mostly—in the impartiality of the BBC's editorial staff.

It is amazing how many letters I receive from constituents saying, "Oh, Mr. Winterton, I heard you say so-and-so in the House of Commons last week." I find that very rewarding, and I think that rather more people follow what goes on here than the BBC would have us believe. You may say that this is not the right place for me to say this, Mr. Deputy Speaker, but Mr. Tony Hall, the head of BBC news, is coming to the all-party media group on 25 March, and I hope that as many people as possible will come and tell the BBC's senior executive exactly what they think of its proposals. As an Opposition Back Bencher, I cannot stress enough how concerned I am, and how important I consider the BBC's public service duties.

Let me say to the hon. Members for Rotherham and for Walsall, North that I am not one of those Conservative and Unionist Members who believe that we should privatise the BBC or, force it to raise funds from advertising. I have never believed that, although I want it to become commercial in the sense of exploiting some of its services—for example, the tapes and compact discs that it produces. I think that it could market those more aggressively, and thus increase its revenue. It does a pretty good job—which could, however, be improved—in selling its fantastic programmes overseas; but it has a prime duty to give Parliament adequate coverage. I do not want to go into this in depth, but the BBC is right in saying that long wave is unreliable in many parts of the country. Is it therefore surprising that the BBC can state that audiences have been reduced, when not many people can receive long wave broadcasts of the standard that they expect?

I congratulate the hon. Member for Rotherham on securing the debate, and on the reasoned and robust way in which he put his case. His view is shared by Conservative Members and by the minority parties, particularly the Liberal Democrats. I hope that the unanimity in the House continues, and that, when Sir Christopher Bland and John Birt come to the House to try to explain what they are doing, they will receive a positive response. They, too, are coming to the all-party

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media group later in the year, on the day when they publish the BBC's annual report. We have a responsibility to give them a platform.

I agree with the hon. Members for Rotherham, for Walsall, North and for North Cornwall. We must not allow the BBC to implement changes to the disadvantage of this place, or allow such changes to be accepted by default.

11.48 am

Mr. Tam Dalyell (Linlithgow): I do not entirely share in the unanimity. I have known four Members of Parliament for Rotherham, every one of whom has made a contribution to the House. My hon. Friend the Member for Rotherham (Mr. MacShane) made an elegant and important contribution, and we are in his debt.

I do not always agree with my hon. Friend the Member for Walsall, North (Mr. Winnick) on every subject, but I strongly agree with what he said about public service obligations.

The discordant note that I introduce is this. We shall have to cast a particular mote out of our own eye. The problem is that it is all very well for the hon. Member for Macclesfield (Mr. Winterton) to say that, in the past quarter of a century, serious coverage has been reduced, but something else has been reduced: ministerial interest, in both parties, in the proceedings of the House of Commons. I am concerned about the gradual bypassing of Parliament, which I think started with Mrs. Thatcher. More and more, statements are being made in Millbank or in Conservative central office, long before they are made on the Floor of the House. It is a question not only of etiquette but of the amount of attention, particularly of Ministers, that is paid to the House of Commons.

Yesterday morning, there was a major event in the history of the Labour Government. I am not concerned here about the merits or demerits of the minimum wage legislation, but it is something that was very close to the heartstrings of my party. I shall put it gently. If such a measure had been passed after an all-night sitting, and if their colleagues had been up all night getting it through, Harold Wilson and Jim Callaghan would have made it their absolute business to be on the Treasury Bench at least for the final speeches, and probably—certainly in Wilson's and Callaghan's case—for all the speeches on Third Reading.

For much of the legislation that has been passed in the past few months—it was the same during the Conservative Government—the Secretaries of State whose legislation it was were very seldom to be seen on the Treasury Bench. They left it to junior Ministers. What more important thing do Secretaries of State who are conducting legislation through the House have to do than to listen—on their own legislation, which they are promoting—to their parliamentary colleagues of all parties?

If the Government cease to listen to the House of Commons—as Governments in general are ceasing to do—what do we say to BBC senior executives, one of whom, who must be nameless, has asked, "If you do not take yourselves that seriously, and if Ministers do not take the House of Commons that seriously, why should the BBC take you so seriously?"? The debate is part of a wider argument on the bypassing of Parliament.

Mr. Tyler: I am grateful to the hon. Gentleman, and entirely agree with the important point that he is making so strongly. However, I think that he will agree that two wrongs do not make a right, and that it is not entirely clear which is cause and which is effect. I think that one of the reasons why successive senior Ministers, and Governments generally, have treated the House with less courtesy and respect for its role is that they do not think that they will attract the media's attention if they do so. We witness today an empty Press Gallery for this debate. I think that the hon. Gentleman will agree also that the media are not excused in paying increasingly less attention to the proceedings of the House simply because Ministers have followed them in making that mistake.

Mr. Dalyell: The hon. Gentleman has made the point more eloquently than I would have done. Others wish to speak. I shall only endorse what he has so pointedly said.

11.53 am

Mr. Alan Clark (Kensington and Chelsea): I congratulate the hon. Member for Rotherham (Mr. MacShane) on making his case, and also on the restraint, in several senses, that he showed in developing that case. Specifically, he made no reference—he might have some acquaintance with or memory of them—to the complexities and, in a literary sense, corruptions of the career structure inside that enormous and—as he eloquently described it—rubbery corporation. He did not mention the pressures that those pressures generate, or the contribution that they make to an anonymity of responsibility, which makes it difficult to fix on a particular target or individual and to say, "If we can bring our case to them, perhaps we can correct this."

Meanwhile, as hon. Members have already said, we are witnessing the standard corporation technique, whereby, if one wants to get rid of a product, one makes very little of it. As supply is so limited that people cannot get the product, one says that there is no demand for it. It is a cyclical process. The BBC is engaged in that process, transferring programmes that it admits have higher ratings to "listening ghettos"—where no one can get at the programmes, or where one can hear them only with great difficulty, because they are broadcast at the wrong time of day. The process is self-fulfilling, and enables the BBC to say, "There is no demand for those programmes, so we may as well get rid of them."

The process is part of a larger one that I see developing within the BBC. It is a type of dumbing down. The BBC is giving much more air time and exposure to special interest lobbies and mini-focus groups that argue their case, although almost in political isolation, because they are not really politicians. They do not understand—as we do, as we are sent to the House by our constituents—political pressures in the round, although they have good soundbites, mini-rows and disturbances, and give trouble. However, those groups should be only on the fringe of politics, not at the centre, as the House certainly should be.

As the hon. Member for Linlithgow (Mr. Dalyell) so eloquently said, for a variety of reasons, the House finds itself under pressure from many different sectors. In the

eyes of many, our importance is diminishing. Therefore, rather than pay attention to what the House of Commons says, it is legitimate to listen to those various little focus groups, pressure groups and people who will make a scene on air or on television and give the programme "more of a kick".

I should like briefly to deal with the matter of that "kick"—the matter of ratings. It is no business of the BBC to determine its output by ratings—which are not and never have been part of its charter. I went to a lunch hosted by Sir Christopher Bland—I hope that I am not abusing his hospitality. He invited some prominent parliamentarians, and gave us a résumé of his future programmes and of what the corporation was doing. On all the items that he showed us, he declaimed their ratings and the acclaim from critics. He told us that the ratings for this or that programme were as good as those for ITV's programmes. That is not his business. Lord Reith never concerned himself with a programme's ratings. His duty, as he saw it, was to inform and to educate. That is how the BBC was conceived.

We can complain about the process, and we have right to do so, because it is deplorable. I know from my own mailbag that many individual constituents complain about it. The process can be corrected only by a strong and forceful personality who is not concerned with ingratiating himself with the establishment. The BBC requires an individual who will promote his various officials, editors and producers not on the basis of their impact on ratings or the acclaim that they garner, but on the basis of how they fulfil the BBC's fundamental duty, which is quite different from that of independent television companies—which have no duty except to their shareholders, and only minimal constraints imposed on them by censorship and the dictates of so-called good taste.

We shall have to initiate a fundamental change in the BBC—in attitude, conscience, responsibility and the sense of duty of those at the top. Until we do that, we shall have debates such as this one. The Press Gallery will remain empty, and no one will pay the slightest attention.

11.58 am

Mr. Richard Allan (Sheffield, Hallam): I am grateful to the hon. Member for Rotherham (Mr. MacShane) for giving me a chance to raise the issue of regional television broadcasting of parliamentary affairs.

Many of us will have built up a quite close relationship with our regional BBC outlets and participate frequently in their programmes. It seems to me that there are two essential components in that regional broadcasting: first, that there are correspondents who go out of their way to build links with all the region's Members of Parliament, irrespective of party and position; and, secondly, that they are given adequate air time and are able not only to provide pieces for regional magazine programmes that follow the news, but to have their own slots throughout the week to broadcast genuine regional coverage.

That is especially important in areas such as Yorkshire—an area of interest both to myself and to the hon. Member for Rotherham. That we have a Leeds-based team is very significant: it is important that our coverage of Westminster comes from "John Turnbull, our man in Westminster", not from a national feed, and gives a genuinely regional perspective. People in Yorkshire and other peripheral regions respect that. The breadth of coverage is significant, as those in the team are able to move into the wider arena: for example, we have recently discussed issues such as the Child Support Agency and alternatives to prison sentences—broader issues, discussion of which involves residents of the region and their parliamentarians. I ask myself where else we could get that sort of coverage.

Hon. Members have recently waxed lyrical about the importance of the constituency link as we discuss alternatives to the present electoral system. If we are not to have regional coverage, all we shall be left with is the Government's pronouncements and national spokespeople talking; people will never hear what their region's Members of Parliament think from a regional perspective.

The other key issue is the following of political careers. In Yorkshire, we report the Leader of the Opposition as the right hon. Member for Richmond, Yorks (Mr. Hague). We have followed the career of the right hon. Member for Sheffield, Brightside (Mr. Blunkett), who is reported as such, all the way from local councillor to his current position as the esteemed Secretary of State for Education and Employment. It is that ability to engage with local politicians as local characters that is important, in that it cuts behind some of the hype and spin that are often seen here.

I hope that, as well as debating the topical issue of "Yesterday in Parliament", we shall seriously look at the future of regional broadcasting. We should treasure it and continue to provide to people in the regions a genuinely regional voice, instead of their having to rely solely on Government pronouncements and national spokespersons' responses.

12.1 pm

Mr. Roger Gale (North Thanet): I apologise to you, Mr. Deputy Speaker, and to the hon. Member for Rotherham (Mr. MacShane) for the fact that I was unable to be here for the first part of the debate. The hon. Gentleman knows, because he was in the same Committee earlier this morning, that I have been chairing the Committee on the Public Interest Disclosure Bill and was therefore unable to be here earlier. I hope that the House will accept my apology.

Despite having heard only part of the debate, I should like to make a couple of comments on the remarks made. It has been suggested that the BBC is in danger of sidelining Parliament into ghettos and, by that means, demonstrating that no one is listening, thereby putting itself in a position of being able to kill off the programme. Some of that is going on: I, like my hon. Friend the Member for Macclesfield (Mr. Winterton), heard Mr. Bannister last night indicate that "The Week in Westminster" was to be moved from its current Saturday morning slot to an hour on Thursday evening when, quite clearly, fewer people will listen. I regard that with sadness, because the breadth of Saturday morning programming means that people who ordinarily would not listen to "The Week in Westminster" might catch some of it and learn something that they might otherwise not have learnt.

Mr. MacShane: Is the hon. Gentleman aware that the audience for "The Week in Westminster" on Saturday is greater at its end than at its beginning? Believe it or not, it is actually an audience grabber.

Mr. Gale: I understand what the hon. Gentleman is saying, although there are those who are unkind enough to say that that is because people are tuning in for the programme that follows "The Week in Westminster", rather than for "The Week in Westminster" itself.

Be that as it may, that argument fits uneasily with that advanced by my right hon. Friend the Member for Kensington and Chelsea (Mr. Clark), who suggested that the BBC should not have to search for an audience. That is an elitist argument, which we have heard long and often. My right hon. Friend said that what is happening would not have happened in Lord Reith's day, but I hope that he will forgive me for pointing out that Lord Reith and his corporation did not face the competition in terms of outlets that faces the BBC today.

There are a dozen and more radio and television channels nationally, plus very good local radio channels and information available on the internet. Mr. Bannister told us last night that he was having great difficulty in persuading children to listen to the sort of programmes that the BBC puts on in the evenings, because young people have access to so many alternative information outlets. It is not surprising that the BBC has to consider whether anyone at all is listening to what it broadcasts. I suspect that, if not my right hon. Friend, then others would say in fairly short order, "Hang on—why are we paying our licence fee? Nobody is listening." I am not suggesting for one moment that the BBC should be populist, but I do believe that it has a duty incumbent on it to be popular and to present a breadth of programmes that attract an audience. Otherwise, as a broadcaster, I would have to say that there is no point in broadcasting.

Mr. Alan Clark: My hon. Friend's remarks are making me extremely concerned. His argument is essentially populist. There is strong competition to supply what it is thought people want and to titivate them and attract their attention by various means. However, the business of the BBC has always been to present the truth, the facts and objective commentary—to inform and to educate. It is a fact of life that that does not attract big audiences, but the BBC has to lump it.

Mr. Gale: On the contrary, the BBC over the years and currently does, on occasion, attract very large audiences, and all power to it for doing so.

I do not want to take much more time, but I want to comment on what Mr. Bannister said, because his views have been, not misrepresented, but partly represented this morning and I should like to present an alternative view. Matthew Bannister told Members of Parliament last night that the BBC was in fact extending the hours of coverage of Parliament. My hon. Friend the Member for Macclesfield recognised that fact in his speech, but what he did not say was that Mr. Bannister has also given a clear undertaking that, as and when—it would be sooner rather than later—digital sound broadcasting becomes widely available, instead of being available to an elite few who are able to afford expensive receivers, the BBC expects to be able to dedicate an entire channel to the broadcasting of Parliament. That seems highly desirable.

My hon. Friend the Member for Macclesfield said that Radio 4 on long wave was hard to receive, but I have to say that I listen to Radio 4 on long wave, not on FM, and I have no difficulty with it at all.

Mr. Ben Bradshaw (Exeter): I am glad that the hon. Gentleman has pointed out that the proposals represent a huge expansion of parliamentary coverage, which builds on the large expansion in recent years. That contrasts with the attitude of newspapers and other media, which tend to ignore Parliament. Does the hon. Gentleman agree that it is up to schedulers, not politicians, to schedule programmes on the BBC? Does he accept the point made by my hon. Friend the Member for Linlithgow (Mr. Dalyell), that part of the problem is us: we are boring and announcements are made on the "Today" programme and "The World at One", not in this place?

Mr. Gale: I was coming to that point, and I am grateful to the hon. Gentleman for making it for me.

Radio 5 Live is an excellent service: it comes to the House and covers live Prime Minister's Question Time; in addition, when Ministers are good enough to come to the House to make the occasional statement, it covers those as well. Radio 5 Live covers in a very good form a great deal of current affairs, news and politics throughout the evening. Radio 4 currently provides excellent coverage, and it is clear that that will be extended.

The hon. Member for Exeter (Mr. Bradshaw) is absolutely right, as is the hon. Member for Linlithgow (Mr. Dalyell), to lay the blame fairly and squarely in this Chamber. For this debate, there are more people in the Public Gallery than there are in the Chamber—there are about 13 Members of Parliament present. We are all aware of the pressures on Members' time resulting from constituency work or Committee work—I myself was guilty of that earlier this morning. It is not necessarily a fault that the fulcrum of debate has shifted from the Chamber of the House of Commons to other places, including the media, but we cannot blame the BBC for that.

Although critical of some aspects of Mr. Bannister's proposals, I broadly support them and I wish him well. I want to hear the extended coverage, because I believe that the BBC does a very good job.

12.8 pm

Mr. Richard Spring (West Suffolk): It is right that we should be having this debate about the future of the BBC's parliamentary broadcasting, not just because it is a subject of close interest to Members of Parliament but because the broadcasting of the proceedings of Parliament to the public plays an essential part in our democratic process. I congratulate the hon. Member for Rotherham (Mr. MacShane) on securing the debate and making his case so cogently. I also congratulate the other right hon. and hon. Members who have contributed.

The BBC is so well established; also it is not just a British institution. I share the high esteem and affection in which it is held. It has brought the most important events of the century into the homes and lives of millions of people. Highly professional BBC commentators and interviewers have become household names. The BBC also performs an invaluable function through its regional broadcast services, strengthening the identity of communities and highlighting issues of local interest.

More recently, the BBC began to broadcast the proceedings of both Houses of Parliament, providing a direct link between the people and their representatives. There is no filter, no comment and no spin. Politicians are shown not as they might wish to present themselves to television and radio presenters and the public, but as they

make their arguments and are held to account by their political opponents. Parliament is the heart of our democracy. Coverage of it is an unparalleled insight into how our democracy works.

The BBC is subject to pressure for change in the same way as other institutions. It has to adapt to changes in contemporary society. Not all such pressures are necessarily for the good or are likely to endure. In succumbing to them, the BBC may risk its unique relationship with Parliament and do a disservice to the democratic process.

The emergence of rich, vocal and powerful single-issue pressure groups as a major influence is one of the most significant changes in our national life in recent years. Campaigners have discovered that they can be more influential in impacting political decisions from outside the party political process than from within it. In Parliament, competing claims are balanced by Government and Opposition in the knowledge that both will eventually be held to account for their actions by the electorate. Outside Parliament, there is no counterweight to the shrill claims of single-issue groups. One example of how a decision on a serious issue can be derailed by a pressure group was the Brent Spar episode. Ironically, the ultimate effect was the reverse of minimising the environmental impact. The biggest challenge for the BBC and the other media is how to deal with the influence of pressure groups in their political coverage.

The growing importance of the media in political debate in recent years has led to the professional packaging of political arguments for the media as almost an art form. The soundbite culture has emerged. The tendency for Government policy announcements to be made outside the House of Commons, whether in exclusive press briefings or amid the razzmatazz of press launches, has undoubtedly reduced the accountability of the Government and the scrutiny that their policies receive. That practice has grown over the years, but it has mushroomed recently.

More seriously, Madam Speaker has repeatedly criticised Ministers for making announcements about Government policies outside the House. Regrettably, the desire to control the news has resulted in an incessant drip feed of headline-grabbing stories that often damage the credibility of the Minister, the Department or the project involved.

The BBC is caught between the need to preserve and enhance its audience figures and its overriding duty as a public service organisation. In the age of the soundbite and instant response, there is not the time for broadcasters to give the detailed consideration to political issues that Parliament can. Broadcasters are not in a position to demand information of the Government as Parliament does.

We live in an era of unprecedented news management. Perhaps it was ever thus, but the practice has latterly scaled new heights. The Prime Minister's press secretary recently complained that the BBC has become a

"downmarket, dumbed-down, over-staffed, over-bureaucratic, ridiculous organisation."

Indeed. Governments can be tempted to avoid public accountability, but Oppositions have a duty to hold them to account. The BBC has a public service duty to assist that scrutiny fairly and openly.

Alastair Campbell's comments were greeted with dismay. However, commentators missed the point. As a professional news manager, he wants nothing more than dumbed-down, downmarket coverage. The raison d'être of his ilk is to replace substance with spin.

All Governments have sought to manage the way in which their policies are reported in the news media, but, by any objective standards, this Government have gone to extraordinary lengths to present themselves in a favourable light. That is why it is vital that Parliament should continue to be able to hold the Government to account and that the public should know about it.

The specific changes proposed by the BBC are not acceptable or appropriate. The number of long wave listeners is in decline. The BBC's audience figures for the two key programmes—"Yesterday in Parliament" and "Today in Parliament"—do not bear close scrutiny. We have all taken on board the comments of the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) and my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) about the removal of "In Committee".

We are told that the public find our proceedings boring. That does not absolve the BBC from its duty to present our proceedings to the public as they are. It is not their duty to make Parliament more entertaining by jazzing up their coverage or concentrating on the more trivial exchanges.

Increasing coverage by an average of eight minutes a day is no compensation for switching Parliament to the wavelength with a declining audience. I do not accept that the format of "Yesterday in Parliament" is what makes people tune out or switch off when it begins. Let me be clear: the Opposition oppose the proposed changes. I should be grateful for an unequivocal statement of the Government's position from the Minister.

Over the years, Parliament has sought to protect the finances, integrity and independence of the BBC. I was among the many Members of Parliament on both sides of the House who sought to prevent cuts to the World Service budget. The importance of the BBC is its unique status as a public service broadcaster funded by the licence fee. That funding arrangement frees it from the financial pressures that beset purely commercial broadcasters. With that comes a special obligation to pursue the highest standards of broadcasting and reporting.

Just as Parliament has a duty to the BBC, the BBC has a duty to inform the public about the role of Parliament, including those aspects of Parliament that, while not dramatic, are an essential part of the democratic process. We believe that the proposed changes undermine that public responsibility. I hope that the BBC will accept its duty and urgently think again about the changes that it is proposing.

12.17 pm

The Minister for Arts (Mr. Mark Fisher): I congratulate my hon. Friend the Member for Rotherham (Mr. MacShane) on securing the debate and introducing it with such clarity and force. The subject has been of considerable concern to the House since the BBC announced its proposed changes last July: there have been many written and oral questions Madam Speaker has corresponded at considerable length with the chairman of

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the BBC; my hon. Friend the Member for Walsall, North (Mr. Winnick) secured an Adjournment debate on the subject last December; and the Select Committee on Culture, Media and Sport took evidence on 24 February. It is clear from all that that Parliament is exercised. As the hon. Member for Macclesfield (Mr. Winterton) has noted, it is nearly unanimous in its view today.

We have had an excellent debate. There has been general agreement about the excellence of the BBC's political journalism. It is because of that excellence and the proper rigour of scrutiny that that coverage puts on the Government and the work of the House that hon. Members are concerned about possible damage to its quality or effective reach. Two basic questions have run through the debate: what precise effect will the changes have; and, will they be consistent with the obligation placed on the BBC in its 1948 royal charter and agreement to

"transmit an impartial account, day by day, prepared by professional reporters, of the proceedings in both Houses of Parliament"?

Decisions about programme content and scheduling that express that obligation are, as my hon. Friend the Member for Exeter (Mr. Bradshaw) said, wholly a matter for the BBC, which has and must have complete editorial independence, but the fulfilment of that obligation is important. Its purpose is not in doubt: to allow the public to hear the work of the House and to draw their own conclusions.

Mr. MacShane: Some people have commented on the lack of hon. Members present. Is my hon. Friend aware that no fewer than 12 Standing and Select Committees are at work this morning, with up to 20 hon. Members in each? Is he also aware that the parliamentary Labour party is meeting at the moment, attended by between 40 and 150 Members? The absence of hon. Members in the Chamber does not mean that this House and MPs are not at work. To deny that work to listeners of "Today" will be a serious diminution of the reporting of the House.

Mr. Fisher: I am grateful to my hon. Friend for making that important point. The right hon. Member for Haltemprice and Howden (Mr. Davis), the Chairman of the Public Accounts Committee, and my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), the former PAC Chairman, made that point in their very important speeches. I am glad that the right hon. Gentleman has returned to the Chamber. His speech reflected exactly the importance of Committee work.

Let us be clear about what the changes consist of. "Yesterday in Parliament" is to be broadcast for 23 minutes instead of the current 14 minutes, but it will be broadcast only on long wave. "Today in Parliament" is to be extended on Fridays by 15 minutes to include coverage of Select Committees, but will also be broadcast only on long wave. A new Sunday evening programme, "The Westminster Hour" is to replace "In Committee", to which we will come in a moment. As hon. Members have pointed out, the new programme will, rather bizarrely, run throughout the year and therefore during weeks in which the House will not be sitting.

There will be a new nightly television programme covering Parliament, a new parliamentary web site as part of the BBC's News Online, and "The Week in Westminster" is to move from 11 am on Saturdays to 8.30 pm on Thursdays—a slot devoted to Parliament and politics all the year round. Again, the same point about the sittings of the House applies.

The BBC claims that the proposed changes represent a net gain in parliamentary coverage. Overall, there will be an additional 55 hours of parliamentary and Westminster-related programming a year on radio and an additional 24 hours a year on television. However, much of that radio coverage will be on long wave.

Arguments expressed in the debate have tested the effect of the new schedule. Will there be a net loss of listeners in the shift to long wave? The answer is clearly yes. On the BBC's own projections, the audience for "Yesterday in Parliament" is likely to fall from 1.3 million to 700,000, so a 50 per cent. increase in programme time will be offset by a near 50 per cent. fall in audience.

The move of "The Week in Westminster" from Saturdays, following Ned Sherrin's "Loose Ends", to 8.30 pm on Thursday evening, is likely to produce a fall in audience from 732,000 to—probably—nearer 300,000. As hon. Members have made clear, that is a particularly strange change as the week ends on Thursday evening for very few of us, especially not in the House. As much as hon. Members like getting away quite early on Thursday evenings, the House has been sitting and working hard until late on Thursday evenings—and last week one of the most significant debates of the year, which reflected the concern of people who live in the countryside and touched many people, occurred on a Friday. It would have been missed by the new programme on Thursday evening. The answer to the question about loss of listeners is therefore clear.

Will the quality fall? The right hon. Member for Haltemprice and Howden and my right hon. Friend the Member for Ashton-under-Lyne made important points about the loss of "In Committee". Although the multi-item, magazine format programme, "The Westminster Hour" will run for 50 minutes—instead of the 30-minute "In Committee"—will that compensate for hard, detailed reporting of Committees? It is not comment on that work that the public ought to have the opportunity to hear; the question is how the PAC and other Select Committees are scrutinising the work of government. That is why Select Committees were set up in the first place.

Mr. Tyler: The Minister has already referred to the curious fact that some of the programmes will be broadcast when Parliament is not sitting. Have the governors and the chairman of the BBC given Ministers any indication of exactly what reportage they intend to include in "The Westminster Hour"? Will not it simply be speculative comment?

Mr. Fisher: They have not done so yet; that remains to be seen. As hon. Members have said, it is likely that the programme will talk about politics generally—perhaps the work of Whitehall particularly. Although such general political comment is important all 52 weeks of the year, it is rather different from the BBC's charter obligation to cover the House day by day.

Mr. Gale: Unless broadcasters provide the dedicated channels for Committee work and proceedings on the Floor of the House that I and others have advocated for a

long time, there will be some selection. The Minister is being slightly churlish. If the programme continues when the House is not sitting, one of the criticisms—which we have all made—that an enormous amount of Committee and other work is never covered, may be addressed. There is no reason why, in hindsight, a look at some of the very important work in Select Committees and other Committees should not be taken. I would hope to hear and see such material used when the House is not sitting.

Mr. Fisher: The hon. Gentleman makes a point. In fact, although Select Committees do some work when the House is not sitting, they are notable for their work load during such times.

Mr. David Davis: I should make clear that my concern is not for the PAC, which gets enormous coverage on a weekly basis, but for the sterling work done by other Select Committees, which is not often covered on any other medium but "In Committee" and will be lost in an hour-long, magazine format programme designed to cover something exciting rather than valuable.

Mr. Fisher: Behind all this there is a general concern about dumbing down. The hon. Member for North Thanet (Mr. Gale) made a good point about a dedicated programme, which would be possible now. Further opportunities will be possible once we have digital broadcasting. However, the problem of reach also applies to digital broadcasting. Is the charter obligation fulfilled by digital broadcasting to a very small audience, or are we talking about a more complicated matrix of reach and quality?

In some areas, reception on long wave, which is crucial to the changes is, according to the chairman of the BBC governors in a letter to Madam Speaker, "poor". Additional medium wave transmitters are used in Northern Ireland, northern England, east Scotland, Devon and Cornwall.

Mr. Bannister, who has been referred to, believes that the package taken in the round will enhance coverage of the proceedings of Parliament. It is clear that the strategy does not commend itself to the Public Accounts Committee—its Chairman has expressed his view forcefully—Madam Speaker or the House.

Mr. Spring: In the remaining few seconds of the debate, will the Minister indicate clearly his view and what he will say on behalf of the Government and his Department in discussions with the BBC about the future broadcasting of proceedings of the House?

Mr. Fisher: I make it clear that the Government's proper concern is the fulfilment of the charter and the charter agreement, which is what we are debating today. It is a complicated matter and I shall turn to it precisely.

Do the changes satisfy the obligation in the charter and the agreement? Does the way in which the BBC has proposed the changes satisfy the obligation to be accountable to Parliament? The answer to the first question must be yes. The programmes fulfil the obligation to transmit an impartial account day by day—even if that account is consciously scheduled so as to attract a smaller audience. The wording of the charter is about whether there is reporting day by day; that obligation is fulfilled. However, it is a matter of the spirit as well as the letter of the agreement, and that is what we are debating today.

Tomorrow, Sir Christopher Bland will hear in person the views that have been expressed today. In the next two weeks, before the *Radio Times* schedule is printed for 6 April—when the new programming is due to commence—he will have the opportunity to listen to the clearly expressed views of Parliament.

Broadclyst New Town

12.30 pm

Mrs. Angela Browning (Tiverton and Honiton): My constituents who live in the district of East Devon have for some time faced the prospect of a new town being built immediately adjacent to the village of Broadclyst, which is quite close to the Exeter city boundary. When the Devon county structure plan first review deposit version was published in 1996, I sent—as the Member of Parliament representing the area—a written submission in response to that plan. In the main, I supported the views of East Devon district council. In my letter to the county environment director in December 1996, I said that my views reflected those of the district council in that I felt that a new town would be highly inappropriate, and I expressed some sympathy with the proposal for a limited village.

We all accept that there must be new housing—I do not approach the debate from the point of view that we do not need new housing. However, I hope that the debate will identify what is appropriate in terms of the number and location of houses. I said in my submission that the decision to build a new town in my constituency should be deferred for five years while a full audit of brown-field sites throughout the county of Devon was conducted. The term "brown-field sites"—which is common parlance these days—refers to disused land that was used for domestic or commercial purposes and can be recycled.

My view remained unchanged in September last year when the examination in public met at county hall for three weeks. I spent three days giving evidence to the public inquiry on behalf of my constituents about the overall number of new houses proposed in the county structure plan for Devon, and specifically about the proposed new town at Broadclyst. I repeated to the inquiry my request for a deferment of the decision to build the town until a full audit of brown-field sites throughout Devon was completed.

The inquiry heard evidence from many representatives, including some from the city of Exeter and from Torbay—I see that the hon. Members for Exeter (Mr. Bradshaw) and for Torbay (Mr. Sanders) are both in their places. Perhaps not surprisingly, the representatives of the two local authorities declared that they had virtually no brown-field sites within their boroughs and that there was no alternative but to begin to encroach on the green-field sites in my constituency.

We must address two key questions when identifying housing need in Devon. The first is the assessment of total future numbers. An imperfect science seems to determine how many houses will be needed well into the future—in this case, we are looking beyond 2011. The Liberal Democrat-controlled county council has used inward migration figures of 7,330 a year to support its claim. In fact, the average over the past seven years has been just 5,000 a year, so there is already a difference of opinion in anticipating housing need.

At the examination in public, all parties around the table spent a great deal of time examining changes in social patterns within the region and discussing why we now needed more, and a greater variety of, housing. The inquiry engaged in constructive discussion, but there is always a thorny issue. Devon is a popular part of the country, where I am fortunate to have lived for 30 years. Other hon. Members will know Devon through their visits to that county. Devon is the sort of place where people from other parts of the country want to live. They often cannot fulfil that ambition until they retire, so Devon is known as a retirement area.

I do not wish the House to suppose for a moment that I am one of those who think that we should "keep those foreigners out" or that I am not receptive to the idea that others would like to enjoy the Devon life style. I do not want anyone to misinterpret the case that I am making. However, there is a difference between natural inward migration by people who choose to live in Devon and what I would describe as an out-and-out marketing campaign by those who have a vested interest in persuading people to move to Devon. As I said at the examination in public, I believe that such action distorts the figures.

The county believes that we must accommodate inward migration of 7,330 a year, but the historic figure is 5,000 a year. The difference equates to about 1,000 homes a year. If we apply the 5,000-a-year formula, we see that we would not need a new town in numerical terms—and certainly not one at Broadclyst. The second factor that comes into play is location. The East Devon district has no indigenous need for new housing on this scale. The location, which is adjacent to the Exeter city border, is an important reason why Broadclyst has been chosen: it is intended to accommodate the growth and overspill of the city of Exeter.

I have every sympathy with Exeter's need for housing. My constituency shares services and facilities supplied by Exeter, including the general hospital, and the city provides employment opportunities. We understand the importance of Exeter to our part of Devon. I am very fond of Exeter: both of my sons were born there, so what more can a mother say? I can pay no greater compliment to the city of Exeter. However, I do not believe that it is in the interests of my constituents in neighbouring East Devon to accommodate Exeter's problems on such a large scale. It is proposed that 3,000 homes be built in the new town to accommodate 8,000 people eventually.

The Liberal Democrat county council and the examination in public have ignored what local people want and the views that they reflect through me, their democratically elected representative. Before the examination in public response was published recently, I was advised by the county council that the lobby groups would not be pleased by the result of the inquiry. I was obliged to inform the council that I am the lobby group in my area, so I have no problem with the Council for the Protection of Rural England or any other lobby group approaching me and saying, "Look at this terrible result from the examination in public". I argued against the new town during that hearing, and I shall continue to lobby against it.

In the *Western Morning News* on Monday, deputy leader of the town council Rod Ruffle said:

"The view that I and some others in the group take is that providing two new towns in East Devon and the South Hams"—

a second town is planned for Devon—

"will create less damage to the countryside than expanding existing towns and villages."

Let us examine that claim. If he meant that the way forward was to expand on to green-field sites around and within existing towns and villages, he might have a point.

However, I and others have called for an independent audit of brown-field or recycled land to identify land suitable to accommodate new houses. If, at the end of such an audit, it was found that those sites would not accommodate a sufficient number, there might be a case for saying that we should consider having a bigger settlement. Areas of land in my constituency would then need to be considered, as would land in other constituencies.

However, that is not what has happened. At the EIP, we heard that Exeter city council had carried out an audit. Indeed, certain developers attended the EIP and said that they had also carried out an audit of brown-field sites. I am asking the Minister for an audit carried out, or certainly scrutinised, by a body that does not have a vested interest in the outcome. Clearly, if developers have their eye on a certain piece of land, they have everything to gain and nothing to lose by carrying out an audit that does not really reflect the full potential of brown-field sites elsewhere. I and many of my constituents are not convinced that a proper independent audit to determine potential brown-field sites has been carried out in Exeter or around it—certainly not in the county of Devon.

Surprisingly, and probably for the first time in my life, I found myself agreeing with the Deputy Prime Minister, when he said in a recent statement to the House:

"In future, we shall expect each regional planning conference to make a proper assessment of land availability and set regional targets for the use of recycled land. That has never been done before. It is an important change."

When the right hon. Gentleman tells us at the Dispatch Box that that has never been done before and is an important change, it begs the question of what sort of audit was carried out in the evidence to the EIP last September at county hall, Exeter. I welcome that news from the Deputy Prime Minister. He continued:

"it will sharpen the focus of policy and action on the ground",

and that is exactly what this debate is about. He went on to say:

"Last week, I asked my Department to work with English Partnerships and local government to create a national database of land use, which will give local authorities reliable information on the amount of recycled land available for housing."—[*Official Report*, 23 February 1998; Vol. 306, c. 23.]

Clearly, since the Devon county structure plan was laid and we all took part in that examination in public in September, certain things have changed. In that spirit, I ask the Minister to intervene by giving me his support today for my original request. I am asking him to give guidance in cases such as that of Broadclyst, where we are caught between the devil and the deep blue sea. The county structure plan has been laid, we have had the examination in public and yet a useful policy is about to come forward that could affect the outcome. I repeat my request to the Minister to give guidance and to intervene, and to support what I asked for in 1996, which was a moratorium while the exercise is carried out. When we have examined fully exactly how much brown-field land there is in Devon and whether it is appropriate for the new housing need, a decision can be taken about whether to proceed with a new town.

Many people may think that no real decisions are taken until the democratic process—whereby all those different stages in the county structure plan invite people such as myself and others to participate, to make proposals reflecting our local views and to explain what residents think—is completed. I will, therefore, now turn to the examination in public held at county hall last September. Just after the first deposit version of the county structure plan was laid, a company called Wilcon Homes—

Mr. Adrian Sanders (Torbay): Surely the plan stems from a planning conference in 1992, when the Conservative party was in control of county hall as well as central Government. I agree with much of what the hon. Lady has said, but she is not going back far enough to find the origins of the plan. I hope that the Minister will impose certain duties on Devon to look at more brown-field sites, which could be done. However, the origins of the plan are not as recent as she is leading us to believe.

Mrs. Browning: I am about to read some correspondence from the previous Administration, as I took the matter up with them as well as making my representations to the Minister this morning.

As I was saying, in November 1996, Wilcon Homes put out literature and held a travelling road show to promote "Clyst Hayes". I had never heard of the place, but I have a leaflet here describing it and Clyst Hayes turns out to be the name that the developers had already given the new town. As is evident, this leaflet is not some cheap piece of literature—it is in full colour and glossy.

The road show went round many towns in east Devon, travelling as far away as Sidmouth and Axminster, which may not mean much to people here, but they are some little way from Broadclyst. Wilcon Homes asked people in neighbouring towns whether they wanted a new town at Broadclyst. Of course, they were told that without it, their own towns and villages would be developed further, so it is not surprising that they ticked the yes box in support. That was presented to the EIP as evidence of local support.

I wrote to the then Minister of State, Department of State for the Environment, who replied on 27 January 1997:

"It would not normally be appropriate for detailed discussions about the merits of a particular site to take place at an examination in public. The need to respect local preferences means that specific proposals for new settlements should normally only be promoted through district wide local plans. If, following the examination,"

which had yet to take place,

"the new settlement strategy is retained"—

we are talking broad principles and not specifics—

"then it would be for the East Devon District Council, as the local planning authority, to consider whether the location proposed by Wilcon Homes is acceptable."

However, the EIP was specific. The land in question—Clyst Hayes, the town named by the developers although they had not gone through the full democratic process—is mainly farm land and stretches from Broadclyst station to the A30, where it meets Exeter airport.

Mr. Ben Bradshaw (Exeter): Is the hon. Lady aware that one of the farmers who could make much money out of this project is the chairman of one of her local parish councils and was a leading light on the recent Countryside march? Does she not think that a little hypocritical?

Mrs. Browning: I am aware, as I was about to get to that point in my speech, that Wilcon Homes had taken

[Mrs. Browning]

options on the land some period beforehand and said so at the EIP. So the site was not being discussed in general terms. The EIP was site specific. In fact, it was so much so that technical experts were called to give evidence about the noise of ground testing aircraft engines as the proposed land runs up to the perimeter of Exeter airport, where some companies service engines. Exeter airport falls in my constituency, as the hon. Member for Exeter will know.

When it was revealed that the developers had already secured options on the land, as the hon. Member for Exeter said, and that the democratic process of the EIP was taking evidence from people whose businesses could affect the noise distraction for houses on a specific part of that land, I was extremely suspicious. What price democracy if democratically elected representatives such as myself take the trouble to go through the process of the county structure plan, make written submissions, consult constituents and give up three days in September to give evidence on their behalf, only to find that all that has gone on in the background?

The EIP found in favour of the new town—I was not terribly surprised. Moreover, it recommended that east Devon should accommodate 1,500 houses over and above those proposed in the structure plan. Frankly, I hold out little hope in either county hall or the results of the so-called democratic process of the county structure plan review.

Although I have written to the chief executive, again requesting that a moratorium be placed on the decision to build the new town, I would appreciate—especially in the light of the Government's recent announcement—the Minister's help and support, as I do not think that the democratic process has been properly observed. I believe that my constituents, particularly those who live in the Broadclyst area, deserve better.

12.50 pm

The Minister for London and Construction (Mr. Nick Raynsford): I congratulate the hon. Member for Tiverton and Honiton (Mrs. Browning) on securing this Adjournment debate, as I know that she has maintained an interest in this subject for a considerable time—indeed, since Devon county council first proposed its strategy for two new communities to help to provide for the county's housing needs. I noted her comments on both her constituency and the adjacent town of Exeter, which I know well. I entirely endorse her view that it is an extremely attractive town—

Mr. Bradshaw: City.

Mr. Raynsford: It is an extremely attractive city—I am delighted that my hon. Friend the Member for Exeter (Mr. Bradshaw) is present for this debate.

The debate is very timely, following so closely the publication on 23 February of our paper, "Planning for the Communities of the Future", to which the hon. Lady referred. The paper sets out the results of our analysis of the system that we inherited for calculating and providing for the country's housing needs. It sets out our strategy for promoting more sustainable patterns of development and for encouraging urban renewal. We want to ensure that, where development is needed outside or adjacent to urban areas, it is sustainable—it must be combined with an active approach to the protection of the countryside.

That differs from the previous system, which has been seen as top-down, inflexible and too rigidly wedded to the principle of predict and provide. Our proposals represent a sustainable, democratic and comprehensive approach to meeting the country's housing needs—which, as the hon. Lady rightly stressed, is an important issue—while respecting the need to protect the countryside.

On the specific subject raised by the hon. Lady, my understanding is that the only proposal currently in the public domain for a new community in east Devon relates to the county council's strategy that was set out in the structure plan. The local planning authority has, as yet, no firm proposal to build a new town at Broadclyst. East Devon district council has not yet progressed its local plan to a point at which specific sites have been identified to accommodate growth in the district to 2011. Moreover, to my knowledge, no application for planning permission to build a new town has yet been submitted to the local planning authority.

I am aware, however, that in 1996, shortly after the Devon structure plan was placed on deposit, Wilcon Homes identified an area of land between Broadclyst railway station and Exeter airport on which it suggested that it would be possible to locate a new settlement of some 3,000 houses to be known as Clyst Hayes. The hon. Lady referred to some of the publicity that was attached to those proposals.

A new community in east Devon is a key element of the county council's strategy for accommodating growth, but the structure plan contains no site-specific locations—indeed, that would not have been appropriate for such a document. All the parties involved in the structure plan process accept that the appropriate place to identify site-specific locations is the local plan, which is to be prepared by the district council.

Mrs. Browning: I hope that the Minister heard even a small portion of the discussions about the site at the EIP.

Mr. Raynsford: I assure the hon. Lady that I shall mention the EIP in a moment.

Proposal N2 of the structure plan states:

"A new community should be provided for within East Devon District, within the Exeter Area of Economic Activity as shown on the Key Diagram. The new community should include provision for about 3,000 dwellings, associated employment land provision and a range of community and other associated facilities."

The proposal also sets out the general criteria to be met before the community could be permitted. Those criteria provide for the community to be located where it can, first, be assimilated into the landscape of the area; secondly, avoid as far as possible the use of significant areas of the best and most versatile agricultural land; thirdly, be related to, but separate from, existing settlements; fourthly, access the Exeter-Waterloo rail line by means of a new railway station; fifthly, be accessible to the high-quality road network and the local highway system; and, sixthly, be developed without adversely affecting the operation of Exeter airport—it should not be affected by unacceptable levels of aircraft noise.

The county proposed to provide in East Devon district some 9,700 new dwellings, of which some 3,500 should be in the main area of economic activity—about

5,600 new dwellings were proposed for Exeter. The Exeter main area of economic activity was identified by the county council as a key location for the future development of the county's economy, which was reflected in the provision for 9,100 dwellings in the area between 1995 and 2011.

The county considered that there was insufficient capacity in existing settlements to meet such provision. It found that expansion on the periphery of Exeter was severely restricted by topography, agricultural land and other physical constraints, that opportunities to expand other settlements in the area were limited, and that the scale of such expansion would in any case be such that the character and setting of an expanded settlement could not be retained.

Mr. Bradshaw: That is the problem—Exeter has expanded to its limits. It is surrounded by lovely green, rolling hills, and further expansion on the periphery would alter the character of the city out of all recognition.

Mr. Raynsford: I entirely accept my hon. Friend's point, which highlights the dilemma of trying to ensure that development pressures are accommodated in such a way as to respect the character of the area and the countryside, and to avoid creating an unnecessary urban sprawl that would damage people's enjoyment of the countryside.

Mrs. Browning: I cannot let the hon. Member for Exeter (Mr. Bradshaw) get away with his comment. Those lovely green, rolling hills on which his constituents look out are all mine.

Mr. Raynsford: I am delighted that there is unanimity across the Chamber on the attractiveness of the countryside in that area, which, as a regular visitor, I entirely endorse.

To meet the identified need, the county believed that a new community offered the only satisfactory and sustainable solution. To accommodate the proposed level of development for the Exeter area, it considered that the new community would need to provide for 3,000 dwellings and land for any associated employment. That provision was considered the minimum at which a new community could achieve some self-sufficiency and support an adequate range of local facilities and services.

The county accepted that new communities represented a major new approach to development in the county. It wanted sustainable development of the highest-quality design; an integrated transport system that would promote the use of modes of transport other than the private car; and development that would minimise not only the need to travel, but waste and pollution.

After the structure plan had been placed on deposit in November 1996, there was a six-week period for objections and representations to be submitted to the county council. A panel was appointed, led by an independent chairman, Professor Graham Shaylor, to conduct the examination in public to which the hon. Lady has referred. The EIP was held between 16 September and 9 October 1997. The panel submitted its report to the county council in January 1998—it was made public shortly afterwards.

A number of key issues were debated at the examination by selected participants with a range of interests—I know that the hon. Lady took a close interest in that process. Relevant discussions included the strategy, the countywide provision for housing and the distribution of development in the Exeter, east Devon and mid-Devon areas. In those discussions, the county council's proposals for the overall level and distribution of housing provision and the proposals for two new communities were debated in considerable depth.

Having heard all the representations to the EIP, the panel concluded that the overall housing provision for the county should be increased, in line with household projections, from 74,500 to 79,000, which was some 4,000 less than the figure that was given in the regional planning guidance for the south-west. The allocation for Exeter city was recommended to be increased by 800 to 6,400.

The panel felt that, in east Devon, there was sufficient scope for new development to be assimilated into the landscape and that the existence of a good road and rail infrastructure would help to ensure that new development was not entirely dependent on the private car. It therefore recommended that housing provision be increased by 1,500 to 11,200.

While the panel supported the concept of a new community east of Exeter, arguments about the specific location were not part of its brief. The panel felt strongly that the strategic importance of this area to the county as a whole, its benefits in locational and economic terms and the high level of unmet need in that part of the county should be considered.

The structure planning authority for Devon currently comprises the county council, along with Dartmoor and Exmoor national park authorities, and, with effect from 1 April, they will be joined by Plymouth and Torbay unitary authorities. Together, they will consider the additional information provided by the examination in public, along with the written objections and representations received, and decide whether a new community is the most sustainable solution to provide for the housing needs—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We now come to the next Adjournment debate.

Health Services (Birmingham)

1 pm

Mr. Richard Burden (Birmingham, Northfield): I am grateful for the opportunity to raise with the House and with my hon. Friend the Minister important questions that face health services in England's second city. It is particularly appropriate that the debate takes place today, as Birmingham health authority is in the middle of a major review aimed at developing a strategic framework for health care in the city into the new millennium. In putting behind us the destructive, dog-eat-dog days of the internal market, the Government have urged health authorities to take on a strategic and visionary role. I welcome the fact that Birmingham health authority is attempting to do that and I emphasise the importance of a full partnership with the people of the city.

It is difficult to look to the future of health care in Birmingham when the legacy of the past hangs over us so much. In the last Parliament, I had several Adjournment debates on bungled reorganisations and financial scandals in the then South Birmingham health authority and West Midlands regional health authority. There were Public Accounts Committee reports on those authorities. My hon. Friend the Member for Birmingham, Selly Oak (Dr. Jones) was also very vocal on the issue. A climate of mistrust remains about any proposals for change and for the future of health care in the city. I understand that. As well as addressing my hon. Friend the Minister today, I address people in Birmingham. The time has come to put that mistrust behind us.

The services offered by health service staff in Birmingham are nationally and, in many cases, internationally renowned. The work of Birmingham Children's hospital and of the burns unit at the University Hospital Birmingham NHS trust, and that hospital's work on cancer and renal disease, are all internationally renowned. The University Hospital Birmingham NHS trust, Birmingham Women's hospital, Birmingham Children's hospital, Birmingham Heartlands hospital, the City hospital, Royal Orthopaedic hospital and Good Hope hospital are internationally and nationally renowned, and that remained the case throughout the scandals. As far as the health authority is concerned, those days of financial scandals and deficits are over. It was painful, but the problems were faced and dealt with.

Now pioneering work is being done in Birmingham on the local commissioning that forms the cornerstone of the Government's policy and is a consistent theme running through the recent White Paper and the Green Paper. Birmingham health authority, in conjunction with the voluntary sector and the city council, has recently made a bid for a health action zone.

We are getting things together in Birmingham, but our needs are still acute. The care provided by staff is second to none, but all too often it takes place in buildings and surroundings barely fit for this century, let alone the next. The last hospital built in Birmingham was Queen Elizabeth hospital. People in Birmingham sometimes think that the name refers to the present Queen, but it does not. The hospital was built in 1938.

I crossed swords with the former regional health authority on several occasions over its bungled reorganisations, but one matter about which it was right was Birmingham's major capital investment needs. It estimated that about £500 million of capital investment was needed in Birmingham's health infrastructure over 12 years. We have seen between £120 million and £130 million of that so far. We still have no news about the rest.

Let us take the example of breast cancer services at the University Hospital Birmingham NHS trust. The services are first class and Calman accredited. An integrated approach is taken to breast care. However, if a woman goes for a mammogram in a hut at Selly Oak hospital and there are more patients than chairs in that hut at any one time, there is nowhere for her even to sit down. That is not appropriate in this day and age. If she needs a biopsy, that will be done the same day and she will get the results the same day. That is great, but she will probably have to sit in a corridor at what may be the most stressful and distressing time of her life. If she then needs breast surgery, she will go Queen Elizabeth hospital. She will be treated on a ward where the staff are first class, but there are simply not enough toilets for the patients.

The £200 million that the Government have made available to improve breast care is welcome. It will significantly improve radiotherapy services in the city and at the trust, but there is still a massive job to be done to tackle problems such as those that I outlined. Breast care is just one example. Many other examples could be given.

We need new investment; of that there is no doubt. We need a major programme of building refurbishment and replacement in Birmingham's hospitals. The health authority has some ideas and others have come from many quarters. I ask my hon. Friend the Minister to speak to his right hon. and hon. Friends in the Government and recognise the real needs in Birmingham.

On the framework in which any future investment will take place, I understand that the private finance initiative remains the cornerstone of major capital investments under this Government. Under the previous Government, there was one major problem with the PFI. Whatever else could be said about it, it did not produce any hospitals. At least under the new Government it is working far better.

However, the PFI can be a straitjacket to investment. In meeting investment needs not only in Birmingham but elsewhere, my hon. Friend the Minister must ensure that the needs of the service and of patients are put first and the investment framework is built around it, rather than trying to shoe-horn the needs of patients and services into a given investment framework.

Not only hospital development is important to Birmingham's health services. One of the strengths of the local health authority's review is that it places hospital development in a context and reinforces and embodies the vision in the White Paper. Unless primary care works, the rest of the health service cannot work properly or effectively. Pioneering work has already been done in Birmingham in developing locality commissioning. A multi-fund has been set up. Fundholders got together, even under the previous Government, perhaps to the embarrassment of the Conservatives, to work co-operatively and pool their resources in the interests of patients.

The problems that we face are still huge. In Birmingham, life expectancy is below the national average. We have one of the highest perinatal mortality rates in the country. We have one of the highest proportions of babies of low birth weight. We are in the

worst quartile for coronary heart disease. Birmingham is the seventh most deprived health district in the country. Integrated primary care and anti-poverty strategies are therefore vital. That is why I welcome the White Paper, the Green Paper and the new deal. That is why it is so important that we have a national minimum wage to tackle poverty. However, if those policies are to work, we also need to tackle the problems of the infrastructure of primary care in our city.

In the next 10 years, between 35 and 40 per cent. of general practitioners who serve the most deprived areas of our city will retire. Unless we tackle that problem, we cannot develop the type of primary care that we need in our city. The health authority, GPs and other health professionals are adopting imaginative and innovative approaches to developing primary care, but they need support. They are getting that through the White Paper and the Green Paper, but they need infrastructure support and resources.

I shall deal briefly with the way in which resources are allocated in the health service and the problems that that creates for Birmingham. Sadly, the current resource allocation formula does not meet Birmingham's needs. As I said, the city suffers from multiple deprivation. The great flaw in the resource allocation formula is that age-related need is not related to deprivation in the city.

The formulas are rather complicated, but the effect is real enough. As we know from the days of the Black report onwards, if substantial parts of the population are poor, that means lower life expectancy: people die in greater numbers before they reach old age. The current allocation formula can mean that such a city gets relatively fewer resources, rather than more. The result is that in Birmingham the health service gets about £533 per resident, which is less than many other cities and less than Kensington and Chelsea, and Westminster.

Studies undertaken by Birmingham health authority show that if the age and deprivation measures were taken into account in the same formula, the city would get an extra £17 million in resources to support its health care.

I welcome the Government's approach to the national health service. We are putting the days of the internal market behind us. The Government have shown that we are prepared to put more resources into health care and to give the NHS the priority that it needs, which is especially appropriate this year, the 50th anniversary of the NHS.

In Birmingham there is a climate of mistrust and problems from the past, but we as a city must come to terms with them. We must come to an agreement about the kind of health care that we want and how to develop it. We are making a start and looking towards a primary care-led national health service, with clear pathways to quick diagnostic treatment where that is appropriate, and stays in hospital for the necessary time, without keeping people in hospital if that is not the most suitable place for them to be. The necessary support must be provided, whether through intermediate care or home support. Where medical conditions require specialised treatment, we have the people in Birmingham who can provide that in tertiary centres in our magnificent hospital services, but the buildings are not up to scratch.

We need to develop innovative plans to take those services into the next century. We are prepared to do that, but we need support from Government. I hope that my hon. Friend the Minister will study closely what is happening to the health service in Birmingham. We welcome the reviews that are taking place, but we recognise that for those reviews to result in agreement among Birmingham people and to overcome the climate of suspicion that has lasted too long, the resources must be made available to ensure that we have the primary care networks that will be vital to health services in the future, and the investment in our hospital services that Birmingham needs.

Dr. Lynne Jones (Birmingham, Selly Oak): My hon. Friend is right to refer to the climate of mistrust that has developed in Birmingham whenever we consider proposals for the reconfiguration of our health services. That is largely because people feel that change is finance driven to make savings and cut hospital resources. If we are to overcome that mistrust, it is essential that the health authority brings people along with its plans. Because of the perception that private finance is the only way to get capital resources into the health services, only schemes for which private finance is obtainable will be promoted, rather than schemes that are genuinely needed. That problem must be addressed if we are to get confidence in Birmingham—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The intervention is far too long.

Mr. Burden: My hon. Friend makes an important point. The debate around private finance will go on.

It is important for my hon. Friend the Minister to hear what I am about to say, and for it to be heard outside the Chamber. The climate of mistrust is understandable, as my hon. Friend and I have acknowledged. As the debate continues, people must listen to what is being said, whether by the health authority, the trusts or the other stakeholders, rather than the worst possible construction immediately being put on every document and submission. That results in trench warfare that sends all the wrong messages to Government and does not move the health debate forward in Birmingham.

My hon. Friend the Member for Selly Oak has adopted a highly constructive and positive view of health services in the city and has worked on that for a long time. My other hon. Friends in the Birmingham group of Labour Members have also done so. It is important that, as a city, we get ourselves together, work out what we want and go for it. If we do that, I am sure that we will get support from the Government.

1.15 pm

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): I congratulate my hon. Friend the Member for Birmingham, Northfield (Mr. Burden) on securing time to debate this very important subject. In a health authority area that encompasses seven acute trusts, two community trusts and two mental health trusts, and spends over £500 million annually on health services, it is critical that the long-term strategy for those services is robust. My hon. Friend's interest in the matter and his contribution over a number of years enormously assist us in taking forward the health interests of Birmingham constructively, as does the involvement of several of my other hon. Friends from Birmingham in the debate.

[Mr. Paul Boateng]

It is important to note that the debate—the tenor of which we got this afternoon—and the discussion are far from over. The conclusion of Birmingham health authority's recent public consultation on 2 March was an important starting point in developing a long-term strategy. The term "starting point" is probably a misnomer, because, as my hon. Friend mentioned and as anyone who takes an interest in the matter will know, there is a lively history of such reviews in Birmingham.

We must make sure that we do not end up with a bungled or botched job. That characterised the activities of the previous Government in relation to the health service in Birmingham. We must move to a sustainable and sustaining settlement of the outstanding issues.

A previous plan developed in the late 1980s, entitled "Building a Healthy Birmingham", failed because of the sheer scale of the capital investment that was required and its tendency to exclude primary care. It required an investment of £550 million, mainly for acute services, and a significant increase in acute beds. The previous Government's obsession with the market, the introduction of capital charges and the way in which health care was developed meant that the scale of the investment required became unsustainable.

My hon. Friend graphically described the need to invest in Birmingham, not least in a respect dear to this Government—the importance of ensuring that we tackle the scourge of breast cancer in a way that does not add to the suffering and pressures of those experiencing this condition. There is a need for more investment and to take forward proposals capable of commanding the support of the entire community.

The debate in Birmingham is taking place against a background of what my hon. Friend described as mistrust and suspicion, but we must look at the positive aspects. The relocation of the cramped and rundown Birmingham Children's hospital to the site of the former Birmingham general hospital—which will be completed in May 1998, and forms an investment of some £30 million—is good news and will deliver health gains.

There have been achievements in terms of the reprovisioning of the existing single-specialty hospitals on to acute hospital sites, where they would have all the clinical and support service back-up needed for modern health care. This has taken place after public consultation and—excluding the Royal Orthopaedic hospital, where special considerations applied—has been achieved with success.

The newly merged health authority in Birmingham must ensure that momentum is not lost, and it will ensure that steady development, year on year, keeps pace with the changing NHS. Birmingham health authority held a series of stakeholder conferences in June and July last year, each one based in the catchment area of one of the cities for main acute trusts. The contribution from those conferences formed part of the strategic planning which culminated in the consultation document.

The document sets out a number of choices, each reflecting an aspect of health care and looking at the effects of social deprivation on health. My hon. Friend is right to draw attention to Birmingham's specific problems. We have seen a positive change in the introduction of the needs element of the weighted capitation formula. Birmingham was the eighth highest gainer in the country and is now within 0.03 per cent. of its weighted capitation target.

My hon. Friend referred to the problems associated with providing high-quality primary care and the reliance on single GP practices and aging GPs, and the retirement which inevitably follows. Those will require careful managing. Inevitably, that must take place within the key principles laid down in the White Paper. The emphasis is very much on partnership.

The days in which the NHS was bedevilled by the obsession with competition and the market, which characterised the previous Government, are over. The emphasis in the new NHS is on co-operation and collaboration. That is good news. We want to maximise care for patients and shift the focus on to the quality of care, so that excellence is guaranteed to those patients.

Ms Gisela Stuart (Birmingham, Edgbaston): Will the Minister take account of the lack of GP recruitment within Birmingham? Simply saying that that "needs careful management" may not be adequate, given the tremendous need in some parts of the city—particularly around the city hospital.

Mr. Boateng: My hon. Friend speaks with authority on these issues, and she is right to draw the attention of those with responsibility for recruitment in Birmingham to the need to ensure that the requirements she has highlighted are taken on board.

In responding to the needs of the times, we must look at a number of models for primary care and the possible creation of ambulatory care and diagnostic centres. We must examine acute assessment, emergency admissions and intermediate care facilities for rehabilitation. The consultation document addresses those issues, which are important—particularly to the care of the elderly. We want to make sure that the lives of elderly people in Birmingham are improved in terms of their capacity to contribute actively to the community.

Dr. Lynne Jones: On rehabilitation services, there is a worry in Birmingham that the use of nursing homes and other facilities for care which was previously provided in hospital could lead us down a slippery slope towards charging. Will my hon. Friend assure us that the Government will reject that approach?

Mr. Boateng: I am anxious to make sure that we have a mixed market. We must recognise the contributions of the voluntary and private sectors, and we need to make sure that managers are innovative and prepared to look at new ways of delivering rehabilitation and recuperation. I strongly urge Birmingham health authority and the local authority to think boldly and imaginatively. They must work together to meet the needs of this vulnerable section of our society.

We have issued guidance to the health authorities as part and parcel of the White Paper principles and how we intend to implement our proposals. The integrated programme of action that we set out in "The New NHS" and those elements of the Green Paper "Our Healthier Nation" is where early progress needs to be made. That is the background against which decisions will be made about health care in Birmingham.

My hon. Friends will understand that it is not my place, or that of any other member of the ministerial team, to comment on the health authority's specific proposals. There may come a time when that is necessary, but it is not now. The Government expect all strategic plans to take forward the interest of patients and health and social care, and to take into account the principles outlined in the White Paper. We want to make sure that we work together in a way that puts the patient at the heart of all that we do. The primary care groups and their development are important, and we must make sure that the local authority and the health authority work ever closer together.

On a recent visit to Birmingham Heartlands, I was enormously impressed at the way in which the NHS and the local authority are working together, and the real contribution that is made by social workers and clinical professionals alike. It is in that spirit of co-operation and collaboration that we will best serve the interests of all the people of Birmingham.

I am grateful to hon. Members who have contributed to the debate, and to my hon. Friend the Member for Northfield for taking the lead in bringing this important matter to the attention of the House.

Animal Testing

1.29 pm

Mr. Norman Baker (Lewes): I welcome the fact that we are having the first debate this Session on the important matter of animal experimentation, which is of considerable importance to many people in this country and to many hon. Members from all parties. I hope that the hon. Member for Newport, West (Mr. Flynn) will catch your eye, Mr. Deputy Speaker, during the debate.

I have given notice to the Minister's office of one or two of the points that I intend to raise. I hope that he will find that helpful, and that it will mean that the debate is fuller than it might otherwise have been.

In the United Kingdom, 2.7 million Home Office-approved animal experiments are carried out each year. These are

"likely to cause . . . pain, suffering, distress or lasting harm."

according to the "Statistics of Scientific Procedures on Living Animals". In addition, the Ministry of Defence conducts around 11,000 experiments a year, a figure which has almost trebled since 1992, when the present right hon. Member for Kensington and Chelsea (Mr. Clark) was Minister of State.

Mr. Alan Clark (Kensington and Chelsea): I intervene to clarify for the record that it was after I had left the Ministry of Defence that the number of experiments trebled. As the hon. Gentleman put it, it might have sounded as though they increased during my period of tenure. While I was there, I did my level best to keep them to an absolute minimum.

Mr. Baker: I am grateful for that clarification. I was going to make the point that the number of experiments has risen—unduly, in my view—since the right hon. Gentleman left his post.

Can we as a human race feel comfortable that we are using animals in this way to such an extent; that we place them in unfamiliar surroundings and often subject them to painful and gruesome experiments? I intend to show that the experimentation carried out in this country is excessive, the results are unreliable, and that alternatives exist that have yet to be fully and properly exploited.

I welcome the Government's decision to end the testing of cosmetics products, but, in reality, it has made virtually no difference to the numbers, stopping only about 800 procedures out of 2.7 million. What is more, cosmetic ingredient testing has not been banned, and it accounts for most cosmetic testing on animals. Almost 2,000 cosmetic ingredient tests took place in 1996. A supplementary note from the Home Office, published in November last year, talked about cosmetic ingredient testing. I would welcome clarification from the Minister about whether the Government have reached a conclusion on that matter.

As all cosmetic products can be classified as vanity products, do the Government agree that a comprehensive ban on all cosmetic ingredient testing is essential?

Will the Government set a target to reduce the number of animal experiments that will be carried out during the lifetime of this Parliament, and give an absolute guarantee that fewer experiments will be carried out each year at the

[Mr. Baker]

end of it than at present? That commitment is terribly important, and I hope that the Minister will respond to it when he replies.

At a fundamental level, animal experimentation rests on a view of reality that sees living beings, in all their individuality and unpredictability, as a set of interchangeable and predictable machine parts. It examines one aspect of the body in isolation from the huge range of influences, both environmental and subjective, that affect it. It ignores the whole picture and focuses on a small detail.

That strictly limiting and short-sighted viewpoint seeks to justify the extrapolation of data from one species of animal to another. I question the very basis of the value of animal experimentation in certain circumstances. There are plenty of examples to show that the logic is fundamentally flawed. All animals are different. It is patently obvious that a mouse does not resemble a human; neither does a rat or a rabbit, yet all those animals are used in experiments, in the claim that they will benefit humans.

The fact is that all animals, including humans, react differently to different substances. They metabolise substances in different ways. They can tolerate different levels of any given substance. They obtain and need vitamins in different ways. They have different life cycles. They have different digestive and circulatory systems. Most important, all species suffer from different diseases. So how can we be sure that the experiments are reliable?

I give the Minister examples of where these experiments are unreliable: lemon juice kills cats; parsley kills parrots; penicillin kills guinea pigs; strychnine is harmless to monkeys, as is arsenic to sheep; insulin causes malfunctions in chickens, rabbits and mice; aspirin causes birth defects in monkeys; and thalidomide is safe to guinea pigs. The list is substantial and clearly demonstrates that we are foolish to rely on the reliability of animal experiments. What will the Minister do to tackle the uncertainty of the results of animal testing?

I deal now with some of the animal experiments that take place, and will look at the matter from not a human-centred but an animal-centred point of view. One of the common procedures is the LD50 test. Animals are dosed with various quantities of a substance to find out how much is needed to kill half the animals in a particular batch. The test is crude and unscientific, and causes immense suffering to animals, yet such tests have risen dramatically in recent years, to almost 200,000 in 1996.

The Government said in November that they would press for the LD50 test to be used only when "absolutely necessary". What does absolutely necessary mean? What steps is the Minister taking to eliminate that test? Why can he not simply ban it? When is it necessary? I am not convinced that it is at all necessary. The Animals (Scientific Procedures) Act 1986 requires animal suffering to be weighed against the benefit of the research before a licence is made. I suggest that, on that basis alone, the LD50 test should be banned.

Another common and particularly painful experiment is the Draize test, which is used to measure irritation. As the Minister will know, rabbits are often chosen for eye studies because they cannot blink. How appalling that animals that cannot blink are used to measure irritation in the eye. Guinea pigs are used for skin experiments. Other tests are simply beyond belief. One has to ask what on earth is the motivation behind them. Rats are forced to breathe smoke bomb fumes to investigate the effects on the lung to see whether oxygen treatment is beneficial. It is beyond belief that such tests continue.

Animals suffer not only during the tests but before and after. I draw the Minister's attention to early-day motion 802, which I tabled, with other hon. Members who are present today, to draw attention to the fact that primates have been transported to this country from Indonesia and other places, with journeys lasting up to 58 hours, in small wooden crates in aeroplane holds. The animals suffer considerably before they even arrive in a laboratory. That early-day motion has been supported by 61 hon. Members from all parts of the House.

So what great human endeavour justifies the imposition of this suffering? Forty-nine per cent. of experiments are carried out for commercial gain, not for health purposes but to produce a washing-up liquid that is more competitive, or a "new improved" scourer, or a shoe polish that cleans more effectively. The other main source is university work, which accounts for a further 29 per cent. A great deal of university work is, of course, funded by commercial concerns. In other words, animals are being made to suffer purely to improve the financial profitability of private companies. That is totally unethical.

Furthermore, the drug industry's involvement cannot be overstated. The structure and context of medical research are such that its fundamental priority is to satisfy the pharmaceutical industry's thirst for profit, which is now the largest in the world. That is the motivation. It seems that, as far as the drugs companies are concerned, a pound of flesh equals a pound of profit.

Large numbers of experiments on animals, many of which are repetitive, are carried out to test weapons—experiments such as firing a bullet into the skull of a monkey or blasting body armour worn by a pig. I have already mentioned the near trebling of the number of experiments by the Ministry of Defence at Porton Down.

Here is another question for the Minister. Will the Government honour their pre-election pledge to forbid the use of animals in the developing and testing of weapons? I hope that he heard that question. It is most important, and it is a matter of ethics.

As I have said, we as a human race are foolish to trust the reliability of medical experiments on animals. I also want to draw attention to the fact that many of the experiments are geared towards the elite end of the market, designed to perfect expensive operations such as organ transplants, from which most of the world's population will never benefit.

Such experiments are for the benefit of a small minority, and do nothing for the basic human health of most people, either in this country or in the rest of the world. While we are busy experimenting and perfecting organ transplants, millions of people lack clean water, basic shelter and food. Perhaps we should devote more of our resources to those purposes.

The Animals (Scientific Procedures) Act 1986 has been subject to some review, but I am still concerned about the work load of the inspectors. In 1996, there were only 17 inspectors whose work load included monitoring 14,870 licence holders, granting 2,202 new licences,

assessing progress in 3,869 projects, assessing and approving 667 new projects and inspecting 300 establishments covering 2.7 million experiments.

It seems to me that we need a new super breed of inspector to carry out all those functions. If the 1986 Act, flawed as it is, is to work properly, we need to appoint more inspectors and ensure that they are given the proper resources.

To be fair, I must admit that the Government have recognised the problem. I believe that something is being put back into the budget.

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth) *indicated assent.*

Mr. Baker: I welcome that; the cuts have not gone ahead. Credit where credit is due—but, even with that restoration, there will still be a great shortage of inspectors under the Act.

I have other concerns about the openness of the system, and I am unhappy that so much of the information on animal experiments is secret. We are not allowed to know details about the establishments and individuals licensed under the Act. The Government's commitment to freedom of information, which I greatly welcome, means that we should open up the process far more. How does the Minister intend to combine the freedom of information commitment with the secrecy inherent in the 1986 Act?

I must wind up my speech now, because the hon. Member for Newport, West (Mr. Flynn) and the right hon. Member for Kensington and Chelsea want to catch your eye, Mr. Deputy Speaker. They have cleared that with me, and have my permission to intervene in the debate.

We must aim for animals to be respected, with the legitimate rights to dignity and protection that we, as human beings, would expect. They have real feelings and can experience real pain. It is unethical for animals to be seen as a resource to be used as we please, and I await the day when all except the most essential experiments have been brought to an end. The Government should make a clear commitment to starting towards that aim now, by setting a target for reducing animal experiments.

Mr. Paul Flynn (Newport, West) *rose—*

Mr. Alan Clark *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Is the Minister happy to allow the two other Members to be called?

Mr. George Howarth *indicated assent.*

1.41 pm

Mr. Paul Flynn (Newport, West): I congratulate the hon. Member for Lewes (Mr. Baker) on securing the debate and thank him for his generosity in allowing me to take part in it. I also congratulate him on his skilful and persistent use of parliamentary questions to reveal much new knowledge about the secretive business of animal experiments, especially those taking place at Porton Down.

I, too, exonerate the right hon. Member for Kensington and Chelsea (Mr. Clark) as regards any suggestion that I might have made that he could have been responsible for any increase in experiments. Indeed, as I understand the figures, he was entirely responsible for a decrease in the number of experiments during his period in office, when he had some influence over such matters.

As someone who worked in laboratories all my life until I entered Parliament, I emphasise that animal experiments are poor science; they are unreliable and ineffective. I agree with every word that the hon. Member for Lewes said, and I advise those who claim that animal experiments give reliable results to consider any one of dozens of cases that I could cite.

I could mention Eralden, Opren and other drugs, but it was thalidomide which caused one of the most painful experiences that we have had with a chemical drug. Thalidomide came on the market having been tested not only on many other animals but on rabbits, which are regarded as being more sensitive, and even on pregnant rabbits, with no sign of difficulty. Only when, after the terrible deformities occurred in human babies, the scientists went back and tried the drug on another breed of rabbit did they reproduce the fault. It is nonsense to believe that there is any kind of exact science involved in that. Far more reliable alternatives already exist. There are simulations and the use of tissue outside the body, both of which are far better science.

We all agree that those experiments represent the abuse of animals on a scale that dwarfs all the other animal abuse about which we get so excited. We have no right to conduct them. It is true that a tiny number of experiments can be defended, but that is all. The scale on which experiments are practised, mostly for commercial purposes, cannot be defended.

As an intelligent species, we stand accused of using defenceless animals as though they were inert chemicals with no feelings. We have no right to do that, and I hope that the Government will hear the debate and there will be a practical and swift response.

1.45 pm

Mr. Alan Clark (Kensington and Chelsea): I join in the tributes to the hon. Member for Lewes (Mr. Baker), who has a good record on this topic. I always listen to the hon. Member for Newport, West (Mr. Flynn) with interest and enjoy his contributions, even when they relate to subjects that we are not allowed to talk about or expand on in the Chamber. I was interested to hear that his comments today were founded on personal and scientific experience, and they are all the more valuable on that account.

I have two questions to ask the Minister. The first is about the so-called commercial confidentiality, which was raised by the hon. Member for Lewes, and which involves tremendous and horrendous repetition of experiments. There should be some way of ensuring that a particular experiment occurs only once, and the results are then put into a pool from which anyone can draw by paying a fee—preferably to a Government agency to fund more inspectors. Results should not be kept private within whatever corporation funded the experiment, so that the experiment has to be repeated 10, 20, 30 or 100 times to produce the same result on 10, 20, 30 or 100 wretched animals to verify what may happen if an identical or a similar product is marketed.

[Mr. Alan Clark]

My second point is about the conditions in which animals are kept. The hon. Member for Lewes talked about primates being brought here in crates in holds on 55-hour journeys, but many of the conditions in which animals are kept in laboratories are by no means perfect, either. Conditions are inhumane both before and after the experiments, when animals are usually simply destroyed.

A serious lack of humanity creeps into the treatment of animals the moment they are regarded as something for commercial and industrial exploitation. They lose their identity as living creatures. Surely this area should be better regulated?

The Minister and his party gave assurances in their election manifesto, which were greatly welcomed by many people in the electorate, including myself, that they would do something about the problem. I cast no aspersions on the way in which the Minister plays his part in the Department, but I know about the pressures that exist when one is behind a ministerial desk, and the way in which officials produce arguments along the lines of "On the one hand . . . on the other hand . . . but in conclusion, Minister, we really feel that . . . ".

Those views are reproduced in documents, and I hope that the Minister will be strong enough to override them and discharge the obligation that his party undertook in its manifesto, which gained it many votes. I hope that, in the 12 minutes that remain, we shall not be treated to the Minister's simply reading out a brief composed by his officials to cover everybody's tracks and to explain that "There is really nothing much that can be done for a bit—because . . . "

1.48 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): That might have been the kind of response that the right hon. Member for Kensington and Chelsea (Mr. Clark) gave when he was a Minister, but I hope that I shall not fall into that trap.

I congratulate the hon. Member for Lewes (Mr. Baker) on his success in obtaining the debate. He has asked 27 written parliamentary questions this year alone on animal experimentation. I make no criticism of him for that; it is a measure of how assiduously he pursues his interest in the subject. My hon. Friend the Member for Newport, West (Mr. Flynn) is also a regular correspondent with my Department on the subject.

I am not entirely confident that, in the time available to me, I shall be able to cover all the points that have been made, so I issue a public invitation to the hon. Member for Lewes to come to the Home Office to discuss the issues that he has raised. My noble Friend the Under-Secretary of State, Lord Williams of Mostyn, and I would welcome such a meeting, and I hope that he will take up that invitation.

I acknowledge, as I am sure will the hon. Gentleman, that my noble Friend, who has prime responsibility for this area, has assiduously pursued the Government's agenda and we are making some progress. The hon. Gentleman was good enough to acknowledge that with regard to a couple of areas.

We seek to ensure that the highest possible standards of animal welfare are implemented and that animals are used in scientific procedures only where there is a clear justification for so doing.

We are promoting what the Department calls the three Rs—reducing the number of animals used, refining procedures to minimise suffering and, where possible, replacing animal use. In particular, with respect to primates, we are making progress on LD50 testing and cosmetic testing.

As the hon. Gentleman acknowledged, we have increased the budget that has been made available to the Animal Procedures Committee to develop alternatives to the use of animals from £182,000 to £259,000. In the greater scheme of things, that may not be an enormous sum of money, but it is a considerable increase in what was a quite small budget. It is fair that that should be acknowledged.

We also intend to pursue relevant measures throughout Europe rather than risk exporting animal experimentation to countries with less rigorous controls than ours. We must ensure that measures are sustainable and do not unnecessarily disadvantage United Kingdom research, medicine and industry or compromise public safety.

The hon. Gentleman acknowledged that we have secured an end to the testing of cosmetic products on animals and we are now exploring the possibility of extending that ban to the testing of cosmetic ingredients intended primarily for vanity products. No new licences to test cosmetic products or ingredients have been issued since May. Our legal advisers have cautioned the Secretary of State that he has no grounds, at this time, to revoke the existing licences.

No new licences to test tobacco or alcohol products have been issued since 1 May, and no new licences are in force which would allow such testing. On 6 November, we announced a ban on the testing of tobacco and alcohol products.

Three new inspectors have been recruited since June and further funding has been secured for a further three inspectors, bringing the complement to 21.

We have announced that some form of ethical review process will be required in all establishments from 1 April 1999.

The review of biotechnology and the patenting of animals is a matter primarily for the Department of Trade and Industry, but it follows such matters closely.

In addition to the pre-election pledges to which the right hon. Member for Kensington and Chelsea referred, we have also announced a ban on the use of great apes, that the use of ascitic animals in monoclonal antibody production will be phased out, and that the number of animal welfare experts on the Animal Procedures Committee will be increased. New appointments are expected shortly.

The hon. Member for Lewes asked about the transportation of live animals. We shall allow the catching of wild primates only if there is a specific and exceptional justification for so doing. Therefore, the onus is on proving that that is necessary. If shorter journey times are possible and animals can be flown directly to the UK, we would welcome that. As the hon. Gentleman will know, many airlines have already stopped such work as a result of public pressure.

The hon. Gentleman, like the right hon. Member for Kensington and Chelsea, referred to the commercial gain of companies engaged in such work. Some suggest that nearly 50 per cent. of experiments are carried out purely for commercial gain. Nearly 50 per cent. are carried out in commercial establishments, but, in many cases, company profitability is not the factor most often taken into account in making a cost-benefit assessment. Hon. Members will be aware that that process goes on. Many experiments carried out in commercial establishments are to meet the requirements of international regulators that products be proved safe for use, manufacture and distribution. Most commercial organisations exist to make a profit—they would not be developing new drugs or other products if they were not profitable—but that fact militates against the argument that such commercial undertakings are entirely profit driven.

With regard to cosmetic ingredient testing, the hon. Member for Lewes referred to previous undertakings. We are exploring the possibility of a ban on ingredient testing, on which I hope to be able to make an announcement in due course. That is a complex area, but one which we are taking forward.

We are considering whether section 24 of the Animals (Scientific Procedures) Act 1986 should be amended, but no decision has yet been made. We are pressing international regulators to dispense with the need of LD50 tests, but, at the moment, they are, more often than not, almost entirely the requirement of international regulators.

Mr. Alan Clark *rose—*

Mr. Howarth: In view of the time, I shall not give way, but the right hon. Gentleman may wish to correspond with me.

Mr. Clark: Will the hon. Gentleman give way for just half a second?

Mr. Howarth: For half a second.

Mr. Clark: The hon. Gentleman said that the Government were considering the argument. Why cannot the Minister share the arguments, pro and con, with the House? I should have thought that the whole matter could be settled in a matter of hours.

Mr. Howarth: I have only three minutes to respond to the points that have been made, and it would not be sensible for me to pursue all the arguments in the sort of detail that the right hon. Gentleman might like.

The number of procedures have been reducing steadily since the 1970s. However, in recent years the use of transgenic animals has put pressure on the total number. Transgenic animals allow new lines of important research to be followed. We are aware of the target set in the fifth European environmental action plan to reduce the number of animals used by 50 per cent. by 2000. We have made considerable progress in reducing the number of animals used over the years.

In only 10 months, my noble Friend the Under-Secretary has set out on an ambitious and, I think most people would accept, caring agenda. I hope that hon. Members will agree that a great deal has already been achieved and, characteristically, my noble Friend has done that in a thoughtful but usually effective manner.

Mr. Baker: May I ask the Minister a question?

Mr. Howarth: I have one minute left and it would be impossible.

There is more to do, but I am confident that we shall continue, as we have begun, to deliver positive improvements to the supervision and regulation of animal welfare. I assure the House that we take that commitment seriously and I ask hon. Members and the wider public to judge us on what we achieve over a reasonable period of time. We are serious, and we appreciate the interest in the subject in the House and among the general public. I hope that the hon. Member for Lewes will take up our intention and that we can make progress and reach a better understanding.

Mr. Baker: Can the Minister guarantee that, by the end of the Parliament, fewer experiments will be carried out each year? Yes or no?

Mr. Deputy Speaker: Order.

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Peace Process

1. **Dr. George Turner:** What progress has been made in the peace process in Northern Ireland; and if she will make a statement. [32127]

The Secretary of State for Northern Ireland (Marjorie Mowlam): The inter-party talks are making good progress. All participants are committed to reaching a settlement. It remains the Government's intention to strive for an early agreement by Easter and to put the outcome to a referendum.

Dr. Turner: Have not fairness and equality of opportunity been at the core of the problems faced in Northern Ireland for many decades? Can my right hon. Friend assure the House that the peace process can satisfactorily address those issues and ensure that future generations in Northern Ireland, whichever side of the divide they are born and live, have equality of opportunity and fairness in their lives?

Marjorie Mowlam: Our manifesto included a commitment to an equality agenda on the basis of fairness, justice and equality of opportunity. The Government are introducing the European convention on human rights and, in relation to Northern Ireland, yesterday we launched a White Paper for consultation on equality issues, based on the principles of equality of opportunity and addressing, in particular, the question of long-term unemployment in both communities. It contains a host of recommendations based on the report by the Standing Advisory Commission on Human Rights, and copies have been placed in the Vote Office and in the Library.

Mr. Trimble: I shall not pursue the previous question, except to say how disappointed we were by the refusal of the Secretary of State to consult us before the publication of the report.

I wish to draw the Secretary of State's attention to the statement, in the European charter on local government, that local government is one of the main foundations of any democracy. Does she share with me a sense of discomfort that the United Kingdom proposes to ratify that charter purely on a Great Britain basis, without extending it in any way to Northern Ireland? Does not doing that at this juncture send people the message that the Government are not interested in ensuring democratic local government in Northern Ireland? Should not the Secretary of State bring forward—because she has not yet done so in the talks—some proposals to enable the United Kingdom to ratify the charter on a United Kingdom basis?

Marjorie Mowlam: The right hon. Gentleman began by referring to the previous question. Consultation is written into the document that was published today so that the recommendations that it contains can be consulted on and the views of parties, voluntary groups, businesses and trade unions can be consulted on the major proposals.

As to local government and the European charter, I agree with the right hon. Gentleman that the democratic deficit in Northern Ireland is a serious issue which needs addressing. We shall consider it. We have put together papers on quangos, but the questions will be addressed in the talks in partnership. In the process of the talks, the questions can be addressed. If people want papers on subjects, we shall submit papers on those subjects, as we have done for the past three weeks, so that we can obtain a structure for Northern Ireland, with the consent of the parties, that deals with the serious problem of the democratic deficit.

Mr. McGrady: I welcome the Secretary of State's statement on the proposals for a commission to monitor equality, and especially the extension of the statutory obligation to provide equal opportunities. I draw her attention to the fact that, although the Fair Employment (Northern Ireland) Act 1989 has been in place for nearly 10 years, unemployment among Catholics is twice that among Protestants. Will she suggest targets and timetables for the eradication of that anomaly, which is offensive to the Catholic minority? I am sure that she disagrees fundamentally with the official Unionist party's comment that her programme extended false hope to the Catholic community.

Madam Speaker: Order. Before the Secretary of State replies, may I remind the hon. Gentleman and the House of my instruction only recently that I want Secretaries of State and Ministers to be asked direct questions, with no long comments?

Marjorie Mowlam: Briefly, then. The statutory obligation applying to public services and to goods and services is covered by the document. The paper makes the important point, which came out of the SACHR report, that progress has been made on tackling long-term unemployment since the enacting of fair employment legislation in 1989. We agree with the report's conclusion that systematic discrimination is not the main cause of twice as many Catholic as Protestant men being long-term unemployed. The causes of long-term unemployment are manifold, and related to the multiple causes of deprivation. In the report, we are addressing the issue of equality of opportunity to ensure that the progress that has been made under the fair employment legislation continues. At the same time, we want to target and address long-term male unemployment, which is the root of problems for both communities.

Mr. MacKay: Is not the message that must come across after the shocking and sinful murders at Poyntzpass last week that the two Governments and the constitutional parties must redouble their efforts to find a lasting settlement in Northern Ireland? Will the Secretary of State confirm that she does not intend to go over the heads of the political parties and impose a solution on the Province?

Marjorie Mowlam: I concur with the hon. Gentleman's opening comment. The soul-destroying murders of Mr. Trainor and Mr. Allen—I believe that

people have been charged this morning in relation to them—will, I hope and believe, make all those involved in the talks process and the peace process as a whole redouble their efforts. We must be sure that there is a commitment to finding some kind of accommodation. I again confirm that we have no intention of imposing any accommodation or settlement on the participants in the talks. They must own some kind of agreement, and the triple lock—gaining the consent of the parties, of the people in the referendum and of us in Parliament—is still in place.

Mr. MacKay: Will the Secretary of State confirm categorically that there will be no referendum in which the people of Northern Ireland decide on a settlement that has not been agreed by the majority of the parties in the political talks?

Marjorie Mowlam: Yes.

Mr. Öpik: Given the Government's evident commitment to holding a referendum in May, are they equally committed to holding elections in the Province in June? If elections are not held in June, when does the Secretary of State intend them to be held?

Marjorie Mowlam: It is difficult to give a specific answer. We are consulting the parties, and we must achieve a positive vote in the referendum. We should then have to find a period long enough for the election campaign and the procedures to be put in place. My view—it is not agreed with the parties, and we are still consulting them and others involved in the process—is that, the sooner elections are held, the better. The parades period and a long summer are coming up, and logistics have to be taken care of, so I cannot give the hon. Gentleman a specific answer.

Mr. McDonnell: My right hon. Friend will have noted the statement made by the president of Sinn Fein at the weekend, and appreciated its significance. Does she agree that, while we all hope for—and are working for—a settlement of some sort, an agreement or a conclusion to the existing talks, the process is on-going, regardless of any conclusion? Does she also agree that we want all the communities to achieve their respective ambitions and respect each other's views?

Marjorie Mowlam: I thank my hon. Friend for that important question. I sometimes do not emphasise enough the importance of the process in which we are involved in saying that I want to aim for the referendum on a particular date in May, but I think it important to see it as a process. There is random violence from splinter groups, which I believe will continue until the referendum, and I think that things will be difficult afterwards; but the more we view this as a process in which confidence and trust are built up as we go along, the better.

2. **Mr. Flight:** What assessment she has made of the objectives of the Government of Ireland with regard to the Northern Ireland peace initiative. [32128]

Marjorie Mowlam: The British and Irish Governments share the common objective of achieving a widely acceptable political settlement and a lasting peace in Northern Ireland.

Mr. Flight: What discussions have been held with the Government of southern Ireland about joint security following a settlement? May I suggest that that is a crucial ingredient of both the achievement of a settlement and its success thereafter?

Marjorie Mowlam: I agree that security co-operation across the border is an important element. We have seen two very good examples. The Garda Siochana in both County Louth and County Cavan found large bombs that were not where everyone expected them to be—north of the border. I pay tribute to the Garda Siochana for the help that it has given us in the last couple of weeks, and assure the hon. Member that such co-operation goes on now and, I believe, will continue.

Mr. Mallon: Does the Secretary of State agree that the joint action by the two Governments—as represented by the joint declaration, the joint framework document and the two Governments' participation in the talks—has allowed the talks process, and enabled the participants to move towards a solution? Does the right hon. Lady also agree that, if we are to see the end of the remnants of terrorism in both the north and the south of Ireland, that joint approach must continue—hopefully with a new administration in the north?

Marjorie Mowlam: I agree that joint action between the two Governments is crucial. History shows us that, when they have not worked together, the process has run into trouble.

The hon. Gentleman mentioned some papers. There is the framework document, and a host of papers have now been submitted by the Governments in strand 1 of the talks process, at the request of the parties, and in strand 2 by the chair of the process. I believe that, as we synthesise those papers, the areas of agreement and disagreement are becoming much clearer as the weeks go on.

Mr. Peter Robinson: The Secretary of State says that the talks process is making good progress. As it ends its two-year lifespan in May, will she spend a minute or two outlining something to the House? The process was built on the premise that decommissioning must take place during it. Will the Secretary of State tell us how many handguns, rifles, rocket launchers, machine guns, explosives and detonators—and how much ammunition—have been handed in either to this Government or to the Government of the Irish Republic?

Marjorie Mowlam: Both this Government and the Irish Government take decommissioning seriously. We have agreed with the Mitchell principles. I should like decommissioning to take place tomorrow, but we have agreed with the Irish Government that it must proceed in parallel with the current process. We have a decommissioning body working, and on 25 February we published a document outlining decommissioning methods. An order on the decommissioning timetable will be dealt with in the House later. I assure the hon. Gentleman and other hon. Members that we all want decommissioning, which would be a very positive step, and a vote of confidence in the process. However, as I have told the House so many times before, I cannot force people to do it. Nevertheless, I assure him that we are doing everything that we can to encourage it.

Mr. Robert McCartney: Will the Secretary of State confirm that the type of mortar bomb used to attack

Armagh police station has never before been used in Northern Ireland by any terrorist organisation other than the Provisional IRA? Will she confirm whether there is any intelligence of any group utilising such mortar bombs for terrorist activity other than the Provisional IRA?

Marjorie Mowlam: As the hon. and learned Gentleman is aware, after the mortar attack in Armagh, one of the local police officers implied exactly that—that the only group identified with such mortars is the Provisional IRA. However, I am sure that the hon. and learned Gentleman—as a lawyer and as a Member of Parliament—will agree that one must have pretty conclusive evidence before acting—*[Interruption.]* I do not have conclusive evidence on the mortar attack at Armagh.

Mr. Thompson: Will the Secretary of State confirm that, irrespective of the objectives of the Irish Government or the outcome of the talks, the supreme authority of this Parliament will remain over all persons, matters and things in Northern Ireland, as part of the United Kingdom?

Marjorie Mowlam: The hon. Gentleman will know that, ultimately, part of the answer to his question lies with the parties and the people of Northern Ireland, which is where, in the talks and in the referendum, some of those decisions will be taken. I should like to add—because of some of the barracking after my previous answer—that there is not conclusive evidence. I cannot make a decision based on one person's view on who they believe did it. I need to have evidence and security advice. Then, as I acted in relation to the UDP and Sinn Fein, I shall act again.

Mr. Moss: Has the Secretary of State had any contact with the Irish Government in the light of the very serious allegations that Roisin McAliskey's fragile mental state—on the ground of which the Home Secretary refused to extradite her to Germany—was attributable to her treatment at the hands of RUC officers at the Castlereagh holding centre? In view of the seriousness of those allegations, does the Secretary of State plan to instigate an inquiry? Conversely, if she believes—as we do—that those allegations are completely without foundation, why has she not issued a statement unequivocally repudiating them?

Marjorie Mowlam: The Irish Government, like many parties involved, strongly expressed their points of view on Roisin McAliskey's situation to the Home Office and to my Department. However, as the Home Secretary made clear last night in his announcement, his decision was taken independently and was based on medical grounds, not on lobbying. The allegations that the hon. Gentleman mentions are still only allegations. The Home Office has informed me that it has received no specific submission from Miss McAliskey on allegations reported in the press, but has said that if it receives such a submission, it will not only respond to it but place it in the public domain.

Dangerous Wild Animals Act

3. **Rev. Martin Smyth:** If she will extend the Dangerous Wild Animals Act 1976 to Northern Ireland. [32129]

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Tony Worthington): Yes. The Government propose to introduce legislation equivalent to the 1976 Act under the Order in Council process.

Rev. Martin Smyth: I welcome that answer, but will legislation be introduced very soon? Although some of us believed that the days of Buck Alec's wee lion were over, we discover now that—in Seskinore and in other parts of Northern Ireland—people are keeping wild animals in abysmal circumstances, which are detrimental to animals and dangerous for people.

Mr. Worthington: Yes, it is a disturbing case and I have discussed the matter with the noble Lord Dubs, who is the Minister responsible. He is doing everything he can to bring forward legislation as quickly as possible.

Devolution

4. **Mr. Nicholas Winterton:** What representations she has received on the devolution proposals contained in the framework documents; and if she will make a statement. [32130]

Marjorie Mowlam: Those issues remain under intensive consideration within strand 1 of the multi-party talks.

Mr. Winterton: While many people believe that the devolution proposals for Scotland and Wales are designed to bring government closer to the people, will the Secretary of State agree with me that the devolved assembly under the framework is seen by many on both sides of the water as being for the purpose of taking Ulster out of the United Kingdom and putting it under the control of a foreign country?

Marjorie Mowlam: No. The devolution procedures are there to increase accountability and increase transparency and, as I made clear in answer to the hon. Member for North-East Cambridgeshire (Mr. Moss), they will be made only with the consent of the parties, and of the people, of Northern Ireland.

Mr. Maginnis: Will the Secretary of State acknowledge that the Ulster Unionist party has made it clear from the beginning of 1995 that the framework documents do not define a way forward in terms of the future of Northern Ireland; and that we have not negotiated on the basis of the framework documents, because they actually stymie negotiations and one cannot negotiate from a fixed position? Will she further acknowledge that, that apart, my party has done everything possible and made no unreasonable case to hinder negotiations, but that hindrance has come, almost exclusively, from the IRA, which refuses to move forward the parallel process of decommissioning and has had the connivance of two Governments in hindering it in that way?

Marjorie Mowlam: As I said in answer to an earlier question, a number of documents are on the table—the

framework document, the Downing street declaration and papers submitted by different parties—and the point to which everybody around the table is trying to get is to reach an accommodation, whether or not that is in line with one of those documents. If it reflects consensus among the parties, we shall readily accept the decision of the parties.

In answer to the second part of the hon. Gentleman's question, I acknowledge the courage and determination of all the parties in the talks. They have all made changes and have all tried to move to find an accommodation and I hope that that continues in the weeks ahead.

Mr. McNamara: Can my right hon. Friend confirm that, whatever the outcome of the talks, the aspiration to a united Ireland will still be permitted, allowed and, hopefully, attainable for those people who argue and work for it democratically? Will she inform the House of the number of occasions on which the Ulster Unionist party has sat down with Sinn Fein to discuss the various proposals in strands 1, 2 and 3?

Marjorie Mowlam: The answer to the first part of my hon. Friend's question is that it is about democratic participation by all in the talks, and that is where we want to arrive. As for parties siting down with each other, there has been sitting down between some parties in various locations. I am unable to give the time and place of all those occasions, but I can tell the House that, in a poll last Thursday, a majority of both communities in Northern Ireland wanted the parties inclusively to sit down and try to find an accommodation.

National Minimum Wage

5. **Mr. Boswell:** What assessment she has made of the local economic implications of the introduction of a national minimum wage. [32132]

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): In Northern Ireland, as in the rest of the United Kingdom, a sensibly set national minimum wage will increase the incentive to work, will encourage firms to compete on the basis of quality, not just price, will help promote employee commitment and reduce staff turnover, and will encourage investment in training. I am pleased to note that the Bill to introduce a minimum wage has received the formal approval of the House.

Mr. Boswell: The Minister will be aware that the average wage in Northern Ireland is only 60 per cent. of that in Greater London. He will also be aware that a greater proportion of the work force in Northern Ireland is paid less than £3.50 an hour. Will he confirm that he is alert to the implications of that and has drawn those issues to the attention of the Low Pay Commission?

Mr. Ingram: We are aware of those facts and they have been drawn to the attention of the Low Pay Commission.

Mr. Hope: Does my hon. Friend agree that workers in Northern Ireland forced to live on poverty wages deserve the same legal protection and floor under their wage levels that are about to be enjoyed by other workers in the rest of the United Kingdom?

Mr. Ingram: I am sure that all the low-paid workers, and others, in Northern Ireland will say three cheers to that and will fully endorse the National Minimum Wage Bill, which the House has recently passed.

Mr. Beggs: My hon. Friends and I are totally committed to the principle of a fair day's pay for a fair day's work. I urge the Minister to bear in mind the fact that, because of our relatively high levels of unemployment, if the level of the national minimum wage in Northern Ireland is set too high, it could damage existing jobs and the potential for new jobs. Will he assure us that the Government will be cautious, sensible and practical in setting the level of the national minimum wage in Northern Ireland?

Mr. Ingram: That is a fair point, which we have to address. As the hon. Member for Daventry (Mr. Boswell) said, we have to take account of the fact that there is a significant amount of low pay in Northern Ireland. We must be careful not to unbalance the economy as a result of the decisions on the national minimum wage. The Government are fully aware of the problem. We shall work with trade unions and industry to ensure that the Northern Ireland economy continues to prosper in the years ahead.

Mrs. Fyfe: Has the Northern Ireland Office assessed the cost to the British taxpayer of subsidising bad employers that pay terrible wages? The hon. Member for Daventry (Mr. Boswell) alluded to such low wages. Does my hon. Friend agree that the money could be spent in better ways to benefit the people of Northern Ireland?

Mr. Ingram: I have no knowledge of such an assessment, but my hon. Friend has given me an idea that I may work on as we look forward to the findings of the Low Pay Commission.

Peace Talks

6. **Mrs. Ann Winterton:** What assessment she has made of the Unionist community's reception of the progress and direction of the all-party peace talks. [32133]

Marjorie Mowlam: My assessment of the Unionist community, as with all communities in Northern Ireland, is that change is difficult, but we must all change and no one can have 100 per cent. of what they want. I know that it is not easy, but together we can build a future of non-violence that is different from the past.

Mrs. Winterton: Will the Secretary of State concede that the Unionists in Northern Ireland must feel betrayed and devastated that the peace process, which they joined in good faith, has been hijacked by Sinn Fein-IRA and could now correctly be described as the appeasement process?

Marjorie Mowlam: No, I obviously do not agree with the hon. Lady's interpretation. The Unionist community in Northern Ireland feels a lack of confidence, and fear,

because of the bomb at Moira, the bomb at Portadown and the deaths of Mr. Trainor and Mr. Allen. That is what creates fear. We are trying to create a future that does not include such events. I have already referred to last week's poll. The Unionist party leaders who are in the talks had much greater support in that poll than those outside. That is what the Unionist community thinks.

Mr. Sutcliffe: Is it not alarming and disappointing that the hon. Member for Congleton (Mrs. Winterton) has used such language when the Secretary of State, the Government, the Irish Government and the constitutional parties are trying to work for a settlement? Is not the key the fact that the majority of both communities want peace? Should not that be the driving force? Should not Members of Parliament support the Government in what they are trying to achieve?

Marjorie Mowlam: I thank my hon. Friend for that comment. Consent is the over riding principle in our policy in Northern Ireland. I hope that my hon. Friend spoke for the whole House.

Mr. William Ross: Is the right hon. Lady not yet aware that by far the greater bulk of the population in Northern Ireland are astonished, dismayed and horrified that the Government seem unwilling to accept the plain fact that the terrorist wings of some of the parties participating in the talks in Northern Ireland are still engaged in terrorist violence, including murder as the ultimate form of intimidation? Is not she also aware from what has been said today and in recent days that there is great concern in Northern Ireland that the sentence for murder appears to be a three-day exclusion from the talks process? What does she intend to do to increase the confidence of the great bulk of the population of Northern Ireland in the Government listening to the democratic voice of the people rather than the guns of murderers?

Marjorie Mowlam: We have backed wholesale the security forces—they have done an excellent job—in trying to find the people responsible for the terrorist activity that has gone on since Christmas that has been carried out by splinter groups that are not part of the ceasefire and do not support the talks process but, in fact, want to destroy it. It is clear that if any party violates the Mitchell principles in relation to the talks—and we have concrete evidence that paramilitary groups associated with parties in the talks have behaved contrary to the Mitchell principles—we will act. We excluded the Ulster Democratic party when that happened; we excluded Sinn Fein. If it happens again, I assure the hon. Gentleman that we will act accordingly.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [32157] **Mrs. Roe:** If he will list his official engagements for Wednesday 11 March.

The Prime Minister (Mr. Tony Blair): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings today. This evening, I will be meeting European leaders who are in London for tomorrow's European conference.

Mrs. Roe: Will the Government agree to any request from the German authorities for Roisin McAliskey to be tried in this country for the very serious crimes she is alleged to have committed?

The Prime Minister: We have received no such request. However, if we do, it will be considered by the Home Secretary. In considering it, he will be acting in a quasi-judicial capacity. If any such request is received, he will consider it in the normal way. The decision not to extradite was taken by the Home Secretary alone, in accordance with the powers that are given him and on the basis of the medical evidence submitted.

Mr. Corbett: Will my right hon. Friend assure me that when the Green Paper on welfare reform is published, it will lead to the widest possible debate so that we can ensure that we protect those in genuine need and offer real opportunities to those who have been denied them for the past 18 years?

The Prime Minister: Yes. That is one of the reasons why the Government are already proceeding with the £3.5 billion welfare-to-work programme that helps people on benefit get off benefit and into work. We cannot carry on with a situation in which spending is up but poverty is up, too. That is precisely why the new Labour Government are undertaking the process of welfare reform in the interests of the country and, indeed, of many people who are in need.

Mr. Hague: The Prime Minister will be aware that the human rights campaigner Wei Jingsheng has met the Foreign Secretary today. Does the Prime Minister understand the amazement among such campaigners and in the United States that, for the first time in nine years, the United Kingdom will not support a United Nations resolution on human rights in China?

The Prime Minister: We have on many occasions made clear our position on human rights. We have carried on making that position clear and will continue to do so. We did not think in these circumstances that this was the right thing to do.

Mr. Hague: The circumstances are the same as they have been in recent years. Mr. Wei says that the Government's position is quite stupefying; he says that it has left victims of human rights abuses in the lurch; he says that, in 18 years in prison in China, his conditions were improved only when the international community signed declarations of this kind. Since the Foreign Secretary said that human rights would be at the heart of an ethical foreign policy, should not the Prime Minister reconsider the decision?

The Prime Minister: It is not right to say that we have not raised the issue of human rights in China. We have done so continually, both on our own account and as

president of the European Union. That is the position that has obtained throughout—not merely now, but before the election.

Mr. Hague: I am not saying that the Prime Minister has not raised the issue. If he has, it would be consistent to support this resolution. The Government proclaimed an ethical foreign policy with great fanfare and the Foreign Secretary poses unconvincingly as ethics man, yet the first time that that ethical foreign policy is put to the test there is no trace of it whatsoever. Dissidents and human rights campaigners will judge the Government by the Prime Minister's answer. Will he now reconsider that decision?

The Prime Minister: No, for the reason that I have given. We have not merely raised the issue of human rights—*[Interruption.]* Perhaps Conservative Members will listen to the answer. We have continually raised human rights issues in respect of China and, during our presidency of the European Union, we have received support from other European countries in making the issues at the heart of Mr. Wei's case clear to the Chinese Government. However, we did not feel that this United Nations resolution was the right way to proceed.

Mrs. Anne Campbell: Will my right hon. Friend join me in congratulating the Cambridge benefits agency office on helping its 200th lone parent back into work? One lone father said that the scheme had given him back his self-respect after many years out of work. Will my right hon. Friend join me in welcoming the national roll-out of the scheme, which has the potential to help many parents?

The Prime Minister: Yes. My hon. Friend has played a considerable part in establishing a scheme in her constituency to get lone parents off benefit and into work. The scheme also ensures that lone parents receive the proper skills training—particularly in the area of information technology—that they require to get work. A considerable number of lone parents already on the new deal programme have come off benefit and into work. As a result, they are earning far more money and not costing the state nearly as much as they used to: lone parents gain, the country gains and the state of society gains, too.

Mr. Ashdown: When Mr. Rupert Murdoch sought to purchase *The Times* newspaper in 1981, the then Secretary of State for Trade and Industry, Mr. John Biffen, agreed to the purchase without reference to the Monopolies and Mergers Commission on the grounds of eight conditions to preserve editorial independence that he announced to the House. Does the Prime Minister accept that that gives his Government a continuing responsibility to ensure that those conditions are upheld properly?

The Prime Minister: Of course I accept that any conditions entered into should be upheld.

Mr. Ashdown: I am very grateful to the Prime Minister for that confirmation that the Government are now the ultimate monitor of Mr. Rupert Murdoch's stewardship of *The Times*. I draw the Prime Minister's attention to the recent comments made by the previous highly respected east Asia editor of *The Times*, Mr. Jonathan Mirsky, that give rise to deep concern about whether those conditions have been met in the case of China. In this case, should not the Prime Minister and the Government satisfy themselves that the conditions have been met? If they are not satisfied, should they not place the matter before the Monopolies and Mergers Commission?

The Prime Minister: I am not aware of the particular incident to which the right hon. Gentleman refers, but I am perfectly prepared to look into it and correspond with him about it. However, the rules that apply to Mr. Murdoch apply to all newspaper proprietors equally.

Mr. Dawson: Will my right hon. Friend join me in expressing sympathy to the *Hansard* reporters who, on Friday and again in the early hours of Tuesday morning, endured hour upon hour of excruciating banality? Will he also join me in hoping against hope that in future Opposition Members will come up with something interesting to say—and perhaps one or two decent jokes?

The Prime Minister: I know that my hon. Friends have campaigned very hard on this. We of course pay tribute to all those who work in the House and who must stay up and listen to Opposition Members making their points. Is it not extraordinary that the Conservative party opposed the introduction of a minimum wage that, for the first time, guarantees decent minimum standards at work? They will always choose to represent the few rather than the many.

Q2. [32158] **Mr. Amess:** Will the right hon. Gentleman take a sober look at early-day motion 961 and tell the House whether he agrees with his 50 Labour colleagues who have so lost confidence in the Lord Chancellor that they demand not only an end to his extravagance, but the abolition of the office?

The Prime Minister: No, I will not do that because the Labour manifesto commitment to reform of both criminal justice and legal aid is clear and we are carrying it out with the excellent services of the Lord Chancellor.

Ms Drown: Will the Prime Minister join me in wishing Mr. David Hempleman-Adams, the British explorer who was born in my constituency, the best of luck in his attempt, which he started only last week, to be the first person to reach the north and south poles and the highest peaks of every continent?

The Prime Minister: Yes, I am delighted to do so. It is a marvellous example of co-operation between the Norwegian and British people, and I wish the expedition every success.

Q3. [32159] **Mrs. Lait:** When will the right hon. Gentleman live up to his promise of rooting out corruption in local government in towns such as my home town of Paisley and in Glasgow, Doncaster, Hackney and now Hull? Is not it obvious even to him that Labour councils are riven with dissent and rotten to the core?

The Prime Minister: Every time there have been allegations of corruption in Labour councils we have investigated them, in stark contrast to a Conservative party, which allowed corruption and wrongdoing to carry

on in Westminster council and for years did nothing—but that is the difference between Conservative and Labour values.

Lifelong Learning

Q4. [32160] **Mr. Chaytor:** If he will make a statement on his plans to increase opportunities for lifelong learning.

The Prime Minister: I know that my right hon. Friend and other hon. Members have taken a keen interest in lifelong learning. The lifelong learning Green Paper was published on 25 February. We believe that it is essential that if we are to create the type of economy that we need in future, people should be able to train and re-skill throughout their lives. Our proposals will make a significant start on that.

Mr. Chaytor: Is my right hon. Friend aware that, last year, more than 50 per cent. of further education colleges—colleges responsible for about 4 million students—experienced financial deficits due largely to the imposition of the internal market and the unfair funding methodology used by the previous Government? Will he assure the House that, after the reform in the financing of university education, the Government will introduce a substantial new investment in lifelong learning, particularly for the overwhelming majority of young people and adults who have never had any prospect of going to university?

The Prime Minister: "I personally believe that" the Conservative

"failure in 20 years to significantly improve the level of public education is one of the areas that"

they should be

"most . . . ashamed of."

[HON. MEMBERS: "Rubbish."] Opposition Members shout "Rubbish" but I am quoting Steven Norris, who was a Minister in a previous Government. He went on to say:

"you can acquit Labour of the charge of not being prepared to take the issue on."

Mr. Norris is right. What is more, as a result of the additional money that we are putting into further education, the university for industry, the £150 million to help people with training and skilling in the individual learning accounts and the 500,000 extra people who will go into further and higher education as a result of Government reforms in the next five years, we are at last making a start on getting the lifelong learning society that we need for the future.

Mr. Boswell: As I am sure the Prime Minister will want to acknowledge the achievements of the previous Government in giving the further education sector independence and pressing forward to advance adult literacy measures, will he explain his priorities in converting the White Paper that was promised into the Green Paper on adult learning that was delivered?

The Prime Minister: We have always made it clear that there should be a proper process of consultation. Some elements in that—for example, the individual learning accounts and the extra £150 million that we are putting into them—will happen in any event, which is extremely important. I acknowledge that the previous Government made some changes in adult literacy that we would support, but they cut funding drastically—particularly funding for further education, which was cut way below its tenable level. That is precisely why we are spending an extra £100 million on it next year, which I hope the hon. Gentleman will welcome.

Engagements

Q5. [32161] **Mrs. Gorman:** Given the fact that Conservative Wandsworth, despite a 10 per cent. cut in grant, has introduced the lowest council tax rate in the country, whereas Labour Liverpool, with a 10 per cent. increase in grant, has introduced the highest, will the Prime Minister—who is a canny Scot—recommend people who have their heads screwed on the right way to vote Conservative on 7 May?

The Prime Minister: No, I believe that people had their heads screwed on the right way on 1 May last year. In fact, the average council tax rise in Liverpool is about 5.5 per cent. It is true that Wandsworth has reduced its council tax, but that is largely because of the reserves that were built up under the previous Government. Perhaps the hon. Lady would like to reflect on the fact that, whereas Westminster has an increase of about 7 per cent., Islington has an increase of about half that.

Ms Kelly: Can the Prime Minister confirm that Government borrowing has fallen dramatically in the 10 months since the election? Is not that a clear example of the benefits of stable economic management and an end to boom and bust? Does not it represent an endorsement of the old slogan, "You can never trust the Tories with your wallet"?

The Prime Minister: Conservative Members might like to know that, under the Conservative Government, national debt doubled. As a result of Conservative mismanagement, we shall have to pay out more in interest payments on our debt than we spend on the whole of the schools system. We inherited a structural budget deficit and the return of inflation to the system. By giving the Bank of England independence in the setting of interest rates and by tackling the structural deficit, we have the chance for the first time in generations to end Tory boom and bust and to have prudent, stable management of the economy.

Mr. Hague: Who is to blame for the fact that this year's council tax rises average out at a record—the Government or councils?

The Prime Minister: The council tax rises are precisely those that were forecast by the Conservatives when they were in government. It is a bit of an own goal for the right hon. Gentleman to raise as an issue the very council tax rises that he supported when in government.

Mr. Hague: It is a bit of an own goal to say the opposite of what the Deputy Prime Minister said; he said that council tax increases would have been 7 per cent. under Conservative plans but will be 8.5 per cent. under the Government's plans. When will the Prime Minister start taking responsibility for his own decisions?

The spending plans are his: it has been his decision to penalise the shire counties and neglect the rural areas once again; and it has been his decision to give one of the highest grant increases to Sedgefield, by some happy coincidence. Is it the responsibility of the Government or of councils?

The Prime Minister: It is the Government's responsibility to set spending limits. The point is that the spending limits are precisely the ones that we inherited, which is why it is patently absurd for the right hon. Gentleman to say that all this is the result of a Labour Government. In fact, the bills are rising in exactly the way they would have under the Conservatives. If people look back on Conservative administration of local government over the past 18 years, they will remember most not what the Labour Government have done now or in the past year, but the poll tax, for which the Tories were responsible.

Mr. Hague: People will remember that the Prime Minister said before last year's general election that there would be no tax increases at all. They will remember that they now pay higher council taxes, higher pensions taxes, higher savings taxes, higher mortgage taxes and higher business taxes. Are not people entitled to feel that they were conned at the election?

The Prime Minister: No. First, on council tax, we said that we would abide by the spending limits that we inherited, which is precisely what we did. Secondly, we said that we would not raise the basic or top rate of income tax, and we have kept that promise. The contrast lies in our keeping that promise and a Conservative party that, in the 1992 general election, said it would not raise VAT and that it would cut the tax burden year on year, but then imposed VAT and the largest tax rises in peacetime history. That is the difference between Labour and Tory Governments.

Mr. Burgon: Can the Prime Minister update us on the bid to hold the world cup in England in 2006? Does he agree that if we are to guarantee the success of the bid, one of the venues must be the great city of Leeds?

The Prime Minister: We certainly hope that we shall be able to host the world cup in 2006. We are making a strong bid to do so. About £600 million has been spent on British stadiums over the past period of time. I think that we have all the right facilities to make a successful world cup bid and I am quite convinced that we can do so.

Q6. [32162] **Dr. Tonge:** Does the Prime Minister agree that taxes are a way of providing good public services? Does he also agree that, as good local services are provided in the Richmond part of my constituency and our council tax rise this year will be of the order of 2.3 per cent., perhaps the electorate would like to consider voting Liberal Democrat?

The Prime Minister: I am sure that they will consider it. Of course it is important that the taxes that are raised go to provide decent public services. I cannot comment on the hon. Lady's particular situation in Richmond, but I can say that as a result of what the Government have done and their prudent management of finances, we are going to get extra money into schools and hospitals this year, extra money for pensioners and we have been able to cut VAT on fuel.

Dr. Desmond Turner: May I bring my right hon. Friend back to the issue of benefits? Despite the assurances that he and other Cabinet colleagues have given, will he reiterate that there is no intention to hit people on disability benefits? People are still anxious. Can he give an assurance to people who depend on disability benefits that they have nothing to fear from the benefits review?

The Prime Minister: I can certainly say that those people who are in need and disabled have nothing whatever to fear from the review. The plain fact of the matter is that the present system, as many who are disabled accept, is over-complex, often does not help those most in need and often does not give people the help that they need to get off benefit into work where they want to do so. Many disabled people would like the chance to work full time or to do some sort of part-time work. One of the reasons the Government have committed an extra £200 million out of the new deal to helping the disabled is precisely to give them that opportunity and freedom. People should pay no attention to the scaremongering, but they should realise that the Labour Government are undertaking necessary reform that will work in the end to their interests.

Q7. [32163] **Dr. Julian Lewis:** How can the Prime Minister justify the following actions taken by the Government at the end of last year: blocking a Bill to protect women from rape in psychiatric units, stopping due recognition for Sean Connery on account of his support for Scottish nationalism and the different treatment accorded to Professor Eric Hobsbawm, a lifelong communist who just happens to be the father of the business partner of the girlfriend of the Chancellor of the Exchequer?

The Prime Minister: I have now remembered the pedigree of the hon. Gentleman. I have a terrible feeling that he was in the Labour party at one time. He then went to the Tory party. To judge by today's question on Sean Connery, he is about to go to the Scottish nationalists. He was pretty wacky then and he is pretty wacky now.

Q8. [32164] **Mr. McWalter:** My right hon. Friend will be aware that some health authorities and trusts think that the Conservatives are still in power and are trying to cut services. In some cases, they are contemplating closing over-subscribed hospitals. Will my right hon. Friend emphasise to such health authorities and trusts the Government's commitment to major improvements in health funding this year and in future years so that they can plan on a proper basis for the medium term and give people the assurance that they will receive a much better service from the NHS than they did under the previous regime?

The Prime Minister: We have put into the health service an extra £300 million over Conservative spending plans this year and an extra £1.2 billion goes in next year. That is a tremendous additional investment for the national health service. Of course, decisions about how to

spend that money are taken on the ground. Health authorities must take decisions on the basis of local health needs as they see them, but it is important that we make sure that the NHS modernises, changes and adapts. We will get the investment in, but it comes in return for fundamental reform that helps the patients who need a decent health service for the future.

Mrs. Browning: If a Labour Member of Parliament fails to declare a directorship and subsequently becomes a Minister of the Crown, should he resign? If not, why not?

The Prime Minister: Those are matters for the Parliamentary Commissioner, as the hon. Lady knows. I know the case to which she refers. Her question is part of the usual Conservative smear campaign and I have not the slightest intention of getting into it.

Q9. [32165] **Mr. Connarty:** Has my right hon. Friend seen the National Audit Office report today on water pensions, which confirms what we suspected: that the public were ripped off by the Tories over water privatisation? Following on the scandal of the great rail report of last week, will my right hon. Friend instruct an investigation into all the privatisations that took place, to see just how badly the Tories swindled the public?

The Prime Minister: I am sure that the National Audit Office will continue to make investigations. It is extraordinary that, as a result of Conservative privatisation, literally hundreds of millions of taxpayers' money, which could have been spent on better services, was lost and squandered. The fact that the Conservatives behaved so badly when privatising some of our essential public services is why they must never be allowed back in charge of those services again.

Ministerial Visits

Q10. [32166] **Mr. Page:** What plans he has to pay an official visit to South-West Hertfordshire.

The Prime Minister: I have no immediate plans to do so.

Mr. Page: I am devastated by that response. I would like the Prime Minister to come to my constituency because I would like him to explain to my constituents the fourth of his six election promises, which he will have at the forefront of his mind—that to reduce waiting lists. I want him to explain to my constituents who use the hospitals in the area why waiting lists have increased, depending on the category, by 7.5 per cent. up to 28.9 per cent. Some people are now waiting more than 18 months, when there was a zero wait before. Can he tell us the value of a Prime Minister's pledge at election time?

The Prime Minister: The value is that the pledge will be met, in precisely the way that we said at the election. The hon. Gentleman is complaining about national health service waiting lists, but they have been going up for about three years. I do not remember his uttering a word about NHS waiting lists before the election. As they are going up as a result of the financial constraints, and as we are putting £1.5 billion more into the health service than the Conservative Government he supported were prepared to do, we will get them down and the public will know that had they left the health service in the hands of a Conservative Government they would have carried on rising and rising and rising.

Engagements

Q11. [32167] **Mr. Crausby:** Does my right hon. Friend welcome the fact that Britain will soon have, for the first time in our history, a national minimum wage that will protect our people from the low wages that create poverty? Does he relish the prospect of fighting the next general election against an out-of-touch Conservative party that will no doubt campaign on the slogan, "Vote Tory and return to poverty pay"?

The Prime Minister: My hon. Friend makes an interesting point. We do not yet know from Conservative Front Benchers whether they will abolish the minimum wage. [HON. MEMBERS: "How much is it?"] Oh, I see—it all depends on the amount; otherwise they will keep it, will they? That is very interesting; we were very near to getting the first policy commitment from the Conservative party.

The Conservative party opposes the minimum wage. The Conservatives would not want anyone connected with them to be working for these poverty rates of pay, but they are opposed to essential fairness at the workplace. We need a minimum wage to save the £3.5 billion benefits bill that subsidises low pay and because a proper minimum wage is an essential basis of a decent, civilised society—but then those are values the Conservatives would not understand.

Mr. Martin Bell: Will the Prime Minister consider the advantages of a Whips' ceasefire on these occasions so that Members might ask the questions they wish to ask rather than those they have been encouraged or instructed by others to ask? Would this not be to everyone's benefit, including his own?

The Prime Minister: The hon. Gentleman has just asked me a question—I am not quite sure how he wants me to reply, other than to say that people are free to ask whatever questions they want. As everybody knows, nobody could be a more democratic, open and understanding leader than me. Perish the day that anyone is encouraged to ask any question at all. However, if he listens to the questions asked by Conservative and Labour Members, he will see that the questions about schools, health, pay, living standards and crime are asked by my hon. Friends, and not by Conservative Members.

Points of Order

3.31 pm

Mr. Andrew Rowe (Faversham and Mid-Kent): On a point of order, Madam Speaker. On Monday, I took off the letter board a parliamentary reply, dated 6 March, from the Secretary of State for Health. It was a fairly straightforward reply, referring me to an answer that he had given on 20 January. What makes this reply remarkable is that the question was put down on Thursday 15 January. This is the worst but by no means the only example of questions taking an inordinate length of time to be answered, especially when they are totally straightforward. It suggests either that Ministers' offices are in such disarray that we should be anxious about the quality of government, or that they are treating Members of Parliament with considerable contempt. Could we have some guidance to Ministers on treating us properly?

Madam Speaker: I am grateful to the hon. Gentleman for giving me advance notice of his point of order. I have indicated to the House before that I do not intend to comment on the quality of ministerial replies. I regard it as important, however, that Members of Parliament should receive replies to written questions within a reasonable time frame. In this case, it is difficult to discern from what the hon. Gentleman says any reasons for the delay. I expect that he has made his own inquiries—I would hope that he had and would know the reasons. However, I hope that the Minister concerned will look into the matter—there are those on the Government Front Bench who will make a note of this, no doubt—and let both me and the hon. Gentleman know precisely what has occurred. However, I expect hon. Members to make their own inquires and not to expect me to be their administrative officer.

Mr. Kevin McNamara (Hull, North): On a point of order, Madam Speaker. In her supplementary question, the hon. Member for Beckenham (Mrs. Lait)—who has since left her place, unfortunately—read out a list of councils, accusing them of corruption and sleaze, and included among them the city and county of Kingston upon Hull, which I am happy to represent. At no time have the district auditor or the police found any fault in the administration or services of the city and county of Kingston upon Hull. That was a despicable thing for the hon. Lady to say about people of integrity.

Mr. Ian Bruce (South Dorset): On a point of order, Madam Speaker. I caught your comment about your becoming a guardian and trying to get answers from Ministers.

Madam Speaker: No, I did not say that at all. The hon. Gentleman had better make his point of order to me precise and clear, because I am precise as to my position.

Mr. Bruce: Indeed. As you will know, I have been pursuing with the Leader of the House the matter of getting answers from Ministers. She wrote to me some weeks ago and then had to admit that her office had lost the letter that I had sent, in which I gave chapter and verse on what was going on, so how can we get answers from the Leader of the House without your helping us?

Madam Speaker: Perhaps there should be a new filing system. It was rather better when there were no computers. We all knew where the papers were.

Mr. Harry Barnes (North-East Derbyshire): On a point of order, Madam Speaker. I understand that, last night, at St. Stephen's entrance, it took members of the public 20 to 40 minutes to clear the security procedures and get into the House. Security is important, but so is access. I believe that the delay arose because, after 7 o'clock, the security screening facilities are reduced from three screens to one. Can you examine that matter, because it is important that our constituents have a right to approach hon. Members and to attend meetings and other activities that take place here?

Madam Speaker: I shall certainly look at the matter, as it is quite serious. I see the Serjeant at Arms each morning about such matters, and he would have reported it to me had it been as serious as the hon. Gentleman suggests. However, I shall certainly take up the matter and see what the situation is.

Mr. Tam Dalyell (Linlithgow): Further to the point of order raised by my hon. Friend the Member for Hull, North (Mr. McNamara), Madam Speaker. I ask in general terms what your reaction is to those who make unsubstantiated assertions, to the detriment of local authorities and often without any grounds whatever. Will you reflect on whether there should be guidelines on what is said about local authorities in the House, off the cuff and often without any substantiation whatever?

Madam Speaker: There are, of course, guidelines in "Erskine May" on the language to be used in the House. Too few hon. Members pay attention to our procedures, but "Erskine May" lays them down clearly. We have tremendous privileges in the House in terms of freedom of speech. I have always encouraged and tried to persuade hon. Members to temper that privilege with responsibility. The privileges that we have are enormous, but hon. Members must take on board the responsibilities that come with that privilege. I hope that, after this exchange, hon. Members will take to heart what has been said on the matter.

Mr. Nicholas Winterton (Macclesfield): On a point of order, Madam Speaker. I seek clarification. Am I right that all hon. Members are responsible for what they say in the House? Hon. Members should be concerned and careful about what they say—which may be detrimental to other people or bodies outside the House and do them great damage—when there is no substantive evidence to back up what they may have said.

Madam Speaker: That is precisely what I said. What we say in the House must be tempered with responsibility. Too many hon. Members do not recognise that responsibility.

Mr. David Trimble (Upper Bann): On a point of order, Madam Speaker. You may recall that during Northern

[Mr. David Trimble]

Ireland questions there was a passing reference to the White Paper on employment equality, which was one of the three proposals in the Labour party's manifesto with regard to Northern Ireland, and was consequently a significant proposal. The White Paper was, I believe, launched at a press conference in Belfast this morning. I understand from what happened here today that the Government have made no effort to make a statement to the House, so that hon. Members can know the details of this important policy and ask questions.

I draw this matter to your attention because the Government have done that too often, and the people of Northern Ireland have been left with the feeling that the Government are more interested in the two Members who do not attend the House than in the other hon. Members who were necessarily here today, but who were unable to find out about the press conference in Belfast.

Mr. McNamara: Further to that point of order, Madam Speaker. May I draw your attention to the fact that the White Paper has been available in the Vote Office since early this afternoon? I got my copies long before Question Time.

Madam Speaker: That answers the point of order raised by the right hon. Member for Upper Bann (Mr. Trimble).

Housing Service Charges (Amendment)

3.38 pm

Mr. Barry Gardiner (Brent, North): I beg to move,

That leave be given to bring in a Bill to amend the Housing Act 1996 to enable certain county court cases initiated on or before 1st September 1997 to transfer to a leasehold valuation tribunal.

I beg your indulgence, Madam Speaker, because it is my confirmed intention to bore the House for the next 10 minutes. In itself, that would be nothing remarkable. Many right hon. and hon. Members have carved out distinguished careers for themselves, by doing little else. A spirit of generosity prevents me from mentioning the right hon. Member for Hitchin and Harpenden by name—but I am confident that even he would not have made so bold with you as to confirm at the outset of his peroration that boredom in the Chamber and tedium for right hon. and hon. Members was his express intention.

Please understand, Madam Speaker, that I am not perverse by nature—but I have been informed that for a ten-minute Bill to have any chance of success, it should be plangently unexciting, debilitatingly humdrum and tediously technical. I am told, furthermore, that if one can show that the objective that the Bill would achieve is, after all, only something that everyone already assumed was the case, given that the Bill is properly drafted, the prospects for its passage through the House, if not a Robin Cook hot-tip racing certainty, are at least not impossible.

My Bill is every bit as uninteresting as I have claimed. In introducing it, I must pay tribute to the work of Karen Wolfson of *The Independent*, Mira Bar-Hillel of the *Evening Standard*, and the wonderful Sarah Pennells of the BBC "Money Box" programme. All those journalists have sought to highlight the problems of leaseholders and are currently campaigning for total reform of the law in that area.

My Bill is more limited. It refers to section 83 of the Housing Act 1996, which in turn amended section 31 of the Landlord and Tenant Act 1985. It refers to the Housing Act 1996 (Commencement No. 11 and Savings) Order 1997—statutory instrument No. 1851 of that year—especially to the schedule to that order, which is entitled, "Savings".

As an absolute and ultimate token of my intention to be as uninteresting as possible, I shall even quote a speech made by the hon. Member for Hertsmere (Mr. Clappison) when, speaking from the Government Benches on 22 July 1996, he accepted the need for such a measure:

"The measures in the Bill to help protect leaseholders of residential properties were prompted by the bad actions of a minority of landlords who were imposing unreasonable, and in some cases outrageous, service charge demands. Any leaseholder who contested those claims was faced in some circumstances with the immediate threat of forfeiture and an action, usually in the High Court. There are measures in the Bill that deal with this abuse and provide that forfeiture proceedings can no longer be taken until the disagreement about service charges is resolved. This is a significant step to help leaseholders, an important part of our package of reforms which will materially improve the lot of leaseholders.

Leaving the problems of forfeiture to one side, leaseholders currently have the right to challenge unreasonable service charges or to seek to have a new manager appointed if they can show fault with the current manager, but these jurisdictions lie with the county court. The second stage of our proposals is therefore to switch these cases to the leasehold valuation tribunals.

This move has been widely welcomed, on the ground that the tribunal will offer leaseholders a much more effective and cheap method of taking action against the unreasonable behaviour of

landlords. This is because leaseholders have found it extremely difficult to challenge freeholders' actions in the courts. Although the initial court fee may be low, leaseholders often face protracted and potentially expensive litigation, and if they lose the case they are exposed to the risk of paying the costs of both sides. Even in normal cases that last for, say, two days, the likely exposure to costs can run into thousands of pounds.

The advantages of going to leasehold valuation tribunals are considerable. They have quicker, less formal procedures, and there is no need for full legal representation. The tribunal will include a professional surveyor who is fully qualified to assess the technical arguments that are likely to arise.

The other important point is that tribunals cannot award costs, so the exposure of leaseholders to the risk of costs will be much reduced."—[*Official Report*, 22 July 1996; Vol. 282, c. 47.]

That is an admirably clear account of the intention behind section 83 of the 1996 Act as it relates to the transfer of cases from the county court system. In passing, I shall endanger the parliamentary career prospects of the hon. Member for Hertsmere, by making so bold as to commend his work on the matter at the time, when the measures were being discussed in Committee and passed into law.

None the less, there is a real problem. The intentions of the House are not always successfully translated into legislation. The right to transfer a case from the county court to leasehold valuation tribunals now exists, but hundreds of people have, in a quite unintended and unforeseen way, been denied access to that right. The reason for that is that the commencement order that brought the section into effect stipulated that it should not have effect in relation to service charges when court proceedings had begun before the commencement date itself.

In all the debates in this House, by their noble Lords in another place and in Committee, neither I nor the staff of the House of Commons Library have been able to discover a single reference that might have implied that such cases should be excluded.

I quote from a letter from a well-known company of solicitors, Messrs Mishcon de Reya, whose experience in leasehold cases is not inconsiderable. Mr. Philip Freedman states:

"I think I am right in saying that the way in which the transitional provisions of the commencement order operate was not generally known prior to the commencement order being made and plainly is operating in a very unfortunate way for those tenants who are the subject of Court proceedings which landlords instituted before the order came into force. Further, it is distinctly possible that landlords who saw the commencement order shortly after it was published may have commenced proceedings in the County Court between the making of the order and 1st September in order to avoid the LVT jurisdiction."

Mr. Freedman called that legal loophole "very unfortunate"; Ms Charlotte Martin calls it something else. In her dispute with her landlord over her one-third share of capital works, a total of some £3,000, her landlord has used the court to run up a bill of more than £20,000. Ms Martin says:

"The law is being used and abused as a blunt instrument wielded by millionaires who exhibit a flagrant disregard for the wishes and intentions of those in Parliament who drafted the 1993 and 1996 legislation . . . The law must be changed in order to properly protect leaseholders from what is in effect licensed blackmail and bullying of the worst kind."

Ms Martin is not alone in being bullied in this way. When Mr. Ray Randall went to court with his landlord over the cost of a new window, the landlord arrived with 11 barristers. The cost of 11 barristers for a two-day court hearing may seem somewhat excessive in relation to the cost of one window, but it may stagger the House more to discover that Mr. Randall is being sued for its cost when he was the only tenant in the entire block of more than 30 flats not to have had a new window fitted.

In another case, Ms Fiona MacMillan was told by her landlords that the cost of painting the communal hallway of her building and the front wall was to be £25,000. She challenged her service charge bill, in which her share was put at £3,900, and she now faces, should she lose her case, legal costs of more than £12,000. She is naturally afraid to pursue the case for fear of losing her entire property.

Tremayne Investments Ltd. of Brighton provides a troubling example of just what form such bullying can take. In a letter to its tenant in relation to a disputed service charge, it states:

"You will also be aware that, in the event of a Judgement against you, every Bank, Building Society and Credit Agency in the UK will be automatically informed and that your ability to borrow money and/or obtain mortgages and credit facilities in the future will be reduced severely or to nothing for many years."

In fact, that letter is not only extremely unpleasant in its tone, but inaccurate. There is no automatic notification of credit agencies. The correct position is that if the money remains unpaid for 14 days, the judgment is registered with the Registry of County Court Judgments. However, if it is paid within the 14-day period, it has no effect whatever on a person's credit rating. Of course, that is always assuming that the tenant does not win the case.

But all that is to pile Pelion on Ossa. The House understands only too well the bullying tactics of unscrupulous landlords. That is why the Housing Act 1996 was amended to introduce the provisions that it did. Sadly, the commencement order provision has denied the intended remedy to many honest people. My Bill seeks to rectify that injustice.

Question put and agreed to.

Bill ordered to be brought in by Mr. Barry Gardiner, Miss Anne Begg, Mr. David Lepper, Mr. Tony Colman, Mr. Gordon Prentice, Mr. Ivor Caplin, Mr. Andrew Dismore, Ms Karen Buck and Kali Mountford.

Housing Service Charges (Amendment)

Mr. Barry Gardiner accordingly presented a Bill to amend the Housing Act 1996 to enable certain county court cases initiated on or before 1st September 1997 to transfer to a leasehold valuation tribunal: And the same was read the First time; and ordered to be read a Second time on Friday 20 March, and to be printed [Bill 143].

Orders of the Day

CONSOLIDATED FUND (NO. 2) BILL

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith, pursuant to Standing Order No. 56 (Consolidated Fund Bills), and agreed to.*

Question, That the Bill be now read the Third time, *put forthwith, and agreed to.*

Bill accordingly read the Third time, and passed.

School Standards and Framework Bill

As amended (in the Standing Committee), considered.

Ordered,

That the Bill, as amended, be considered in the following order, namely, New Clauses relating to Part I, amendments relating to Clauses 1 to 19 and Schedule 1, New Clauses relating to Parts II to IV, amendments relating to Clauses 20 to 106 and Schedules 2 to 25, New Clauses relating to Parts V to VII, amendments relating to Clauses 107 to 130 and Schedules 26 to 31, Remaining New Clauses, New Schedules.—*[Mr. Blunkett.]*

New clause 8

INFANT CLASS SIZES

'.—(1) This section applies to any local education authority where the average infant class sizes in their area is a number at least three below the limit currently specified for the size of infant classes at maintained schools in their area imposed by regulations set out in accordance with section 1, and where there are no infant classes at maintained schools whose size is more than five above the limit referred to above.

(2) Local education authorities to which subsection (1) applies shall be exempted from the requirements of section 1 (4) and the requirements of section 2.'.—*[Mr. Dorrell.]*

Brought up, and read the First time.

3.50 pm

Mr. Stephen Dorrell (Charnwood): I beg to move, That the clause be read a Second time.

Madam Speaker: With this, it will be convenient to discuss Government amendments Nos. 79 and 80.

Mr. Dorrell: I welcome one of the Government amendments that is grouped with new clause 8. It is nice to begin on a positive note, although I am not sure that we shall return to it too often.

Government amendment No. 80 substitutes the word "shall" for "may" at the beginning of clause 3. It is a simple amendment, and the idea behind it is not complex. The issue arose in Committee, when we sought to argue with the Government that they should be under an obligation to provide local education authorities with the money necessary to redeem the infant class size pledge. In arguing that case, we reminded the Government that they had given a firm commitment on that point as the background to the infant class size pledge. I was pleased when the Minister for School Standards responded to the debate by saying that he had some sympathy with the amendment that we had tabled, but that he needed to improve the drafting of it. I welcome the fact that the Minister has brought back the idea that the Committee approved, and the drafting has, no doubt, been much improved, although quite how eludes me. The amendment that I tabled in Committee was withdrawn at the Minister's request, but precisely the same wording has been brought back to be approved by the House. I congratulate the Minister on the improved drafting that that represents; after the debate, he might explain behind the Chair how that improvement was achieved.

Mr. Phil Willis (Harrogate and Knaresborough): I appreciate that the right hon. Gentleman was up late last night, in Durham, but he seems to have had a memory

lapse. I clearly recall that it was my hon. Friend the Member for Bath (Mr. Foster) who made the suggestion to which the Minister for School Standards responded.

Mr. Dorrell: I shall consult the record, but I have no doubt that the same thought occurred to us both and was supported on both sides of the Committee. I merely wished to congratulate the Minister on the improved drafting of a single word.

More seriously, I wish that I could be more positive about the way in which the Government have reacted to the arguments that we made in Committee about the need for the delivery of their class size pledge to be made more flexible in the Bill. I want to be clear about what I think should be the attitude to class size in infant schools. Of course, I accept that, if all else is equal, it is better to be taught in a smaller class than in a bigger class. That is simple common sense and has never been the subject of any argument. Furthermore, I accept that research by the Office for Standards in Education has shown linkage between late educational attainment of individual children and class sizes in infant schools, which is why the Government have focused class size policy on five, six and seven-year-olds and have not, as Liberal Democrat Members argued in Committee that they should, extended that principle higher up the age range.

I accept the Government's focus on infant classes, but the key principle is to recognise that class size is not and never can be the only factor to be taken into account when making decisions about the use of resources in individual schools and about which school represents the best educational opportunity for a particular child. The academic proposition that, if all else is equal, it is better to be taught in a smaller class than in a bigger class should always be judged in conjunction with other, conflicting considerations.

Let us consider what parents and teachers must take into account when deciding whether a child's best interests would be served by putting him in a particular class. First, local priorities vary. In certain circumstances, a head teacher may decide to use extra resources to take on extra teachers, to reduce class sizes all the way up the school, but, in others, it may be in the interests of the children to buy extra equipment, to improve buildings or to deal with other priorities that face the school.

It is better to leave decisions on how best to use financial resources to improve educational opportunity for children to the head teacher and governors of a school, rather than to impose a statutory obligation, which would apply in all circumstances, that a class size of 29 is always better than one of 31. Local priorities vary, and it would be over-simplistic to impose a single statutory framework.

Mr. Bob Blizzard (Waveney): Does the right hon. Gentleman believe that there should be a limit on class sizes? The new clause suggests 35 pupils, but would he accept 40, 45 or 50? Surely a line must be drawn. We are not arguing about whether standards would be improved in a class of 22 pupils rather than one of 20, but does he accept that there is a case for an upper limit?

Mr. Dorrell: As the hon. Gentleman acknowledged, the new clause recognises the case for an upper limit, and would provide a framework to introduce flexibility to local decision making, which is the key to delivering the objective that we all share: ensuring that five, six and seven-year-olds receive the best possible education. The hon. Gentleman was a member of the Standing Committee, and knows that we considered a wide range of amendments. The new clause ventilates the principle that the system should be more flexible than the Government's simplistic legal obligation will allow.

Mr. Blizzard: If the right hon. Gentleman accepts an upper limit, perhaps 35 pupils, why did not his party introduce such a limit during 18 years in government?

Mr. Dorrell: The new clause would allow a local education authority that achieved an average class size of three below the Government target—27, for this target group—the flexibility to have class sizes of up to 35. The new clause would deliver the principle for which the Government have an electoral mandate—focusing on reducing class sizes for five, six and seven-year-olds—in a way that is consistent with efficient use of resources and efficient delivery of the objective that the hon. Gentleman and I share: securing the best possible education, in local circumstances, for individual children. This is merely another suggestion, originating from the same stable as several others made in Committee, of a means by which the principle of flexibility could be introduced.

My first proposition is that local circumstances vary. My second—which must undermine the simple principle that it is always better to be in a class of 29 than to be in a class of 31—is that different teachers perform at different levels. It is patently true that, in a profession the vast majority of whose members are dedicated people doing their best—often in difficult circumstances—to deliver a high-quality service, some will perform better than others. Surely to goodness, when deciding about class size against the background of the different skills and experience of individual teachers, a head ought to take that into account. It is nonsense to say that it is always better to be in a class of 29, even if the teacher is young and recently qualified and has had some difficulty in qualifying, than to be in a class of 31 taught by a very experienced, highly qualified and successful infant school teacher.

4 pm

The third principle on which I base my case for flexibility is that parents' priorities vary when they are choosing a school. As a recent recruit to the Roman Catholic Church, my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) has made a strong case in the newspapers for Catholic parents to be able to choose Catholic education. Some parents will have a strong desire for their children to be educated in Catholic schools; others will have a strong desire for their children to be educated in Church of England schools; others will have an equally strong desire for their children to be educated in secular schools. Although we have an established Church, not everyone wants their children to be educated in schools with a religious ethos. Some people will want their children to be educated in Jewish or Muslim schools, or in specialist schools of other kinds.

The Secretary of State is conferring with the Minister. I suspect that he is recording the fact that this week he used the grant-maintained school legislation to introduce a further principle of diversity in the religious basis of

[Mr. Dorrell]

education. I congratulate him on that, and I am pleased that our legislation gave him the opportunity. No doubt he has asked himself how he could have done it without that legislation.

The important point is that parents want, and ought to be able to have, the maximum opportunity to ensure that their choice for their children reflects such considerations. I am not talking about an absolute consideration—the factors that I am citing must be balanced against each other—but those factors ought to be taken into account alongside the Government's doubtless justifiable desire for infant school classes of no more than 30.

Family circumstances are another consideration. Never mind expressions of preference; family circumstances vary. Parents will often be influenced by where siblings go to school. We discussed that in Committee. Parents may want children to go to the same school as their siblings; they may also want them to go to a particular school because the sibling is at another school. That may be more convenient from the family's point of view, because the school concerned is grouped with the school of their choice rather than with their second or third choice. The location of relatives or child care is another consideration. In the real world, parents must bear all those factors in mind when choosing schools.

Finally, there are factors specific to rural areas. It was vaguely amusing to see the Minister for School Standards promoting in Committee a Bill whose effect will be to give the adjudicator power to make decisions—which are currently made by the Secretary of State—on the closure of rural schools, and to see him then, on the day before the countryside march, rush off to a television studio, dressing himself in the clothes of a friend of the countryside, to say that the power that he is transferring to the adjudicator should be transferred back to the Secretary of State.

Later in the debate, my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) will move a new clause to give effect to the Minister's policy, and I look forward to hearing his support for that policy, which he announced from Millbank tower on the day before the Millbank march—the countryside march—*[Interruption.]* The Millbank march is something that the Minister does quite often.

The Minister has not yet had an opportunity to table a new clause, so we have done it for him. Undoubtedly our new clause is technically flawed, but he will be able to move his own in another place, to give effect to his policy—which I merely wish to endorse. I merely wish to help ensure that he does not miss the opportunity to include it in the Bill.

In the real world, all those considerations have to be balanced against that of class size—a subject on which Ministers, when they are in a corner, betray considerable sensitivity. When the Standing Committee was debating those matters, the Minister issued a press release, which I do not think was circulated to all members of the Committee. None the less, I have—for greater accuracy, as they say—obtained a copy. It stated that

"in rural schools, extra money will be provided for a new teacher so that a child can attend their local school in a class of 30 or fewer and not be forced to travel an unreasonable distance to go to a school which has empty places."

Although I am delighted for rural schools, I just wonder why that applies only in rural schools and not in urban schools. I should not have expected to have to remind the Government that a majority of people in the United Kingdom live in urban communities. Presumably the Government's pledge applies equally to urban communities and rural communities.

The Minister for School Standards (Mr. Stephen Byers): The right hon. Gentleman will know why I referred specifically to rural schools, as the issue was raised on several occasions by himself and by other members of the Committee. The press notice to which he is referring quotes my comments in Committee. The pledge applies not only to rural schools but to all schools, but the quotations in the press notice were in response to issues raised in Committee by himself and other members of the Committee.

Mr. Dorrell: That is perfectly true. However, the Minister made considerable play in Committee of the pledge of extra money, which was to be focused on recruiting extra teachers, to ensure that the choice of parents was respected. In his comments both to the Committee and in the press release, the Minister focused that pledge directly on rural schools.

I look forward to hearing in the Minister's reply to the debate whether he is saying that there will be special protection and assistance to deal with issues in rural schools—which was the implication of his comments to the Committee and of his press release—or whether he is saying that the same principles will apply to schools, regardless of whether they are in a rural or urban community. That is an important issue, and I hope that he will address it directly in his reply.

The press release makes another point, on which I shall conclude:

"This is a popular policy which the Government intends will be delivered in a way which enhances parental preference."

The statement that it is a popular policy designed to enhance parental preference is a form of newspeak of which George Orwell would have been proud. It is simply nonsense to say that the principle is being introduced and that it will have the effect of enhancing parental preference. The reality is that it is a constraint on parental preference and it was always intended to be a constraint on parental preference.

Dr. George Turner (North-West Norfolk) *indicated dissent.*

Mr. Dorrell: The hon. Gentleman shakes his head, but I shall willingly give way to him if he can explain how a limit on class size and a refusal to accept a 31st child into a class, although that may reflect the parents' preference, enhances parental preference. How does it enhance parental preference to deny parents the opportunity to put their child into the 31st place, if that is their choice and if the head teacher believes that it is consistent with the educational interests both of the 31st child and of the other 30? How does the removal of that opportunity enhance parental choice? If the hon. Gentleman wishes to argue that case, I shall give way.

Dr. Turner: During our long debates in Committee, my hon. Friend the Minister made it clear that the Government were going to make sure that the initiative was properly funded and that where parental choice was

being thwarted—particularly in rural areas, by the distances that children who were the 31st child might have to travel—the Government were determined that funding would be made available properly to deliver our pledge. Will the right hon. Gentleman explain where his principled objection to a fixed figure sits, when his Government supported and enforced a fixed limit on every nursery class in the land? If his party can support a fixed limit of 26 in that respect, what is wrong with saying that a fixed limit should be observed in respect of other young children?

Mr. Dorrell: What I seek to do with the new clause is to respect the Government's electoral mandate for an infant class size of 30 and to suggest a formula whereby that can be made consistent with the other considerations which, in the real world, have to be taken into account when deciding which school an individual child is to attend. The reality, which the hon. Gentleman did not address, is that if one limits class size in all circumstances, one inhibits rather than enhances parental choice.

The Government's policy, given effect by the Bill, is that it is better for a child to be in a class of 29, in a neighbouring village rather than his or her own village, with an indifferent teacher, in a crumbling building and in a school of the wrong denomination, which was his or her parents' second-choice school, than to be in a class of 31, with an inspirational teacher, in a new building, in a school in his or her home village that is his or her parents' first-choice school and which is in the denomination of the church that the family attends. That is the Government's policy. It is no good Labour Back Benchers shaking their heads: that is the principle on which the Bill is based and the principle that will be translated into law if the Bill goes through unamended.

That is why I seek to introduce an element of flexibility into the provisions of the Bill, to give effect to what I believe should be the key principle in determining which school an individual child attends. That key principle is that, within the overall constraints of policy—I acknowledge the Government's right to do that—if the parent chooses a particular school and the head teacher accepts that that school represents the best opportunity for an individual child, if the parent is happy and the teacher is happy, it is not the Government's role to intervene and say that, even though they are happy, they should not be.

Dr. Turner: Will the right hon. Gentleman give way?

Mr. Dorrell: No, I have finished.

Dr. Turner: I tried in Committee—

Madam Speaker: Order.

Mrs. Theresa May (Maidenhead): I am pleased to have an opportunity to speak in support of new clause 8. In Committee, we had a lengthy discussion about infant class sizes. It is important to echo the comments of my right hon. Friend the Member for Charnwood (Mr. Dorrell) in setting out the framework within which the new clause has been tabled. The Labour Government came to power last May having made a pledge that they would reduce infant class sizes. The figure given at the time was 30 and, although no figure appears on the face of the Bill, we understand that that is the figure which Government will put in the relevant regulations. We accept that the Government came in with that pledge and want to put it into effect in the Bill.

In Committee, we discussed the practical issues involved in trying to implement that pledge at a local level. I hope that the Government will think again about the issues, because it is not just the Conservatives who are raising them—head teachers and others have raised them with me when I have visited infant, junior and primary schools in my constituency. They talk about the problem of putting into effect a pledge to have only 30 in every infant class when the resources may not be available to fund extra teachers and put up extra classrooms. As we know, not every local authority is being given resources initially to meet the pledge.

4.15 pm

In some schools, including some infant schools in my constituency, it is virtually impossible to find space on the site for the extra classroom that would be needed if the pledge were put into effect with an absolute limit of 30. In new clause 8, we suggest that it would be preferable to introduce flexibility, accepting a limit on class sizes, as my right hon. Friend the Member for Charnwood made clear to the hon. Member for Waveney (Mr. Blizzard), but providing a band within which a local authority may operate to allow for situations in which it is physically difficult to accommodate an extra classroom.

Our proposal would also enable extra flexibility on parental preference. I visited a school in my constituency on Monday morning. After a number of appeals went against the head teacher, she now has an infant class with 36 children. She is concerned about how the system will operate. Local education authorities will have to predict that they may have infant classes of more than 30 and put in a bid for funding to accommodate the extra teachers and classrooms that will be necessary. The Government will then decide whether the bid is appropriate, and the funds should be made available.

It is not always possible to predict when extra children will come to a school. If a number of parents move into a school catchment area during the year, the school may suddenly have more than the designated number of children, without the resources to cope with them. The local education authority will not have put in a prior bid and the extra resources to cater for extra classrooms and teachers will not be available. What will happen if the neighbouring schools also do not have room for the children? How will the local education authority cope?

The Minister was asked about that towards the end of the debate in Committee, when he brought back his proposals on funding. He did not answer the questions then. I hope that he will be able to do so now.

We are not suggesting that the Government throw away their pledge to limit infant class sizes. However, practical concerns remain—raised not just by Conservative Members, but by head teachers—about how that pledge can be put into effect, notwithstanding the Government's proposals on extra funding. There is concern about authorities that will not, in the first instance, receive extra funding. There is concern about whether the money available from the abolition of the assisted places scheme will be sufficient to accommodate the pledge in all the areas in which extra resources will be necessary—an argument of which the Minister will be very well aware.

[Mrs. Theresa May]

There is concern that tensions will increase between parental choice of school and the Government's decision to limit infant class sizes. New clause 8 does not do away with the concept of a limit; it suggests a degree of flexibility in LEAs.

Mr. Blizzard: In setting, in effect, a class size limit of 35, would not the hon. Lady, by her own argument, then face the problem of the 36th child—if that is deemed to be a problem?

Mrs. May: If any limit is set, there can be the problem of the extra child. Flexibility in numbers provides greater ability to accommodate children and enables greater parental choice in an LEA. There would be flexibility because some schools may be under the limit, while others are over it. I fully accept that the hon. Gentleman's point brings into sharp focus the tension between parental preference and class size. We have always thought that parental preference should be given a high priority—although it cannot be met in every circumstance. By providing extra flexibility, parental preference will more likely be met.

The Minister has not fully addressed the issue that I and others raised in Committee concerning the soon-to-be LEA—following the demise of Berkshire county council on 1 April—in my constituency. It feels that some parents would prefer their child to be in a class of, say, 31 or 32, but where there was a classroom assistant as well as a teacher, so that contact time with the child was increased, rather than their child being in a class of 30 or 29 in which there was only a teacher. That is exactly the sharp choice described by my right hon. Friend the Member for Charnwood.

The Government are placing everything on the class size limit and not taking into account all the other factors, such as resources available to an LEA, space available on a school site, the teaching resource and the availability of classroom assistants, who can be extremely important in an infant class.

Such factors, together with parental preference, should be given a higher priority in the Bill, which provides simply a single limit on class size. I hope that the Government will be able not only to respond to the points raised but to look again at the possibility of introducing a degree of flexibility, which accepts the concept of a limit but provides leeway for LEAs to help meet practically parental preference and other issues.

Mr. Nick St. Aubyn (Guildford): I sincerely believe that the Government's response to the new clause will be a good pointer to whether their interest in education derives from a genuine concern about improving the quality of education or from their electoral concern and a fascination with election slogans emanating from Millbank tower.

There can be no doubt that the pledge on classroom size was a very effective slogan; it worked very well for the Labour party. Now that Labour Members are the Government, they have to look at the reality. The reality is that not only Opposition Members but teachers, governors and parents are asking many questions about what the policy, strictly interpreted, will mean.

We support the goal of smaller class sizes. However, if the annual expenditure of £100 million alone—the Department has costed its policy at that amount—will unlock the key to a better education system, I am sure that the previous Government would have found the money to pursue such a policy. We increased education spending by billions of pounds—not just by £100 million—and, in doing so, we improved the standards and the quality of education.

On the other hand, as reported in *The Times Educational Supplement*, the present Government's policy has led governors to predict a disaster if popular schools are required to expand out of control. I believe that the Minister has boxed himself in by pledging that no child will be forced to attend a failing school. That commitment has been latched onto as a way of forcing the most popular schools to grow even further. As *The Times Educational Supplement* points out, there are many reasons why a school is popular. One reason is that it has reached an optimum size. If the Minister forces such schools to grow even further, he will reduce standards in those and in other schools.

As I said, we are in favour of smaller class sizes, and the new clause seeks to ensure that such an objective is interpreted broadly. In Surrey, we have small class sizes—the average is under 27 per class. We have always devoted additional expenditure, over and above the standard spending assessment, to early years primary schools. Therefore, we are entirely sympathetic with the Government's objective.

The new clause seeks to introduce some flexibility so that in an authority area where the average class size is 27, individual schools may have an additional eight pupils in a class. It is not a question of coping with an additional single child, but of introducing the flexibility to deal with an additional eight children. That is surely a significant difference.

The school in the village where I live has two classes of just under 30 pupils. The school is growing—indeed, it needs to take on more children in order to survive and pay its way. If that school is to survive, classes may have to include a 31st or 32nd child. Parents prefer to send their children to the local village school rather than braving the peak-hour commuter traffic to take their children to schools in the neighbouring village or in the main town of Guildford. Parents do not make that choice, because it would not be good for their children: it is better for children to be educated with their friends in the village where they are growing up. As a result of the Government's proposals, parents will no longer have that choice.

The bias towards smaller class sizes is based on research, but that research also shows clearly that only a significant drop in class size has an impact on educational achievement. No researcher in this area has proved that small variations in class size have any significant impact on the quality of education provided. The environment in which the child learns and the quality of teaching are far more important.

Curiously, during the passage of education Bills introduced by the previous Government, the present Ministers were the first to warn of "the dead hand" of bureaucracy, to use the words of the Minister for School Standards. The Under-Secretary of State for Education and Employment said:

"We must stop the infliction on schools and children of a bureaucracy that will do no good to anybody."—[*Official Report*, 9 November 1992; Vol. 213, c. 687.]

Yet the imposition of the rigid limit of 30 per class will impose a bureaucracy that will do "no good to anybody".

On the other hand, the wider objective in the new clause would mean that the benefit of lower class sizes could feed through, but without the damage that the Government's policy would inflict.

4.30 pm

Mr. Graham Brady (Altrincham and Sale, West): Thank you for calling me to speak, Mr. Deputy Speaker. We seem to be working in synchronicity and I hope that I will continue to be in tune with your wishes as I speak briefly in support of the new clause.

I am pleased to follow my hon. Friends in commending new clause 8. Many of the hon. Members present have just finished considering the Bill in the Standing Committee and I think that most would agree that it was an exemplary Committee in that it was constructive and Opposition Members did their best to help Ministers to arrive at better legislation.

The new clause is a classic example of how the Opposition are seeking again to assist Ministers and ensure that they avoid a damaging pitfall. The rigidity and inflexibility that the Bill would enshrine in law would cause the Government major problems, as they would be held responsible for the chaos that would ensue. There would also be problems for local authorities and schools throughout the country.

More important, the Bill would impose enormous problems on parents, who would lose an element of choice. Their choices and decisions would be limited and restricted by the legislation, and their choice of school would be narrower. In many areas, there would be difficulties in meeting parents' educational requirements.

Our suggested new clause would provide the discipline that the Government reasonably seek to introduce in requiring an average class size of a certain level and it would certainly enshrine in law the principle of aiming for lower class sizes. It would also allow some flexibility, which would be a major improvement and would help the Government to avoid some of the embarrassing difficulties that they face in the years ahead if they do not accept it.

My right hon. Friend the Member for Charnwood (Mr. Dorrell) referred to some of the difficulties that would arise with the Government's inflexible proposals, such as difficulties with siblings and for people with a preference for denominational education in Church schools, which could not be met because of rigid class size limits. The Government must bear in mind the fact that for many parents the most important factor in deciding where their child should go to school is its religious character. No Government should have a right to ride roughshod over that choice and deny parents the freedom to choose a denominational education. The Bill risks doing so.

For many parents, it is important that their children should be able to attend their local school. Often, it is a matter of practicality for the family, especially when both parents work. In that case, it can be vital to send children to a school close to home.

While the Minister may have given some serious reassurance to rural schools—we wait to hear whether that is the case—as a Member representing a suburban constituency, I must press him further on the criteria that he would apply in allowing extra funding to popular schools in urban and suburban areas that reach the class size limit. It is not good enough merely to say that a school that feels that it may reach or breach the limit would be able to apply for a grant to increase the size of its premises and the number of teaching staff to accommodate the extra need. We need to know what criteria will be used, and whether a popular school in a suburban or urban area will always be given the funds promptly to allow for expansion to meet parental choice.

As Labour Members who served in Committee will know, I represent an area which is fortunate in the quality of its schools. I am most concerned about the impact of the Government's proposals on popular schools—I am in the fortunate position of having to defend the popularity of the schools in my area, which attract many applications from outside their catchment areas and even the borough boundary. Any reduction in the choice that is available to parents who live just over the boundary in the Manchester metropolitan borough council area—they are not my constituents—is a serious threat, which would be to their detriment.

The Bill is flawed; it betrays an arrogant belief that the Government know better than parents how to choose schools for children, and better than schools and local authorities what is right for children. It puts ahead of parental choice and responsibility the notion that Ministers should set public priorities that will apply throughout the country, regardless of particular circumstances. The new clause would improve the Bill and it would help the Government to avoid embarrassing difficulties in the future. I very much hope that the Minister will accept it.

Mr. William Cash (Stone): What my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) has said is entirely consistent with reality. The recent league tables show that Cheshire and Staffordshire are two of the counties that achieved tremendous school results. There is a remarkable symmetry between what has been going on in those counties, which are, to a great extent, rural counties.

From time to time, I have had to fight very hard within the Staffordshire county council educational framework to ensure that the rural schools in my constituency have been sustained. Indeed, I pay tribute to the county council, which has pursued a policy of ensuring that rural schools survive, even though they may have class sizes well below the numbers that are being promulgated at the moment. Such schools perform an immensely important function in sustaining the rural community. It is not realistic to set arbitrary limits that will prevent rural schools, particularly infant schools, from surviving.

I thoroughly support new clause 8, which would guarantee arrangements to ensure the preservation of schools that should be preserved. The Government are in power largely as a result of the support—which I think was misconceived, as the Bill betrays—that they received from people in rural areas in the general election last year. If the Government want to maintain that support, they should listen to the arguments that are being advanced by Conservative Members.

Rural schools are vital to a community's sense of identity, as was demonstrated by the Countryside Alliance only 10 days ago. Although the alliance's main objectives concerned other questions relating to rural areas, schools are fundamental to rural communities.

[Mr. William Cash]

It is essential that we ensure the survival of rural schools, even if they are undersized. I hope that the Minister will show due regard to the significance of those schools, and ensure that the Bill's measures will do nothing that would lead to their being closed. If the Government make a mistake on this, they will pay the price in the ballot-box.

Mr. Willis: I am grateful to the hon. Gentleman, or is it the right hon. Gentleman?

Mr. Cash: Certainly not.

Mr. Willis: It was a Freudian slip. The hon. Gentleman's day will come. I listened carefully to what the hon. Gentleman said. Why, during the lifetime of the last Conservative Government, were more than 450 small rural primary schools closed? That was unprecedented. More were closed under the previous Government than under any Government since the war. Is there a response to that?

Mr. Cash: The short answer is that I said that I was not always right. I do not believe that I ever am. Part of the argument was that there was a problem, and many rural schools were closed under the previous Administration.

The argument that I address to the new Government, because they are the Government, is that they should have regard to the importance of sustaining the rural communities. It is essential that rural schools are maintained. It does not matter what happened in the past. The key question now is what the present Government intend to do about it. Rural schools must be sustained, even if they appear to be undersized. If the rural communities are at stake, I look to the Government to respond.

Mr. Byers: I shall be asking the House to accept Government amendments Nos. 79 and 80. As the hon. Member for Stone (Mr. Cash) said, we discussed similar amendments in Committee. My recollection is the same as that of the hon. Member for Harrogate and Knaresborough (Mr. Willis). The hon. Member for Bath (Mr. Foster) moved an amendment to change "may" to "shall". Parliamentary counsel has had an opportunity to examine the important drafting issues raised by those two amendments and has agreed that is appropriate to change "shall" to "may". That is all that amendments Nos. 79 and 80 do.

Amendment No. 79 imposes a limit on class sizes and places a duty on the Secretary of State to limit them. Amendment No. 80 says that the Secretary of State "shall" pay grant for the purposes of reducing class size.

I hope that all hon. Members will be able to accept the two Government amendments, which reflect a discussion in Committee in which there was broad agreement. I am pleased that we can start off the Report stage on something that the whole House can accept and that we can reflect the positive spirit of the proceedings in Committee. That is probably as far as it goes; I shall be asking the House to reject new clause 8.

Before I come on to the detail of the new clause, may I say that I listened carefully to the points made to the hon. Member for Stone, who has been a doughty campaigner for schools in Staffordshire for many years. Some exciting work is going on in Staffordshire to harness new technology to benefit rural schools. We can build on that nationally. It will enable children attending rural primary schools to have a breadth of education experience which, in days gone by, might have been denied to them. New technology will provide the opportunity of a good standard of education to children in schools in Staffordshire and throughout the country.

I hope that, later tonight, we shall discuss new clause 13, which deals specifically with protecting rural schools threatened with closure. Hon. Members were right to raise concerns about the effect of class size policy on rural infant schools in particular. If it is handled badly, it may also affect schools in built-up and urban areas. I shall go through the steps that the Government intend to take and the safeguards that we shall put in place to make sure that the difficulties to which right hon. and hon. Members have referred simply will not occur.

Before I deal with the Government's approach, I shall say a few words about new clause 8. The right hon. Member for Charnwood (Mr. Dorrell) said that a degree of flexibility with regard to class size was vital. The flexibility provided by the new clause would allow larger classes—up to 35—with all the problems that have been mentioned. The intervention by my hon. Friend the Member for Waveney (Mr. Blizzard) made the point well; any cut-off may create difficulties. Whether the limit is 35 or 30, we must put in place safeguards and mechanisms that ensure that we do not create difficulties such as the denial of parental preference, which has been referred to during this short debate.

We recognise that class size is not the only factor affecting good quality education. The class can be small, but if the teacher is bad and poorly prepared, the quality of education will not be satisfactory. We need to take steps to ensure that we have good teachers in every class in every school.

A good teacher will be helped by a smaller class size. That is why we need a combination of policies. It is not merely a matter of saying that we want to raise standards and we will do that by reducing class size. That will not be enough. The reduction of class size policy must be seen alongside steps to improve teacher training, to provide greater access to literacy and numeracy materials in schools, and to improve the environment through our capital programme and the new deal for schools. All those measures will ensure that, in a variety of ways, we can drive up standards in our schools.

In that context, reducing class sizes in the infant years will play an important role. The number of five, six and seven-year-olds in classes of more than 30 has risen dramatically over recent years.

4.45 pm

Mr. St. Aubyn: Will the Minister try to enlighten us by pointing to any research that suggests that the quality of teaching is improved if the class size is reduced from 31 to 30?

Mr. Byers: The hon. Gentleman was not listening. I did not say that a good teacher and larger or smaller

classes were mutually exclusive. The Government are committed to a many-faceted approach to raising standards, partly by reducing class size, and also through good quality teaching. The two must go together. I agreed with the right hon. Member for Charnwood that a range of issues need to be addressed. Class size is one factor which, we believe, makes an important impact on the quality of education provided in infant schools.

We want a national scheme, and we make no apology for that. We do not want local variations in class size. We were elected on a clear pledge of classes of no more than 30 for five, six and seven-year-olds by the end of this Parliament, and we are on course to deliver that pledge. It will not be subject to local variations, but will be a national scheme delivered through local partners—through schools, Churches and local education authorities. Working through those partners, we will be able to deliver the pledge.

Mr. Don Foster (Bath): The Minister is right to say that the Government pledged to introduce a national scheme to ensure that class sizes for five, six and seven-year-olds would be reduced to a maximum of 30. Will he confirm to the House what the Under-Secretary of State for Education and Employment, the hon. Member for Birmingham, Yardley (Ms Morris), told us in Committee—that, at a national level, there would be no possibility of schools meeting the class size pledge for key stage 1 by increasing class sizes for key stage 2, or in any other way damaging the education of key stage 2 pupils?

Mr. Byers: The attraction of the method that the Government are using to deliver the pledge is that the money is ring-fenced and cannot be used for any other purpose. By ring-fencing the resources by way of specific grant, we can guarantee that every penny that we redirect from the phasing out of the assisted places scheme will be used for the revenue spending to employ more teachers to meet the class size pledge. We will be able to deliver for five, six and seven-year-olds and, because we are providing additional resources, that should not have a consequence for seven, eight and nine-year-olds, as we are dealing with key stage 1.

Mr. Foster: The Minister has perhaps not been quite as robust in his response as the House would have liked. Will he give an absolute assurance that no school will be allowed to introduce the class size maximum of 30 for key stage 1 in a way that is to the detriment of pupils in key stage 2, either by increasing their class sizes or by any other method?

Mr. Byers: I am disappointed that I have not been robust enough in my response—I will have another go and I hope it will be better this time. Delivering the pledge will affect infant classes of five, six and seven-year-olds and we will provide the resources for that. There is no need, therefore, for children at key stage 2 to be affected adversely.

In Committee, my hon. Friend the Under-Secretary said—and I am happy to confirm—that we will monitor closely the way in which schools use the new regime and we will see how it affects key stage 2 pupils to make sure there are no adverse consequences. We will look carefully at the local management schemes—which the Secretary of State approves—to make sure that no attempt is made to use money for key stage 1 by diverting resources away from key stage 2 pupils.

Mr. Dorrell: Is not the reason why the Minister cannot give the hon. Member for Bath (Mr. Foster) the assurance he seeks that, although he says it is the Government's intention specifically to grant the extra money to provide for five, six and seven-year-olds, the Government have no machinery for ring-fencing the budget that is not specifically granted—that is, the whole of the budget currently spent on those pupils? The Government can specifically grant, and therefore ring-fence, the extra money, but it is still open to a school or LEA to withdraw money currently used for five, six and seven-year-olds to use elsewhere. The implication of targeting in the Minister's remarks is something which the Government cannot deliver.

Mr. Byers: The right hon. Gentleman chose to ignore my final point, which was that there is a safeguard. All local schemes for management, and the delegation of budgets to schools, have to be approved by the Secretary of State. If, within that regime, a local authority seeks to divert resources from key stage 1 pupils—and uses the additional specific grant as an opportunity to do it—it will be thrown up as part of the local management scheme.

I can assure the right hon. Member for Charnwood that the Secretary of State will not approve a local management scheme that tries to achieve those objectives. In approving a local management scheme, the Secretary of State will be exercising a power inherited from the previous Administration, who gave Secretaries of State precisely that power.

Some play was made of the importance of religious education and the concerns that Catholic or Church of England schools might not be able to meet parental preference. I did not hear from the right hon. Member for Charnwood or any of his hon. Friends the views of the Church education authorities. The reason we did not hear their views is that the Church education authorities support the Government's policy on class size reductions.

There have been attempts to try to get the Church authorities to express concerns or reservations about the policy, but that has not happened because they fully support the Government's pledge to reduce infant class sizes. The Church authorities support the policy, which they know will be implemented in a way which takes account of their concerns and views. That is why it is important to deliver the pledge through the LEAs, the Church authorities and the schools themselves.

Mrs. Angela Browning (Tiverton and Honiton) *rose—*

Mr. Byers: We will not wait until the end of this Parliament, which was the pledge—we will start delivering from this September. We will start in constituencies in Devon—such as that of the hon. Member for Tiverton and Honiton (Mrs. Browning)—where we

[Mr. Byers]

will spend £1 million from this September on reducing class sizes for 6,100 five, six and seven-year-olds. I hope that she will welcome the Government's action.

Mrs. Browning: If the governing body of a Church school had any concern about numbers—for example, the 31st child, siblings and so on—is it correct that the Church authority would have a veto on the matter?

Mr. Byers: It will be for the admissions authority to trigger the additional resource that would follow on from the 31st child. We made the point in Committee that, whether it is a rural school or a popular school, we will take steps to ensure that if there is a 31st child, additional resources will follow to ensure that parental preference is not denied. The additional teacher will be made available. Therefore, the school will be able to ensure that the class will have 30 or fewer children. That will apply across the board, not just in rural areas. We made it clear in Committee that we will ensure that the pledge is delivered in a way that is sensitive to parental preference. That is exactly how we intend to do it.

Mrs. Browning *rose—*

Mr. Byers: I shall give way once more, but then I must make progress.

Mrs. Browning: I am sorry to press the Minister, but it is important. Is it the case that, in such a circumstance, Church authorities have not been promised a veto? I shall be grateful for a specific answer to that question.

Mr. Byers: No one has been promised a veto on anything. That would be inappropriate. I hope that that answer satisfies the hon. Lady.

We have sought to work with the education service, and we intend to do that. As a result of our class size pledge and the way in which we intend to target resources, we can reduce class sizes and meet parental preference, which was not the case under the regime that we inherited from the previous Government. We are taking steps to ensure that we can do that not just for rural schools but for urban schools that might be popular and offer high standards. They will have the opportunity to reduce their class sizes.

The new clause seeks to deny hundreds of thousands of children in our country the benefit of the pledge that the Government made to the electorate in the run-up to the election on 1 May. We intend to ensure that we will deliver on our pledge.

The flexibility that the right hon. Member for Charnwood seeks to introduce is for higher class sizes. We reject that. We recognise the value of class size and the crucial part that it will play in driving up standards in our schools. We intend to deliver on our pledge, not from the end of this Parliament but from September of this year. Some 120,000 five, six and seven-year-olds will benefit from this September. By the end of this Parliament, 500,000 five, six and seven-year-olds will benefit because of the Government's commitment.

The new clause is destructive. It will deny those opportunities, which is why I urge the House to vote against it.

Mr. Dorrell: The Minister has responded to none of the concerns that I expressed. It remains the Government's position that it is more important to be in a class of 29, in a second-choice school, with a newly qualified teacher. In the Government's view, that is a better set of circumstances than to be in a class of 31, with an inspirational teacher, in one's school of first choice, in gleaming new buildings. That is not the experience of the overwhelming majority of Britain's parents. That is why we shall press the new clause to a vote.

Question put, That the clause be read a Second time:—

The House divided: Ayes 130, Noes 333.

Division No. 198] **[4.58 pm**

AYES

Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cormack, Sir Patrick
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fox, Dr Liam
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howard, Rt Hon Michael
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Maples, John
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid-Norfolk)*
Soames, Nicholas

Spicer, Sir Michael
Spring, Richard
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mr. James Cran.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Austin, John
Baker, Norman
Ballard, Mrs Jackie
Barnes, Harry
Battle, John
Beard, Nigel
Beggs, Roy
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Byers, Stephen
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Colman, Tony
Connarty, Michael
Cook, Frank *(Stockton N)*
Corbett, Robin
Corbyn, Jeremy
Cotter, Brian
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Denham, John
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donaldson, Jeffrey
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Field, Rt Hon Frank
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Forsythe, Clifford
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
George, Andrew *(St Ives)*
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harris, Dr Evan
Harvey, Nick
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Hoyle, Lindsay
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livsey, Richard
Llwyd, Elfyn
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McDonnell, John
McIsaac, Shona
McLeish, Henry
Maclennan, Rt Hon Robert
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Maginnis, Ken
Malleber, Judy
Mandelson, Peter
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Öpik, Lembit
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Robinson, Peter *(Belfast E)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Ross, William *(E Londy)*

Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Shipley, Ms Debra
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stevenson, George
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Thompson, William
Timms, Stephen
Todd, Mark
Touhig, Don
Trimble, Rt Hon David
Truswell, Paul
Turner, Dennis *(Wolverhton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Wareing, Robert N
Webb, Steve
White, Brian
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. John McFall and
Mr. Kevin Hughes.

Question accordingly negatived.

New clause 14

EDUCATION DEVELOPMENT PLAN

'Educational development plans shall contain a plan for Special Educational Needs, which shall outline:

(a) the mechanism by which the LEA identifies special needs within its area;

(b) how it intends to meet current legislation including requirements of codes of practice;

(c) appeals mechanisms; and

(d) how it will meet the statutory requirements of the statements process.'.—*[Mrs. Browning.]*

Brought up, and read the First time.

Mrs. Browning: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Lord): With this, it will be convenient to discuss new clause 20—*Special educational needs*—

'(1) The Education Act 1996 shall be amended as follows.

(2) In section 316 (Children with special educational needs normally to be educated in mainstream schools)

(a) for subsection (1) there shall be substituted—

"Any person exercising function under this part in respect of a child with special educational needs who should be educated in school shall secure that the child is educated in a school which is not a special school unless that is incompatible with the wishes of the parent and the needs and ascertainable wishes of the child."

(b) subsection (2) shall be omitted.'.

Mrs. Browning: New clause 14 would establish a clear obligation on local authorities to identify, in education development plans, areas of special educational needs for which they have responsibility. It is important that that is included in the plans. In Committee, we expressed our concern about the general principle of education development plans, but it would be unrealistic for us to assume that they will not be part of the Bill. From that starting point, we tabled new clause 14 for addition to the Bill.

Before Christmas, the House had an Adjournment debate on a Friday morning on the Government's policy on special educational needs, based on their consultation document, "Excellence for All Children: Meeting Special Educational Needs". It is clear from the document and the consultation, which has now concluded, that the Government intend to introduce changes to the range of policies that affect children with special educational needs. The Minister has said on other occasions that the Government's recommendations on any changes—which, I understand, will be available in the summer—will not be part of any primary legislation. It is, therefore, important that a local education authority's education development plan, which will be approved by the Secretary of State, should encompass its responsibilities for special educational needs.

As new clause 14 makes clear, it is important that local authorities outline the mechanism by which they identify special needs. Many LEAs are unable to say how many children with different types of disability they provide for, and it seems a sensible starting point to have a mechanism for identifying special educational needs and, more specifically, the variety of needs that they have to meet. It is also important that the provision made by LEAs meets current legislation. The Minister has made it clear that the SEN code of practice is likely to be changed—we do not object if it is improved—but it is incumbent on LEAs to show how they intend to comply with the current code of practice.

Appeals mechanisms are especially important to parents and details should also be included in LEAs' education development plans. LEAs should also include in their plans details of how they intend to meet the statutory requirements of the statementing process.

The Government's Green Paper summarises some of the changes that they anticipate will be made, possibly after the Bill has received Royal Assent. Four key points are set out on page 42 and we believe that they should be incorporated in education development plans. The Green Paper states:

"A revised version of the SEN Code of Practice will be in place, preserving the principles and safeguards of the present Code, while simplifying procedures and keeping paperwork to a minimum.

There will be renewed emphasis on provision under the school-based stages of the Code of Practice, with support from LEAs and greater assurance for parents of effective intervention, particularly at stage 3."

The Government claim:

"The result of these improvements will be that the proportion of children who need a statement will be moving towards 2 per cent."

I do not wish to rehearse the debate on statementing that I have previously had with the Minister—and will have again when she makes known the outcome of the consultation—but it is clear that the statementing process will be retained. It is, therefore, important that LEAs identify clearly in their education development plans how they will undertake the statementing process. The Green Paper also states:

"The great majority of SEN assessments will be completed within the statutory timetable."

It is important that that requirement is included in the Bill.

The Green Paper states, on page 70:

"The Government has a central responsibility for raising standards and promoting progress for all children, including those with SEN."

We do not disagree. That wording is almost identical to the explanatory notes in the Bill when it describes the responsibilities of LEAs to provide an education development plan for submission to the Secretary of State. The Bill states that education development plans are a statement of proposals for developing provision of education by raising the standards of education and improving the performance of schools. The two definitions are therefore compatible.

5.15 pm

It is fair to say that special educational needs were discussed only in passing as they were covered by clauses in the Bill. No section referred specifically to SEN and, although one or two amendments were debated in more detail, it is important that the Government recognise that, in legislating for the future, they should include consideration of special educational needs.

From the cases that Members of Parliament take up on behalf of children with special educational needs, it is clear that parents are often in dispute with their LEA over their child's statement or individual requirements. If more clarity can be achieved in making LEAs aware that they have to follow codes of practice and legislation, and submit their plans for doing so to Secretary of State for scrutiny, that can only assist parents and the Minister, especially when we learn the details of her proposals once the result of the consultation on the Green Paper is known. I hope that new clause 14 is non-controversial and that the Minister will accept it in the spirit in which it is tabled. I also hope that its main beneficiaries will be children with special educational needs.

Mr. Willis: Liberal Democrat Members support the comments of the hon. Member for Tiverton and Honiton (Mrs. Browning). If new clause 14 is pressed to a vote, we shall support her in the Lobby. I hope that it will not be pressed, because I trust that the Minister supports most of what the hon. Lady said.

I begin my remarks on new clause 20 by praising the previous Government. It is unusual to hear such praise in the House, but there have been remarkable advances in working with children with special educational needs over the past 20 years, particularly since the Education Act 1981. It is difficult to think that, 20-odd years ago, we categorised young people in terms of their disabilities for the whole of their school lives. Worse, some children were categorised as incapable of being educated. It is important to put on record the fact that we have come a long way in addressing the problems of teaching children with special educational needs and including them in our education system. I am sure that the Minister supports those comments.

We owe Baroness Warnock and her committee a tremendous debt of gratitude for the work that was done in producing their report. The 1981 Act did not bring about all that we wanted to result from the report, but it put into legislation the requirement for local education authorities and schools to meet more effectively their responsibilities to children with special needs. Subsequent legislation and, in particular, the code of practice have embedded good practice towards children with special educational needs in our education system. New clause 20, and new clause 14, would further embed good practice in legislation.

The number of statemented children who are in mainstream education has risen to 134,000, which is remarkable. Another achievement in which the previous Government played a part is the doubling since 1991 of the number of statemented children in mainstream schools.

Unfortunately, there has been no corresponding decline in the number of children in special schools. There is a feeling that having statemented children in mainstream schools has caused a decline in special schools and the number of places in them. Several hon. Members, such as the hon. Member for Maidenhead (Mrs. May), have pleaded strongly for the retention of special school provision. Although the number of statemented children in mainstream schools doubled in the 1990s, the number of children in special schools has remained constant at 98,000.

I want more children to be educated not in special schools, but in mainstream schools wherever possible, and the new clause deals with that matter.

Mr. Gerry Steinberg (City of Durham): Is the hon. Gentleman aware that Baroness Warnock told the Select Committee on Education and Employment during the previous Parliament that her suggestion of total integration had gone a little too far, and that she had changed her mind slightly?

Does the hon. Gentleman agree that so many statements have been issued over the past few years because parents, particularly vociferous middle-class parents, have realised that statementing is a good way to ensure that resources are directed to their child, and have pushed for statementing? When I was head of a special school, it was difficult to get parents to agree to statementing, because they believed that their child would be stigmatised by it. The increase in statementing is a reason for the decrease in the number of special school places.

Mr. Willis: I agree with both of the hon. Gentleman's points. I have never supported 100 per cent. integration, and do not believe that the Warnock committee meant it to come about, because mainstream education will never be appropriate for some children. I agree that more statements have been issued because of middle-class pressure, which has been the case in my local education authority, but I would like to think that the increase also came about because parents want the best for their children. I do not blame parents for using the system to help them.

The number of statemented children who are educated in mainstream schools differs between LEAs. In some, less than 0.5 per cent. of statemented children are

[Mr. Willis]

educated in mainstream schools, but in others, the figure is as much as 2 per cent. There are stark differences between individual schools. At John Smeaton school in Leeds, where I worked before being elected to the House, 5 per cent. of the 1,600 children had statements of special educational needs, and a further 220 were on level 3 of the code of practice, which is a significant number. We offered specialist provision, particularly to children with severe learning difficulties, and a facility to children with visual impairments. There was a feeling that many schools copped out and encouraged parents to ask my school to admit their children rather than fight for places at local schools which, in many cases, could have provided for the children equally well.

I recommend to hon. Members recent research carried out by Mel Ainscow of the university of Manchester, Tony Booth of the Open university, and Alan Dyson of Newcastle university, which shows the advantages that can be gained by children with special educational needs who are educated with their peers. Education is more than learning skills and acquiring knowledge; it is about developing and changing pupils' attitudes and behaviour towards each other, and evidence shows that inclusive education is the greatest force for such development.

At one school in Cleveland, I worked on the integration of children with physical impairments. A thalidomide child named Ricky Corner came to the school. He had no arms, and wrote with his foot. At first, that was a great cause of amusement and embarrassment to staff and students, but having him at the school was a great advantage, and the memory of the great joy and the understanding of his problem that he brought to his peer group and to staff has remained with me for many years.

It is a great pity that the Secretary of State is not here, because, seven or eight years ago, we had the pleasure of undertaking pioneering work with children who were totally blind and coming into a mainstream set-up. Mark Lister, who was from an incredibly disadvantaged family with immense social problems, came into my school in Leeds. Several years later, that young man went to Keele university to read for a law degree. He had a long-distance relationship with a girl in Poland, and is now married with a child. He spent all his time in a busy and difficult mainstream setting.

Thousands of examples could be given to illustrate why the Government should accept the new clause, and make inclusive education a pillar of the structure of raising standards. For parents, there is the immense satisfaction of having their children taught in mainstream education. There is no doubt that, although some parents still prefer their children to be educated in special schools—often for "protectionist" reasons—the vast majority aspire for their children to be educated alongside not just their peers but, if possible, children who live in the same street. That should be the ideal.

5.30 pm

In many ways, the barrier to the development of an inclusive education system is attitude—not legislation, and, if I may say so, not even resources. However, the Education Act 1981 gave local education authorities and schools an opt-out by making integration subject to an efficiency clause. Sadly, that has been used all too readily to deny children access to mainstream education.

The new clause is intended to make the Government's position and intention clear. It is intended to make it clear that all children should be given the opportunity to be taught in mainstream education, unless that is incompatible with the wishes of parents and the needs and ascertainable wishes of the children. The new clause does not fetter parents' right to send their children to special schools if that is considered best; nor does it give parents an unfettered right to send their children to the school of their choice. Parents would still be subject to the schedules of the Education Act 1996.

What the new clause does is provide an entitlement for every child in the country to a mainstream place, and tell every local education authority, every education action zone and every school to plan their resources accordingly.

Mrs. May: I support the new clause, and hope that, given the spirit in which it was moved, the Government will look favourably on it. It sends a clear message about the importance that we all attach to special educational needs, and about our view that every local education authority should include SEN as a natural part of its consideration of the development of education in its area.

As my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) said, when we discussed educational development plans in Committee, valid questions were raised about whether they were appropriate. As the Government want to press ahead with such plans, however, I think it important to send a clear message that it is not simply a question of developing standards and performance targets that relate only to mainstream schools. The Bill should specify that the same criteria will relate to special educational needs, whether they are catered for by special schools or by mainstream provision. If the Government accepted the new clause, they would, indeed, send a clear message about the importance of LEAs' including SEN in their plans.

We have already discussed the question of special schools versus mainstream education for children with special needs. The hon. Member for Harrogate and Knaresborough (Mr. Willis) mentioned that debate and, indeed, made a passing reference to my contribution. The topic is important, and I am glad that it will be focused on, but we need to think carefully about what should be done. I am interested by new clause 20, tabled by the hon. Member for Harrogate and Knaresborough. In the document entitled "Excellence for All Children"—I hesitate to say whether it is a White Paper or a Green Paper, because I always seem to get it wrong—

The Parliamentary Under-Secretary of State for Education and Employment (Ms Estelle Morris): Green.

Mrs. May: I thank the Minister for correcting me from a sedentary position.

In that Green Paper, the Government presented their vision of an inclusive policy for children with special educational needs. I am sure that we all agree about the importance of ceasing to assume—it has been assumed in the past, but in recent years our attitude has changed—that the only way in which to teach a child with SEN is to send that child to a special school. We must accept that mainstream education is beneficial where it is possible, and where it is right for the child concerned.

I must, however, add a word of caution. I do not want a policy of inclusion to become a mantra, followed purely for the sake of it. We must recognise not only the requirements of children with SEN, but the requirements of other children in the mainstream class and, indeed, the rest of the school.

The hon. Member for Harrogate and Knaresborough spoke of the benefits that could result from educating disabled children in the mainstream system. I have seen those benefits myself. I was a governor of a primary school to which a blind child was brought. My example is similar to that given by the hon. Gentleman. The parents were clear about their wish for the child to be educated in the local primary school, and extra resources were provided to enable that to happen.

I well remember the meeting of the governing body at which the head teacher listed the benefits that had been gained not only by the child who had been able to be educated among his peers, but by the other children who had been able to relate to him. Attitudes had changed. Earlier this week, I talked to another head teacher in a school in my constituency. She told me that, when a child in a wheelchair was introduced to mainstream education, a change took place in the other children. Instead of saying, "Here comes the girl in a wheelchair", they said, "Here comes Melanie". They recognised the person. We cannot overestimate the change in attitudes and the benefit to other children, which will stay with them for the rest of their lives. We should not shy away from it.

Having said that, I must add that there are some children with SEN for whom inclusion in a mainstream class is not appropriate. The inclusion of some children would cause great difficulty for the rest of the class. Such circumstances are most likely to apply to children with particular behavioural difficulties, who would be disruptive. It might be difficult for teachers to cope with such children; or they might receive the bulk of the teacher's attention, while the others failed to be given the attention that they needed and deserved. While recognising the benefits of mainstream education, we must also recognise that what is right for the child and the school must be taken into account in any decision.

It is a delicate balance. We do not want head teachers simply to say that they will not take a particular child with special needs, because they think that it will be difficult to cope with that child in the classroom, and to shut that child out. We want to ensure that the right attitudes are taken, and that inclusion is possible where it is right. I continue to believe, however, that special schools will always be needed for some children. We should not give the impression that we do not think that they are appropriate for anyone. A balance must struck in assessing the specific needs of every child, to determine what is right in each child's circumstances.

I am very pleased that my hon. Friend the Member for Tiverton and Honiton has moved new clause 14. Special educational needs provision should be clearly dealt with in the Bill, clearly stating that local education authorities must not sweep SEN to the side or believe that it is a secondary consideration. SEN must be part of their work in developing educational development plans for their area. It must be natural for local education authorities to consider, as part of their process of developing education, how they will provide for SEN and how they will develop that provision.

My caveats on the inclusive policy proposed in new clause 20 are based on my belief that LEAs should be required in the Bill to give equal consideration to special educational needs, which should be part of their education development plans. I hope that the Government will accept new clause 14 in the spirit in which it was moved.

Mr. Gerald Howarth (Aldershot): I agree entirely with the comments made by my hon. Friend the Member for Maidenhead (Mrs. May), especially her comments on the importance of spelling out in the Bill the importance of special educational needs and of striking the right balance between mainstream and special schools. I strongly support both new clause 14 and new clause 20, as they would add considerably to the Bill. As my hon. Friend said, they would also send a clear message that education authorities must explicitly consider special educational needs.

In my previous constituency, I had experience of a school for dyslexic children, which was in the independent sector, and was greatly concerned to learn of the many cases in which parents struggled to obtain the right education for their child. So often, some education authorities refused point-blank to accept that a dyslexic child had a special educational need, although an independent school could have met that need. Although some authorities—curiously, they were Labour-controlled authorities, such as Derbyshire—were strongly supportive and realised that a certain school could meet a child's needs, other authorities were not supportive.

Local education authorities too often feel that they can cope within their own boundaries with almost any difficulty that a child may face, but they cannot. I wish that local education authorities would own up to the fact that they cannot possibly meet every special educational need, as children may have one of many difficulties.

I should like there to be much greater co-ordination between local education authorities so that, although they cannot provide for every special educational need, they can join other authorities in providing and rationalising special provision for children. That would not only relieve them from thinking that they must make all provision within their boundaries, but greatly extend provision by producing economies of scale. Consequently, special schools in the maintained sector could attract children from a wider area and become viable, as counties would not be competing with one another.

My own constituency is in the extreme north-east of Hampshire and abuts Surrey. For some of my constituents, the closest special educational need provision in Hampshire is 10 or 20 miles to the west, whereas precisely the right provision is available only a couple of miles away, just across the border in Surrey. However, Hampshire county council says, "That school would not be appropriate for that child, and we are not prepared to make an out-of-county placement." I therefore hope that the Minister will use her persuasive powers on local education authorities, so that they realise the benefit of rationalisation, which I am sure is the answer.

5.45 pm

I hope that the Minister also appreciates the points made by the hon. Member for Harrogate and Knaresborough (Mr. Willis) on the role and importance of special schools. There are, of course, advantages in

[Mr. Gerald Howarth]

educating children in mainstream schools, not only for children with special educational needs, but for those without such needs. Children with special educational needs in mainstream schools do not feel that they have been separated from other children. However, I agree whole-heartedly with the hon. Gentleman that there is a case for children being educated with their peers if he means that those with a specific disability benefit by being educated with others with a similar disability.

At Maple Hayes hall, which is a school for dyslexic children in my previous constituency, I met children who had behavioural difficulties. I met one child who, at his previous school in Essex, had stabbed a Biro through the hand of the child next to him. The act was attributed to behavioural difficulties, but that was wrong. He was expressing frustration because his special educational needs were not being met. Fortunately, he was able subsequently to attend Maple Hayes hall. He told me, "This place saved me. If I hadn't come here, I probably would have ended up in prison."

I therefore believe that there is a case for children with some special educational needs to be educated together. They would not have to explain anything to their peers, and would derive enormous self-confidence by being with others with a similar disability.

I hope that the Minister will listen to the case that has been made—almost by both sides of the House—for passing the new clauses. The hon. Member for City of Durham (Mr. Steinberg) made an interesting and useful speech. Including the new clauses in the Bill would send a clear signal that, although educating children in mainstream education is preferable, there is a very strong case—educationally and socially—for encouraging schools that provide for specific educational needs.

Mr. St. Aubyn: I support new clause 14. The hon. Member for Harrogate and Knaresborough (Mr. Willis) generously commented on how greatly knowledge and understanding of special educational needs have increased in the past 20 years—the truth of which is undoubtedly reflected in the emphasis that we are giving to the subject in this debate and have given in other debates in the House in recent months.

The hon. Member for City of Durham (Mr. Steinberg) adopted a rather tired and old-fashioned agenda in his concern about which element in society has benefited most from the attention that has been given to special educational needs. It was inevitable that, as awareness has grown of what can be done to improve the performance of children with SEN, some sections of society have become more aware of those needs than others. Although, hitherto, middle-class families may have benefited more from the resources given to special educational needs, those benefits can be extended to all families.

It is negative to imply—as Labour Members have occasionally in our debates on the subject—that expenditure on SEN is a middle-class fix and the result of special pleading by middle-class parents for an extra share of the education cake. That is not the case at all: the children have a genuine need and we have to recognise it.

The situation would be improved if new clause 14 were implemented, because in the course of agreeing education plans with local authorities, a wider awareness of best practice could be generated. If plans were discussed with a particular focus on special educational needs, there is no doubt that the success stories would spread to other areas and thereby SEN provision could be improved across the board.

Mr. Steinberg: I am sorry if I unintentionally gave the wrong impression. I was trying to say that, in many cases, statements were being made for children because their parents had insisted on the resources. I do not want to bring too much politics into the debate, but resources have been scant in mainstream schools because of the unfortunate policies of the previous Government, and statements were one way in which parents sought to obtain extra resources. I was not saying that they did not deserve those resources or that they were cheating the system; I was merely making the point that that was one way of getting resources and that it was the vociferous middle class who realised that.

Mr. St. Aubyn: I am not sure where that leaves the hon. Gentleman's concerns. Certainly on other occasions it has been implied that a disproportionate advantage was being taken, but I am glad that the hon. Gentleman has been able to clear that matter up.

Provision for special educational needs in the mainstream falls into three categories. There are children who have some physical handicap but tremendous academic potential. It must help the whole school to learn to cope with, and help the development of, such children and to see them develop alongside their peers. Then there are children who have latent academic ability but suffer from a mental block that needs to be overcome. In such cases, special educational attention within the mainstream ensures that their problem is overcome while in other aspects of their development they continue alongside their peers.

There will, however, always be a group of children for whom being in the mainstream is not appropriate. It has to be recognised that it may be appropriate to take them out of the mainstream for a short period. Skills can be developed to enable those children to go back into the mainstream and the objective of many people working in the sector is to ensure that children who come into their care are enabled, so far as is possible, to return to mainstream education. That is where it becomes important that the children's problems are discovered and recognised as soon as possible. The longer problems are allowed to build up, the longer it will take outside the mainstream sector before they are well equipped to re-enter it.

One of the objectives of new clause 14 is to improve what might be called the response time of local education authorities when parents alert the LEA to the fact that they believe that their child needs special educational provision. In previous statements, the Minister has indicated her belief that too much money is spent on the assessment of special needs and on the appeals process and that redirecting those funds alone would unlock a rich purse that could be spent on actual provision, although Conservative Members have expressed scepticism about that. What is important is that methods of good practice are promoted by her Department to ensure that there is prompt recognition of need by local education authorities throughout the country. I have received representations

from interested bodies who have found that LEAs' response times and willingness to respond is patchy and varies significantly from one area to another.

It would be helpful if the Minister clarified the Government's attitude towards the provision of special educational needs by the independent sector. We are not certain about whether the Government are in favour of building bridges with the independent sector or are in favour of blowing them up, as they have done or have tried to do on several occasions. There is clearly an important role for independent schools in special educational provision. A great deal of progress has been made and it is likely that some of the discoveries will emerge from schools that are outside the remit of local education authorities and the state system. It is important that, in developing plans that spell out how special educational needs are to be addressed in any area, a role is identified for such schools so that their innovative work can be encouraged and built on for the benefit of all children with special educational needs.

Mr. John Hayes (South Holland and The Deepings): I support the principle of LEAs having a responsibility strategically to plan special needs provision in the context of their overall plan for educating children in their area.

My hon. Friends the Members for Guildford (Mr. St. Aubyn) and for Maidenhead (Mrs. May) made a valid point about the significance of the new clause in terms of the message it broadcasts to the wider community, but there is an even more important point about LEAs' overall role in planning school places and admissions, the relationship between special needs provision and the mainstream, and LEAs' critical role in the analysis of individual children's needs. All those factors necessitate LEAs incorporating special needs provision into their strategic plans.

One of the good things that have emerged in special needs education over the past 20 years is the statement. My interest in the subject started when I first became a member of an LEA in 1985—I am still a member of that Nottinghamshire LEA. The statement is undoubtedly a positive thing for parents and children. I do not want to digress into talking about the Green Paper, but there are real concerns about the dilution of the statement. It needs to be said that many parents of special needs children feel that the statement is their only binding guarantee of a decent education in line with their child's needs. That is another reason for supporting the new clause; it would require LEAs to consider the definition of need for children with special needs in the context of their overall education planning.

I have heard many arguments about integration into the mainstream and I listened with interest to the hon. Member for Harrogate and Knaresborough (Mr. Willis), whose arguments have been advanced many times. There are many good social and cultural arguments for integrating children with special needs into mainstream schools. Many parents support that and many children benefit from it, but I have to say that cultural and social reasons cannot be elevated above the individual educational needs of the child. It may be socially desirable for a child to be integrated into the mainstream, but not if that is detrimental to the child's educational progress.

There are many parents of special needs children who take the firm view that their child's special needs are best met by specialist provision which, in practical and educational terms, can be best met in special schools. I endorse my hon. Friends' comments on the need to retain special schools where those are proven to be the best way of educating children with special needs.

Local education authorities have variable records on special needs provision. That is not a party-political point. Some Conservative LEAs have a less good track record on special needs, as do some Labour LEAs, and there are some controlled by both parties that have excelled. There is great variation in how effectively different authorities have addressed special needs provision and how quick they have been in statementing children. My hon. Friend the Member for Guildford was, however, too generous in that the issue is not just the time that it takes, but the willingness to statement at all. There is considerable variation among LEAs on that as well, which is very worrying. That, too, is not a party-political remark.

6 pm

Like other hon. Members, I should like to mention a constituency case. A child was in mainstream education in Nottinghamshire where, as I have said, I am still a member of the LEA. I was delighted to be able to assist that child, who was suffering bullying at a good mainstream school, not a tough school. I helped the child to transfer out of the mainstream to special needs provision in my constituency in Lincolnshire. The parents uprooted and sold their home to move to Spalding so that their child could be educated in a special needs school and avoid some of the problems that they had encountered in mainstream education, so we must remember that there can be movement both ways.

The biggest growth area in special needs provision—this needs emphasising—is children with emotional behavioural difficulties. A range of studies has illustrated that. They can be the hardest to integrate. LEAs must have a coherent policy on dealing with such children. Provision is pretty patchy and variable across LEAs. Some sweep the issue under the carpet, while others have taken imaginative and innovative approaches, dealing with the problem very effectively. We must have an honest debate about how to deal effectively with what is, sadly, a growth area.

The new clauses would help by obliging LEAs to focus on the issue and build it into their strategic planning.

Ms Estelle Morris: This wide-ranging debate has barely touched on the new clauses in some respects. I do not want to incur your wrath, Mr. Deputy Speaker, or that of hon. Members by spending the rest of the evening debating special educational needs. Suffice it to say that I am grateful to all hon. Members who have chosen to make a contribution on this important issue.

I am pleased to join the hon. Member for Harrogate and Knaresborough (Mr. Willis) in acknowledging that Governments and local councils of all parties have made tremendous progress on SEN provision in recent years. There is unanimity in the House on the importance of the issue and how much there is to be done. That cross-party approach has been evident today. I shall respond to a few of the points that have been raised and then address the new clauses. I shall not ask the House to accept the new clauses, not because I disagree with much of what has been said but because this is not the time for them. There will be other opportunities to propose them.

[Ms Estelle Morris]

We should not be having today a further debate on the Green Paper on special needs. There will be a time for that. I do not seek to run away from that debate and I have not done so since the Green Paper was published; I am merely trying to be cautious with our use of time. Our response will appear in June. We are busy analysing more than 3,500 responses from organisations and individuals. Apart from that from the major organisations, I have not even looked at the analysis yet. What I say today should not be regarded as a response to the consultation on the Green Paper.

The hon. Member for Tiverton and Honiton (Mrs. Browning) talked about primary legislation. I do not yet know whether the consultation on the Green Paper will necessitate primary legislation. We have not analysed all the responses and I do not know what the Government will want to take forward, but I have consistently said that if primary legislation is needed we cannot include it in the Bill. My Department will have to take its turn in the search for parliamentary time.

Mr. Dorrell: The Minister has missed the boat.

Ms Morris: We had an important decision to take. We wanted to include SEN provision with other legislation, but we did not feel that we could do it justice in time for the White Paper in June. The two should be regarded as sister papers.

I should like to pick up some of the main strands of the debate. The hon. Member for Aldershot (Mr. Howarth) made a good case for regional planning for SEN. The problem is particularly noticeable for some of the smaller new unitary authorities. With the disabilities and special needs that are increasingly common with medical advances and as more children survive with problems and disabilities that might previously have caused them to die, I am convinced that groups of local authorities will need to join up to plan initially for low incidence disabilities and then, if it works, for more common disabilities.

We suggested pilot studies on regional planning in the Green Paper. We intended to run two pilots on regional planning for SEN, but such has been the response from local authorities that we shall run more than two. When I last looked at the issue, four seemed the likely figure. We have already secured the money. We are currently negotiating with local authorities on a regional basis. We shall be able to announce the local authorities in which the pilots will take place soon.

Mr. Gerald Howarth: I am delighted that the Minister has taken that initiative. When might she announce the pilot areas?

Ms Morris: I see no reason why I could not make that clear once agreement has been received from the local authorities. We have not yet ascertained whether that is the case, but the latest progress report is that there is a high level of interest. I shall not deliberately hold the issue up. The hon. Gentleman is clearly keen and has a constituency interest. I shall ask my officials and let him know whether his local authority has expressed an interest.

I am enormously optimistic about the developments. Hon. Members have talked about local authorities hiding from their responsibilities and being reluctant to go for a statement, or even to acknowledge that there is a need, let alone to begin to find the solution. That has been caused either by a feeling that a single authority's resources cannot effectively be used to meet that need or because the local authority does not have the know-how. Regional planning will be important to ensure progress on that.

There is a danger that we will all stand up and say that inclusion is good and feel happy about that because being inclusive makes us feel that we are doing the right thing. All hon. Members who have spoken in this debate started by saying that inclusion was a good thing—and then went on to say "but". The views ranged from those of the hon. Member for Harrogate and Knaresborough, who thought that inclusion was almost entirely a good thing, but not quite, to those of the hon. Member for Aldershot and some of his hon. Friends, who said that it was a good thing "but", and went on to stress the importance of special schools.

New clause 20 illustrates the problem. It must be good to integrate children with special needs with their peers in mainstream education. If that can be done well, there is no reason why we should not do it. Some hon. Members say "but" because parents have different wishes and children have different needs. We must avoid integrating SEN children badly. We must not integrate before all the partners in the education service are ready. I shall refer to that later.

I reassure the hon. Member for Guildford (Mr. St. Aubyn), who is not in his place, about the role of special schools in the independent sector. I do not know why I need to, because I have already done so time and again. I suspect that he might not have been listening. I see that he has returned to the Chamber. Quite honestly, we could not manage without the contribution that independent special schools make to overall provision.

I remind the hon. Member for Guildford, as an indication of the importance of such schools, that, although they secure capital from independent sources, they rely on local authorities for 80 per cent. and more of their revenue costs. Local authorities refer and buy places in the independent sector, which enables such independent schools to keep going. That partnership between the maintained and independent sectors precedes anything that is being talked about now and is an example of good practice. How it has arisen is for a different debate. Suffice it to say that such good practice and innovative work leaves a bolt hole for schemes such as HIGASHI, which happens overseas, and which some of our parents want to access. Such provision can always be introduced in this country through that channel. I reassure the hon. Gentleman that the independent sector's role is vital and will continue, and that we shall continue to make use of it.

I entirely agree with the hon. Member for Tiverton and Honiton, and applaud her for saying, that if we are serious about meeting the needs of special needs children and being more inclusive we must incorporate their needs in all our planning and stop regarding them as extra. That is what we have done in education development plans. Some of the things that new clause 14 asks us to do should not rightfully be in education development plans, not because they concern SEN but because of what they are. Such things should be done elsewhere.

I remind the House that education development plans essentially ensure that local authorities set targets for improvement and let us know how they intend to meet those targets and what strategies they will put in place to raise standards for all children. Due to the importance of education development plans, we must be careful to be clear and focused about what we ask them to do. They cannot embrace every responsibility of a local authority. That would be wrong and it would dilute their main thrust.

I refer hon. Members to pages 5 and 9 of the draft guidance on EDPs, which states clearly that one of the things about which we will want to know is how pupils with special education needs are supported. The guidance goes on to mention gifted and more able pupils. We debated the definition of special needs. In the section on school population characteristics for each of the main types of school, the guidance states that we will require LEAs to let us know about both statemented and non-statemented children in mainstream and special schools so that there is a clear, year-on-year pen portrait of children with SEN in the area. It is quite clear in the document that targets must be set for special schools and for special needs children in mainstream schools.

I have never been entirely happy—I think that hon. Members will share this view—that there is sufficient fine tuning of targets for GCSEs and key stages to help us recognise the progress of special needs children. That is why we have already set in hand work with the Qualifications and Curriculum Authority to fine tune key stages 1, 2 and 3 so that children who might make progress at those stages will probably have targets set for them by the end of their school careers. Target setting for children with special needs is included, as it should be. I do not want new clause 14 to be accepted because it asks us to do things that are not appropriate for education development plans.

6.15 pm

Mr. Hayes: The point that needs to be emphasised is that the target setting process—the development of measurables and deliverables—is intrinsically linked to a particular LEA's view of the number of special needs schools it provides, its school places policy and its strategic approach to SEN. Target setting in individual schools cannot be separated from the overall strategic approach to SEN because the overall approach is bound to impact on it. I support my hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) because the point that we are making is that, by trying to separate the two areas—although I acknowledge what the draft guidance suggests—we are not emphasising the interrelationship strongly enough.

Ms Morris: Local authorities need to bring together the different plans that they are required to make. The hon. Gentleman did not serve on the Committee, but he may know that we debated how local authorities and others provide sufficient places for children in their areas. I am sure that he will be reassured to know that we have stated clearly that local authorities must take account of the special educational needs of the children in their area and plan accordingly.

Education development plans are essentially about target setting to raise standards. The key element is that children with special needs are explicitly included. If they were not, I would be unhappy. We are consulting on the guidelines and listening carefully to ensure that we get it right for SEN children. We shall obviously reflect on the comments as we receive them.

I have tremendous respect for the work that the hon. Member for Harrogate and Knaresborough has done with his school. He is an evangelist in both his commitment and his trail blazing, which shows where the rest of us can go. John Smeaton school, of which the hon. Gentleman was head, is an example of good practice to which we should all be looking.

New clause 20 would remove the provision that we should consider the efficient education of other children. People have talked about sending messages. I have tried to send messages of inclusion and of valuing special needs children. I do not think that we would be doing special needs children any favours if we sent out the message in this debate that their inclusion should be considered without regard to the efficient education of other children. The greatest asset of inclusion is that it benefits both groups of children. We must accept that schools must be equipped and ready in attitude and facilities to meet the needs of SEN children. It can be done; it will be done more, but we must move sensitively and have regard for some of the concerns expressed by hon. Members and in consultation.

One thing amused and interested me in our consultation on the Green Paper. One member of my advisory committee attended two consultation meetings on Tuesday and Wednesday of the same week. Both were very well attended. At the first, he was hauled over the coals about why we had not gone for total inclusion. At the second, he faced a group of angry parents who wanted to know why we were threatening the closure of special schools. Those are the two fears; we must do everything we can to make progress without alienating any of those people. Both groups have rights, fears and expressions of interest.

I hope that the hon. Member for Harrogate and Knaresborough will accept that I am committed, as he is, to ensuring that the Government, with the co-operation of others, deliver our pledge to offer children who can benefit—and parents who want it—an opportunity to take their place in mainstream schools as they will in mainstream society. That is the bottom line.

This has been a useful debate. I hope that the hon. Members for Tiverton and Honiton and for Harrogate and Knaresborough feel that I have answered sympathetically and that they will accept my assurances that the issues that they have raised ought better to be met in different areas of Government education policy.

Mrs. Browning: I am naturally disappointed that the Under-Secretary feels that she cannot accept new clauses 14 and 20, and I must seek some reassurances on various points that she has raised.

The Minister said that local education authorities will be required to provide a snapshot of their special needs provision. Perhaps that would be more appropriate for conclusions to the consultation. I hope that the Minister

[Mrs. Browning]

will look carefully at disaggregating special needs statistics. I see the Minister wrinkling her nose as she does not like that idea—and I understand why. The problem is that, even now, some LEAs do not recognise specific learning disabilities—they refuse even to recognise the terminology. Unless the guidelines require LEAs to demonstrate clearly how many children with specific disabilities they are making special needs provision for—whether statemented or not—they will continue their current bad practice.

Ms Morris: I have noted the hon. Lady's initial comments. I wrinkled my nose because, following previous exchanges in the House, I talked to the advisory group about disaggregating the statistics. It seemed ridiculous that no one could tell me how many autistic children were in mainstream schools, but nothing is as easy as it sounds. The answer that I received from academics—some of whom were mentioned by the hon. Member for Harrogate and Knaresborough (Mr. Willis) and one of whom serves on the advisory group—is that it is not as easy to define groups as we might imagine. It is very difficult to distinguish children with emotional and behavioural difficulties from those who are naughty, disturbed or mentally ill. I shall continue to reflect on that matter, but the task is not as easy as I first thought.

Mrs. Browning: I fully accept that, but I urge the Minister not to let go. For years, some LEAs have deliberately flown in the face of medical diagnoses. Parents may have pieces of paper from qualified doctors or clinical psychologists stating that their child has been diagnosed with a particular illness, yet that terminology is not recognised by the LEA from which that child seeks education provision. We must address that problem. I urge the hon. Lady to keep at it—I assure her that I shall support her to the hilt.

The Minister also said that, when she concludes the consultation process, there may be a need for primary legislation and that her Department would have to wait its turn. Today's national press carry details of the Government's agenda for the next parliamentary year—although I do not know how accurate it is. When education legislation is before the House, the Minister should use that opportunity to introduce primary legislation on special educational needs; otherwise, she may have a long wait. I urge her not to let any opportunities slip: if she feels that primary legislation is necessary, she should do her best to bring it to the Floor of the House at the earliest possible opportunity. We do not want long delays.

I am disappointed by the Minister's decision, but she has promised further time for debate on the Floor of the House before any major decisions are made about changing SEN significantly. The Minister will report in June and I hope that, if there are significant changes, she will bring them to the House when it returns after the summer recess. Those changes should not go through during the recess as hon. Members must have an opportunity to voice their opinions and contribute to the proposals. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 15

ADDITIONAL PROVISION WITH RESPECT TO TARGETS

'.—In section 19 of the Education Act 1997 (School performance targets), in subsection (1), after 'set' there shall be inserted "after consultation with the local education authority.".'.—*[Mr. Don Foster.]*

Brought up, and read the First time.

Mr. Don Foster: I beg to move, That the clause be read a Second time.

New clause 15 raises the question of target setting and the relationship between individual schools and their local education authorities. The new clause would require governing bodies to consult their local education authorities before setting performance targets. That will be achieved by amending the Education Act 1997. I am delighted that the Under-Secretary will respond to the debate on the new clause. If she checks her records, she will see that, during debate on that earlier legislation, she was a sponsor of amendment No. 208. As new clause 15 is almost identical to the amendment that she proposed approximately one year ago, I look forward to her support when we discuss the issue further.

The new clause is about target setting and the relationship between local education authorities and schools. It is now accepted by all hon. Members that target setting can play an important role in helping to raise standards. That is why the Liberal Democrats are prepared to support the Government's initiatives in that regard. However, we are conscious of the fact that target setting alone will not raise standards; other processes must be in place. After all, there is little point in setting a high hurdle unless we help people get over it.

A more important issue is the nature of the relationship between local education authorities and individual schools. There was considerable debate about that in Committee. I think it fair to say that Opposition Members were somewhat confused about the nature of the Government's understanding of the relationship between schools and LEAs. That was particularly true in relation to target setting. There was considerable confusion about who would be responsible for agreeing or setting targets. For example, I refer to the contribution by the Minister for School Standards in Committee on 29 January, when he said:

"The LEA will need to engage in discussion with the school and agree targets for it."

The Government clearly believe that the LEA will set the targets and that the schools must accept them. However, the Minister went on:

"It will always be for the school to agree to the targets proposed by the LEA, but it will be for the LEA to challenge the school to do better and to get it to sign up to those improved standards."—[*Official Report A, Standing Committee*, 29 January 1998; c. 178.]

It is clear that the LEA will set the targets and that the school must agree to them. Later in our deliberations on the same day, the Under-Secretary said at column 191 that the schools would be responsible for setting targets. She went on to say that she believed that it was important that the targets were owned by individual schools. She argued persuasively that, if the target-setting agenda was to be successful, schools had to set and own their targets.

The Committee also agreed—I hope the House will accept this also—that, if schools and local education authorities are to have an effective relationship, it is vital

to involve local authorities in the target-setting process. If we refer to page 26 of the White Paper "Excellence in schools"—which preceded the Bill—we see that the Government had a clear view of the nature of that relationship. The White Paper states:

"The Government sets national targets and publishes national performance and benchmark data.

Each LEA provides benchmarking data and guidance to all its schools to help them set targets.

Each school sets draft targets, taking account of the comparative data and their own previous best performance, for discussion with its LEA."

Finally, the White Paper states:

"Schools and LEAs agree targets, covering a 3-year period and subject to annual review."

The crucial phrase is "for discussion" with its LEA. The new clause would ensure that an assurance was written into the Bill that the governing body of a school will consult its LEA before targets for the school, which the body will continue to own, are agreed.

Given that the new clause is almost identical to an amendment that the Under-Secretary proposed approximately 12 months ago, I very much hope that it will have her support.

6.30 pm

Ms Estelle Morris: I have to admit that I have never understood the problems that the hon. Member for Bath (Mr. Foster) seems to have with this matter. In Committee, my hon. Friend the Minister for School Standards and I both made it clear where the responsibility for target setting lies. I am happy to reaffirm our commitment to setting targets as an important part of the agenda of raising standards and to reiterate my words in Committee. Ownership of targets by schools is important. The role of the local education authority is crucial. The hon. Gentleman referred to comments made by my hon. Friend that were made in the debate in which Leafy Lane and Park View schools were born. We had a long and interesting debate and those schools stayed in existence until the end of the Standing Committee, with hon. Members on both sides referring back to them at suitable points in our exchanges.

My hon. Friends referred to Leafy Lane, Park View and all the rest, because target setting is not merely about ensuring that schools that do not get good results improve, but about ensuring that schools that get what appear to be adequate results improve as well. We commented that there was much under-performance in Leafy Lane schools that needed to be challenged. The crucial role of the local authority in this matter is to provide comparative information about schools' performances in similar circumstances—similar in prior attainment, in the backgrounds of children and in the environments of the schools—which means that, when schools set targets, they cannot hide away and loiter in the middle of the school performance table. That is the role of local authorities—to challenge the target-setting progress of schools and point out to them that they may be happy to set X, but that a school with similar circumstances in the borough has set X plus Y.

From our experience of local authorities setting targets on a local authority-wide basis, we know that schools want to meet the best target that other schools in similar circumstances are meeting. The qualitative information that local authorities provide will be helpful to schools in setting targets.

As my hon. Friend the Minister for School Standards said, and as I repeated later:

"Responsibility rests with the school and the individual classroom teacher".—[*Official Report, Standing Committee A*, 29 January 1998; c. 178.]

I am happy to repeat again that the responsibility for setting targets must lie with the bodies that will primarily be responsible for ensuring that the targets are achieved—schools. It is right that that should happen, but it is also right that schools should listen to what local authorities say.

In the vast majority of cases, there will not be a dispute. Schools will welcome the information that local authorities can bring. They will benefit from the exchange of information that they and their governing bodies will have with the local authority. The result will be that the targets set will be sufficiently challenging to do their job of raising standards.

Mr. Don Foster: Does the Under-Secretary accept that there is a possibility of a dispute between a local education authority and a school only if there has been consultation on the issue between them? Will she confirm that it will be a requirement for schools to consult the LEA before they finalise their targets? That is all that the new clause would ensure.

Ms Morris: I do not want to avoid the question, but that depends on what the hon. Gentleman means by "consult". If he is asking schools to consult local education authorities and defer to their opinion, the answer is no. If he is asking them to talk to the LEA about their targets, the answer is yes. The real difficulty is—perhaps this has been the source of our debates—that, if the school and the LEA cannot agree, the local authority's targets stand, but the fact that there has been a dispute can be recorded in the plan that goes forward. What is the hon. Gentleman's interpretation of the word "consult"? Does it mean bargaining and schools having to do what they do not want to meet the needs of the local authority? No. Schools must set their own targets. If consultation means talk, we can find accord with that.

I do not think that there is a million miles between us on this matter and, my having given him those assurances, perhaps the hon. Gentleman will see fit to withdraw the motion.

Mr. Foster: Towards the end of the Under-Secretary's remarks, we were beginning to get a clear assurance that she would expect consultation of the type which she described—not a one-way consultation in which the LEA is determined to have its way, but a two-way consultation between the school and the LEA.

The Under-Secretary wonders why I have continued to be somewhat confused about the Government's position. If she reads in *Hansard* her contribution to the debate on new clause 14 on special educational needs, she will find that she continued some of the confusion. If I noted it correctly, in her reply to that debate she said:

"targets must be set for special schools".

[Mr. Foster]

The confusion about who is responsible for setting targets is part of the reason for my confusion.

Ms Morris: I would hate the hon. Gentleman to continue to be confused after this debate. Perhaps I was not clear in my use of words. I was referring to the documentation that is sent to the Department for approval, in which we are asking for targets school by school. The word "for" refers to the fact that LEAs must record the targets for special schools, not that they must do it on their behalf.

Mr. Foster: I am grateful to the Under-Secretary for acknowledging that her words were somewhat unclear. I pressed the issue because of that lack of clarity, but given the clear undertaking that the hon. Lady has given about the need for consultation, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 1

POWER TO SET LIMITS ON INFANT CLASS SIZES

Amendment made: No. 79, in page 1, line 9, leave out 'may' and insert 'shall'.—*[Mr. Jamieson.]*

Clause 3

PAYMENT OF GRANT IN CONNECTION WITH REDUCTIONS IN INFANT CLASS SIZES

Amendment made: No. 80, in page 3, line 1, leave out 'may' and insert 'shall'.—*[Mr. Jamieson.]*

Clause 10

ESTABLISHMENT OF EDUCATION ACTION ZONES

Mr. Don Foster: I beg to move amendment No. 121, in page 10, line 7, leave out from 'purpose' to the end of line 9 and insert—

'(a) with the consent of the governing body of every school which it is proposed should be a participating school, and

(b) where the LEA is not making the application, with evidence that it has been consulted by the proposers, with a view to being a partner in the Education action zone.'.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this, it will be convenient to discuss the following amendments: Government amendment No. 85.

No. 88, in clause 12, page 11, line 13, at end insert—

'(3A) In discharging any function transferred to it under the provisions of subsection (2) of this section an Education Action Forum may enter a contract for the performance of that function with any party, whether from the public or private sector, who, in the opinion of the Education Action Forum, is a fit and proper party to discharge the function or functions covered by the contract.

(3B) Any party with whom the Education Action Forum enters a contract under the terms of subsection (3A) of this section (hereinafter referred to as "the contractor") shall be responsible for delivering the service defined in the contract with the Education Action Forum to the standard defined in the said contract and shall be permitted to acquire, employ, and manage, on terms to be determined by the contractor, such equipment, staff and other resources as he believes to be necessary to perform the duties defined in the contract.'.

No. 122, in clause 13, page 11, line 35, after 'them', insert

'and where the employer is the local education authority, consult with that local education authority,'.

Government amendments Nos. 86 and 87.

Mr. Foster: The amendment is similar to new clause 15 in that it deals with the relationship between local education authorities and schools, but in this case it deals with schools forming part of an education action zone.

I must take this opportunity to place on record in the House what I said in Committee. We Liberal Democrats are very supportive of the Government's proposals for education action zones, at least in principle. In Committee, we had discussions about some of the detailed operations of the zones and had the opportunity to press some concerns.

Education action zones are an important feature of the Bill. We hope that, when the Minister examines the bids for the first few zones, he will find himself inundated with exciting proposals for new forms of partnership in education, which will bring together not only schools but other interested bodies, including private businesses and other representatives of the local community, as well as further education colleges and perhaps even universities. We believe that EAZs will above all offer an opportunity for some exciting thinking about how education can develop to meet the needs of children in the next millennium.

Because it is so important that EAZs are successful partnerships, we must ensure that all possible partners are involved. In Committee, I tabled amendments to ensure that the local education authority would have the opportunity to be a partner. As was clear from our discussions, the Government expected that, in the vast majority of cases, LEAs would be partners, although, as was rightly pointed out, there might be cases in which it would be unhelpful for the LEA—perhaps because it was deemed to be failing the schools in its area, or because it wanted to propose a different EAZ consortium—automatically to have the right to membership of the EAZ.

As I was able to demonstrate in Committee, all the Government's documentation showed that, until the last minute, the Government clearly intended that LEAs should participate in all EAZs. I think that we now understand why they shifted their position slightly. Nevertheless, it is vital that the LEA is at least consulted about the applications for each EAZ, so that it can decide whether to become a partner.

Unlike the amendments that I tabled in Committee, amendment No. 121 does not insist on a guaranteed role for the LEA in the education action forum; it merely suggests that there should be clear evidence that the LEA has been consulted on whether it wants to be a partner in the EAZ.

I hope that the Minister will recognise the importance of that, as he knows that the LEA will continue to have responsibilities, many of which are specified in the Bill, for the schools in any EAZ that is established. Those responsibilities include setting targets, operating early warning systems, reviewing special educational needs

arrangements and providing for pupils with emotional and behavioural difficulties and for those who are educated out of school.

There are many other reasons why the partners in the EAZ will need to understand an LEA's work, not least in relation to local management of schools budget arrangements, the LEA services which are available, the requirement for continuing professional development, the relationship between a school's organisation committee, the LEA and the forum, and the general interrelationship of the LEA and more general local authority educational services.

Given that the LEA will carry out many functions that will affect schools in an EAZ, and given the need for schools in an EAZ to know about the work of the LEA, it is obvious that the LEA must be involved in some way in all EAZs. At the very least, the LEA must be consulted about plans to establish an EAZ and given the opportunity to become a member. I hope that the House will agree to the amendment.

6.45 pm

Mr. Dorrell: I want to speak principally to amendment No. 88, which belongs to this group of amendments but which I shall seek, with your consent, Mr. Deputy Speaker, to put to a separate decision by the House. Its purpose is to tease out exactly what the Government think an education action zone will mean.

Like the hon. Member for Bath (Mr. Foster), when I first heard about education action zones, I found the idea rather attractive. It was certainly presented as an important new part of the Government's armoury for improving the delivery of service by our schools. At the north of England education conference at the beginning of this year, Professor Barber trumpeted it as an important step forward in introducing a new perspective—it would be an opportunity for new management and new ideas in areas where, for whatever reason, the Secretary of State felt that there were inadequate new ideas.

It seemed, originally, that the education action zones would be targeted at problem areas in the school system, but it became clear in Committee that the Minister wanted them to be established not only in areas of low educational attainment, but in any part of the country where he felt that improvement in service delivery by maintained sector schools was possible—he was looking for opportunities to introduce new structures and fresh ideas to any part of the country where significant improvement was possible.

All that seemed a rather attractive idea. When I was asked for my reaction to the proposal at the north of England conference, I said that I was receptive to the idea and would look forward to Ministers sketching out the detail. However, in Committee, when we considered the details of what the idea would mean in practice, the excitement started to fall away. It became obvious that the Government were unclear about their intentions for education action zones.

It is important that we should be clear about the Bill's provisions. When the Secretary of State has determined that an area should be an education action zone, individual schools' governing bodies will be responsible for deciding whether to participate. I agree with that—a school's participation should be voluntary.

When Professor Barber launched the idea, he made it clear that it was explicitly intended that the private sector should be able to play a role in the new structure, to bring in new ideas for the delivery of service. I understand that, at the north of England education conference, he speculated publicly that one of the companies that could be introduced—not only as advisers on a governing body or to provide tangential, relatively detailed advice, but as mainstream managers of the delivery of the schools service—was Procter and Gamble.

I admired the provocation that Professor Barber clearly enjoyed introducing to the argument. It was a piece of iconoclasm, although it is perhaps less provocative to those who recognise that Procter and Gamble already runs charter schools in the United States, where it picked up the concept—it is charged with delivering a specialist improvement in the schools service in different American cities. When I heard that the concept was part of the Government's idea, I thought that it was attractive. The name Procter and Gamble is provocative, but a more home-grown company is Nord Anglia, a British company with experience of employing teachers, managing schools and delivering a schools service.

The purpose of amendment No. 88, tabled by me and of my hon. Friends, is to probe the Government on whether they intend to create the opportunity for Nord Anglia and Procter and Gamble to manage and deliver a school service in an area where improvement is possible. When we came to this section of the Bill in Committee, it became pretty clear that at the very least there was a question mark over the idea. My hon. Friend the Member for Tiverton and Honiton (Mrs. Browning) asked the Minister for School Standards:

> "Will there be any circumstances in which a company will employ the teachers and have a form contractual arrangement with them?"

It may be the Government's vision that Nord Anglia, Procter and Gamble or anyone else should have the opportunity to deliver a new schools management service, as defined by proper public authorities, but it will be hard for a company to do so if it is not allowed to employ teachers.

The Minister's response in the Committee was rather depressing. He said:

> "We currently take the view that teachers will be employed by their employing body, be that a local education authority or an individual school."

I do not understand how we deliver the objective that Procter and Gamble certainly delivers in some charter schools in America.

Mr. Byers: I shall deal with this issue at greater length in my reply to the debate, but I draw the right hon. Gentleman's attention to Government amendment No. 85. He will see that we intend to give legal powers to the forum. That was not the case when we debated the matter in Committee. We recognise that we need to have clarity and that is why we intend to put the education forum in the position of employer. That was not the case when we debated the matter in Committee.

Mr. Dorrell: I have seen that amendment and I understand that it is relevant, but in a sense it compounds the problem. The Government envisage that a manager will take over the management of a school where there is a problem—whether it is of low attainment or, to take the Minister's argument from Leafy Lane high, of low expectations, and there is an opportunity for improvement in a school that is complacent. Whatever the purpose of

[Mr. Dorrell]

taking a school into an education action zone, if a company such as Nord Anglia or Procter and Gamble is to have responsibility for delivering the improved service that the Government say that they seek, it must have the power to manage all the necessary resources.

Government amendment No. 85 merely underlines the timidity of the response offered by the Minister in Committee and repeated by the Under-Secretary. I gave the Government a second chance to deal with the question. The Under-Secretary confirmed that at that stage

"the teachers would continue to be employed by . . . the LEA."—[*Official Report, Standing Committee A*, 3 February 1998; c. 270-76.]

The Government's amendment says that the teacher contract can be converted to an EAZ contract, but that still does not allow an EAZ to decide that a bidder for the delivery of a school service offers to the children of a district the opportunity of a better education that meets their needs better and offers them a better start in life.

The Minister will acknowledge that the EAZ concept is based loosely on the ideas that have been shown to work in some very difficult city schools in the United States. I hope and believe that the Government are trying to learn those lessons. I do not believe that they will achieve that objective if they do not give the enterprise with the responsibility for managing the school the power that it needs to deliver its objectives in what will often be difficult circumstances. That is why our amendment makes it clear that, although not in every case—I do not say that this should apply in every EAZ—where a bidder wants to employ, manage and be responsible for all the resources in a school, and the EAZ is convinced that that is the best way of delivering the service in that area, that power should be available.

I appeal to the Government to have the courage of their convictions to embrace their own idea and not to run away from their own radicalism.

Mrs. May: I shall concentrate my comments on amendment No. 88, but I shall make passing reference to amendment No. 121, tabled by the hon. Members for Bath (Mr. Foster) and for Harrogate and Knaresborough (Mr. Willis). It refers to the role that the LEA should play in bringing forward an education action zone. That proposal is interesting. It shows yet again that the Liberal Democrats constantly come back to the role of the LEA as the single deciding body to be involved in every aspect of education.

The Liberal Democrats do not simply suggest that where the LEA is not making an application, schools that wish to bring forward an EAZ should show that they have discussed or referred the matter to the LEA. There might be some sense in saying that schools within an LEA, or under two or three LEAs where schools wish to group together, should alert their LEAs to the fact that they are proposing an EAZ. The Liberal Democrats are saying that the schools must refer to the LEA with a view to its being a partner in the EAZ. They intend to remove the considerable flexibility that the Government have built into the Bill. That is why I am concerned. As in so many debates in Committee, the Liberal Democrats seem unable to envisage the provision of any aspect of education without a central and determining role for the LEA.

Like my right hon. Friend the Member for Charnwood (Mr. Dorrell), I was interested in the concept of EAZs when it was first introduced. I seem to recall that the concept raised considerable interest not only among Conservative Members, but in a number of national newspapers, including *The Daily Telegraph*, which said that the Government had come up with a radical and forward-thinking idea—very new Labour. However, as with so many new Labour ideas, including several in the Bill, the words and the practice tend to differ considerably. A radical message was put out to the press that the Government were thinking outside any confines about how they provided education, that they would innovate and that EAZs were one of the ways in which they would do so. Suddenly we see that the restrictions placed on the development of EAZs in the Bill mean that they are not as innovative as the Government would have people believe.

My right hon. Friend the Member for Charnwood made specific reference to EAZs, and we dwelt on them in Committee. It was not clear initially exactly what the Government's proposals were on employment. I accept that the Minister said that the Government were introducing their own amendment on the employment aspect of the operation of EAZs under the education action forum, but they are still shying away from the true concept of the EAZ as it was first expressed and understood when the Government proposed it. It is important to go back to that point.

There have been other misunderstandings. In the initial stages, it was expected that the Government intended to use EAZs purely as a way of helping failing schools to find another way of coming together to produce innovative ideas, to get over their problems. However, it has been made clear, and I hope that the Minister will reiterate it for the record today, that the Government do not intend to put in place EAZs purely as a structure for failing schools. It is a structure that any group of schools can request from the Secretary of State, even schools that are not underperforming, such as Leafy Lane high in the example that we were given in Committee. Schools that are performing well may want to be removed from the rigours of LEA control, to look for new ways of providing education. They will be able to come together with a proposal to set up an education action zone and an education action forum.

7 pm

It is ironic that the Bill abolishes grant-maintained schools, yet introduces very similar powers—the same powers in relation to employment—for education action zones. The Government tell us that an individual school cannot set itself apart from the local education authority and cannot remove itself from the strictures of the LEA, although many schools have done that with enormous success. The Government say that individual schools can no longer do that, but if the school gets together with two or three others, they can form what the Government call an education action zone and do that.

In the debate in Committee, we were told—by the Under-Secretary, as I recollect—that the EAZ was a new structure for education for the new millennium, and that we must stop thinking in the old way about schools being under an LEA. We must drop those ideas and start looking

at new ways in which schools can come together and find new ideas on providing education for the children who choose to go to those schools.

Despite all that, we see from the Bill that the Government are not prepared to go that extra step. They say that EAZs are an innovative model and the new way forward, but they are not prepared to give EAZs all the powers necessary to do whatever they—the EAZs—consider appropriate to improve the standard of education in schools in that zone.

Amendment No. 88 would put into practice what the Government seem to have been saying in the early stages of the debate on EAZs. It will be interesting to hear how the Minister of State responds. The idea of EAZs and the powers given to them in the Bill are at the boundary between new Labour and old Labour. How far are the Government willing to go, to put into practice what they proclaimed about innovation in education for the new millennium? If they are committed to innovation, they will accept amendment No. 88, give education action zones full powers, especially in regard to employment, and enable EAZs to set themselves up as innovative groups of schools that are ready to consider new ways of providing a high standard of education.

Mr. St. Aubyn: I apologise for not being present for the beginning of the debate, but I was present during the Committee stage and am aware of some of the issues involved. I should be grateful if the Minister clarified a particular point. We shall have a debate later on grant-maintained schools. Having spoken at length to representatives of grant-maintained schools in my constituency, I know that they have severe doubts about the option of having foundation school status. We have discussed the idea of those schools forming an education action zone.

Will the Minister confirm that education action zones are not just for areas where the education system is seen to be failing, and that they are applicable to areas where a group of schools are striving for excellence? For whatever reason, those schools may not see control and regulation by the local education authority as their preferred route, and may see an interesting and exciting future in the new EAZ mechanism. Will he confirm that, under the Bill, it will be possible for such a group of schools to undertake that exciting initiative?

Mr. Byers: I shall start by replying to the hon. Member for Guildford (Mr. St. Aubyn). I confirm that nothing in the Bill restricts education action zones to any particular type of school, whether it is underperforming, underachieving, or whatever. The Bill provides a mechanism to allow education action zones to be established.

The Government are looking to establish five EAZs with effect from September, and increasing that number to 25, probably by the autumn of next year. As we consider the applications that are submitted, we shall want to achieve a good geographical spread of EAZs, mixing urban and rural areas, and different types of school. The important aspect of the EAZ concept—this addresses some of the points raised by the hon. Member for Maidenhead (Mrs. May)—is that we see EAZs as the test bed for the schools service of the next century. That is why we want groups of schools, perhaps in partnership with local authorities or with the private sector, to come forward with new and exciting ideas. We want to examine ways in which we can empower schools.

Our earlier debate underlined the fact that schools have the primary responsibility for raising standards. If, through the EAZ concept, we can engage and motivate schools of whatever type, the Government are prepared to facilitate that and support schools that want to take advantage of the freedoms that might be made available in the EAZ.

That is why the three Government amendments are important. Government amendment No. 85, which I mentioned in an intervention in the speech of the right hon. Member for Charnwood (Mr. Dorrell), makes the EAZ accountable as an employer for the decisions that it makes in relation to the people whom it legally employs.

Government amendment No. 86 gives the Secretary of State the power to approve or reject applications to disapply the national teachers' pay and conditions document. We consider it appropriate for the Secretary of State to have that power, because we want to monitor carefully a new teachers' contract and a new system of remuneration for teachers. The Secretary of State needs to be involved in that process, so that we can see what works and what does not work so well.

Mr. Willis: That matter concerns many teachers. As my hon. Friend the Member for Bath (Mr. Foster) has made clear, we support the general principle of the Government's proposal, but if, after three or five years of an education action zone, when there has been a disapplication of conditions of service and there are new rates of pay, will the Government underwrite those new conditions of service and rates of pay if the EAZ completes its work, or will it be the job of the LEA to do that? How will we assure teachers working in the schools that will move into those EAZs that their pension rights and future pay and conditions will not be jeopardised by what could be a glorious experiment for Nord Anglia?

Mr. Byers: The Government fully understand those concerns. When we deal with amendment No. 122, tabled by the hon. Member for Bath (Mr. Foster), we shall state clearly that there will need to be proper consultation with teachers, with their representative organisations and with local education authorities as employers about the changes that a forum might want to introduce in teachers' pay and conditions. We want people to be involved, so that they can express views on those pressing matters. We want a system whereby in three or five years, those teachers will be entering a quite different world from that of 1998.

I should be surprised if we did not look differently at teachers' pay and conditions in the light of the experience of EAZs. They are the test bed for the schools system for the next century. Changes will arise as a result of the initiatives that take place in the EAZs.

It is interesting to note that the advice that I have from my civil servants is that amendment No. 88 is redundant because the powers that it seeks to introduce are in the Bill as a result of the powers that we intend to give the education action forums. The point of the education action forum is that its powers are ceded from individual governing bodies. That makes the point that governing bodies are agreeing voluntarily that their powers should be given up to the education action forum. The education

[Mr. Byers]

action forum can then act almost as a collegiate governing body. It will have all the powers that an individual governing body has at present. It could buy in specific services—for example, managing the payroll, running specialist literacy programmes and providing school meals.

Those are modest measures, and if this is to be an exciting initiative, we must go beyond them. It is most important that the education action forum is responsible for determining the aims and objectives of the schools for which it has responsibility; for monitoring and evaluating the schools' performance; for raising standards of educational achievement through determining the schools' strategy for improving performance; and for setting targets and taking any necessary action to support them.

It will be for the education action forum to decide who is best placed to achieve those objectives. If the education action forum takes the view that Nord Anglia or Procter and Gamble—given its good experience in America—is best placed to deliver those objectives, there is nothing in the Bill to stop the education action forum doing that.

Mr. Dorrell: That is crucial to the argument. The Minister is saying that the education action forum will have no powers that are not currently vested in governing bodies, because all the powers of the education action forum will be delegated to it by the governing body. Is he therefore saying that any governing body in the maintained system already has the power, if it chooses, to subcontract the management of its school to Nord Anglia?

Mr. Byers: It depends on exactly what the governing body wants Nord Anglia to do. At the moment, it could put payroll management or specialist literacy services out to Nord Anglia. The framework that we have inherited from the previous Administration places restrictions on exactly what governing bodies can do. As a result of the new framework, an education action forum will have the power from September next year to contract out to Nord Anglia or Procter and Gamble, to deliver those services and to meet objectives. Legally, it will be able to do that.

Mr. Dorrell: As the Minister recognised, subcontracting the power to run payroll services can be useful, but it is not what we are talking about. We are talking about the management of the school, the delivery of education services, deciding whom the school employs, deciding the terms and how their time is used, and the experience of the child in the classroom. Does an existing school have the power to subcontract those functions to a commercial company? If it does not, the Minister has not shown how the power can be vested in a forum. He said that the forum has only the powers delegated to it by the governing body.

Mr. Byers: The governing body will be responsible under the new framework that we are introducing in September next year. The education action zones will operate on a voluntary basis, depending on when the Bill reaches the statute book—probably five will operate from this September—and they will have full legal powers from September next year. If an education action forum has powers ceded to it by the governing bodies, it will be able to engage the private sector or the local education authority to meet its objectives. That is why education action zones are an exciting initiative—there will be flexibility. I hope that that meets the concerns expressed by the hon. Member for Maidenhead, who thought that this was a modest proposal. The powers are there, which is why my officials state that amendment No. 88 is unnecessary.

Mr. Andrew Rowe (Faversham and Mid-Kent): Would the powers to be ceded include the power to suspend pupils? That would be an interesting departure from the norm. For the first time, the power to suspend a pupil would be given to a private company, which would not be in the same contractual relationship with the parent as a school.

Mr. Byers: The powers of the education action forum are derived from governing bodies ceding the powers that they have at present. We do not foresee a situation in which some of the exclusion powers would be handed over to a third party. Technically, that might be possible, but there are provisions elsewhere in the Bill, which prescribe the circumstances in which exclusions can and cannot take place.

Mr. Don Foster: For the avoidance of confusion, can the Minister confirm that once an education action zone is set up, the staff currently employed by the schools within the zone will continue to be employed by the LEA, and only new staff chosen by the forum will be employed by the forum? Can he confirm that it will not be possible to send on to a third party the responsibility for the delivery of the curriculum?

7.15 pm

Mr. Byers: It is more complicated than that. Under the framework, certain schools—for example, foundation schools—will be the employer of their staff. It is far more complicated than just saying that there is a blanket approach. One of the powers to be given to the education action zones will be to disapply the provisions of the national curriculum, so that they have greater flexibility. I am afraid that there is not a simple answer to the hon. Gentleman's complicated question.

Amendments Nos. 121 and 122 were tabled by the hon. Member for Bath. I understand his concerns about the need to involve LEAs, which will still have the underlying statutory responsibility for ensuring that children in their area receive an adequate and suitable education in terms of their age and ability. There is a difficulty with the way in which amendment No. 121 is worded, because it talks about consultation, but then refers to the LEA as a partner. The amendment states:

"with a view to being a partner in the Education action zone".

There is a legal difficulty with that.

I might be able to help the hon. Member for Bath by referring to the guidance sent to the interested parties that might want to promote an education action zone, in which we make it clear that different zones will be run in different ways:

"In many cases, the LEA will be the driving force behind the proposal . . . In such cases there would still be a central role for business and for community and voluntary organisations."

The hon. Gentleman is concerned about situations in which the LEA may not be the driving force behind the proposal. The guidance states:

"In others, a proposal to create a zone might come from a business, community or voluntary organisation, in conjunction with a group of schools"—

addressing the situation that was referred to earlier.

"This allows for new and exciting groups to become involved in running an Action Forum, bringing with them fresh ideas on school improvement. In such cases, the LEA would be consulted in the development of the proposal, and we expect that LEAs will want to work closely with any successful bids which come through this route."

That is more appropriate than requiring that to be so, because there may be circumstances in which, for one reason or another, the LEA is not happy with the group of schools with approval for education action zone status.

We can guarantee that consultation will be required before a proposal is approved by the Secretary of State, but we do not feel that it is appropriate to go further. Amendment No. 121 talks about the LEA, as of right, being guaranteed a place as a partner in the proposal. That would be inflexible and would create a range of possible difficulties.

Mr. Don Foster: The Minister seriously misrepresents the amendment when he says that it states that the LEA would, as of right, expect to have a place on the forum. I hope that he will accept that the amendment's wording is clear and does not have the interpretation that he has given it.

Mr. Byers: Legally, the hon. Gentleman's amendment can have that interpretation, which is why I shall ask the House to resist it.

Education action zones are an exciting initiative. They will allow schools to raise standards in new and imaginative ways. For those reasons, I ask the House to reject the Liberal Democrat amendments but to endorse Government amendments Nos. 85, 86 and 87.

Mr. Foster: Although I am delighted that the Minister has acknowledged that there is a need to consult the LEA in the vast majority of cases, given the many roles that it will continue to have in respect of schools that may form an education action zone, it is vital that we have a much clearer indication that the LEA will be consulted and that it is given an opportunity to consider whether it is appropriate for it to become a member of the education action zone.

As we have not received sufficient assurances, we wish to press the amendment to a Division.

Question put, That the amendment be made:—

The House divided: Ayes 48, Noes 284.

Division No. 199] **[7.20 pm**

AYES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Mrs Jackie
Beggs, Roy
Bell, Martin *(Tatton)*
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Davis, Clyno
Davey, Edward *(Kingston)*
Donaldson, Jeffrey
Forsythe, Clifford
Foster, Don *(Bath)*
George, Andrew *(St Ives)*
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Hughes, Simon *(Southwark N)*
Jones, Ieuan Wyn *(Ynys Môn)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Maclennan, Rt Hon Robert
Maginnis, Ken
Michie, Mrs Ray *(Argyll & Bute)*
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Taylor, Matthew *(Truro)*
Tonge, Dr Jenny
Tyler, Paul
Wallace, James
Webb, Steve
Wigley, Rt Hon Dafydd

Tellers for the Ayes:
Mr. Donald Gorrie and
Mr. Phil Willis.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Barnes, Harry
Beard, Nigel
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chaytor, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
George, Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*

Hanson, David
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Humble, Mrs Joan
Hutton, John
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jowell, Ms Tessa
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Ladyman, Dr Stephen
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonnell, John
McGuire, Mrs Anne
McIsaac, Shona
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mallaber, Judy
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meale, Alan
Merron, Gillian
Michie, Bill *(Sheffld Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Co'vtry NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Sloate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
White, Brian
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. John McFall and
Mr. Kevin Hughes.

Question accordingly negatived.

Clause 12

FUNCTIONS OF EDUCATION ACTION FORUM

Amendment made: No. 85, in page 11, line 13, at end insert—

'(3A) Regulations may, in relation to the discharge by an Education Action Forum of any function of a governing body under sections 52 and 55(1) to (3), Schedule 16 or paragraph 26 of Schedule 17, make any such provision as may be made by an order under section 73 (application of employment law during financial delegation).'.—*[Mr. Byers.]*

Amendment proposed: No. 88, in page 11, line 13, at end insert—

'(3A) In discharging any function transferred to it under the provisions of subsection (2) of this section an Education Action Forum may enter a contract for the performance of that function with any party, whether from the public or private sector, who, in the opinion of the Education Action Forum, is a fit and proper party to discharge the function or functions covered by the contract.

(3B) Any party with whom the Education Action Forum enters a contract under the terms of subsection (3A) of this section (hereinafter referred to as "the contractor") shall be responsible for delivering the service defined in the contract with the Education Action Forum to the standard defined in the said contract and shall be permitted to acquire, employ, and manage, on terms to be determined by the contractor, such equipment, staff and other resources as he believes to be necessary to perform the duties defined in the contract.'.—*[Mr. Dorrell.]*

Question put, That the amendment be made:—

The House divided: Ayes 128, Noes 328.

Division No. 200] **[7.34 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Cran, James
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael

Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hague, Rt Hon William
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith,
Rt Hon Sir Geoffrey
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
MacKay, Andrew
McLoughlin, Patrick
Maginnis, Ken
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mr. Stephen Day.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Allen, Graham
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Mrs Jackie
Barnes, Harry
Beard, Nigel
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell, Ronnie *(Blyth V)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda
(Edinburgh Pentlands)
Clark, Paul *(Gillingham)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dafis, Cynog
Dalyell, Tam
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Field, Rt Hon Frank
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Harvey, Nick
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hill, Keith
Hinchliffe, David
Hoey, Kate
Horne Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hutton, John
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie
(Welwyn Hatfield)
Jones, Helen *(Warrington N)*
Jones, Ms Jenny
(Wolverh'ton SW)
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kirkwood, Archy
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livsey, Richard
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McDonnell, John

McGuire, Mrs Anne
McIsaac, Shona
McLeish, Henry
Maclennan, Rt Hon Robert
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Malleber, Judy
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mowlam, Rt Hon Marjorie
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Wareing, Robert N
Webb, Steve
White, Brian
Wicks, Malcolm
Wigley, Rt Hon Dafydd
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. John McFall and
Mr. Kevin Hughes.

Question accordingly negatived.

Clause 13

DISAPPLICATION OF PAY AND CONDITIONS ORDER IN RELATION TO TEACHERS AT PARTICIPATING SCHOOLS

Amendment made: No. 86, in page 11, line 43, leave out 'shall' and insert 'may'.—*[Mr. Byers.]*

New clause 1

ARRANGEMENTS FOR GOVERNMENT OF NEW SCHOOLS

'.—(1) Where proposals for the establishment of a maintained school fall to be implemented under paragraph 5 or 10 of Schedule 6, the local education authority shall make arrangements providing for the constitution of a temporary governing body for the school.

(2) Once constituted in accordance with arrangements made under subsection (1) the temporary governing body shall continue in existence until such time as the governing body are constituted for the school under an instrument of government.

(3) The local education authority shall secure that the governing body are so constituted—

(a) as soon as is reasonably practicable after the time when the requirement for there to be an instrument of government for the school takes effect in accordance with subsection (4), and

(b) in any event not later than the last day of the term in which the school first admits pupils.

(4) The requirement for there to be an instrument of government for a school (imposed by section 36) shall take effect in relation to a school falling within subsection (1) above as from the school opening date; and for the purposes of this Part proposals for the establishment of a maintained school shall be taken to be implemented on that date.

(5) Regulations may make provision with respect to—

(a) the making and termination of arrangements for the constitution of temporary governing bodies, including such arrangements made in anticipation of proposals falling to be implemented as mentioned in subsection (1);

(b) the constitution, meetings and proceedings of temporary governing bodies, the payment of allowances to temporary governors, and the appointment of clerks to such bodies;

(c) the transition from a temporary governing body to a governing body constituted under an instrument of government; and

(d) such other matters relating to temporary governing bodies as the Secretary of State considers appropriate.

(6) Regulations under subsection (5) may, in connection with any matters falling within that subsection—

(a) modify any provision made by or under any of Schedules 9 to 12;

(b) apply any such provision with or without modifications;

(c) make provision corresponding or similar to any such provision.

(7) Subject to subsection (8), the temporary governing body of a school shall be treated for the purposes of the Education Acts as if they were the governing body during the period—

(a) beginning with the school opening date, and

(b) ending with the time when the governing body are constituted for the school under an instrument of government;

and for the purposes of sections 495 to 498 of the Education Act 1996 (general default powers of the Secretary of State) the temporary governing body of a school shall also be so treated at any time falling before the school opening date.

(8) Despite subsection (7), nothing in any of the following provisions, namely—

(a) section 35,

(b) section 36(1) or (2), or

(c) (subject to any regulations made by virtue of subsection (5)) any of Schedules 9 to 12,

applies to any temporary governing body.

(9) In this Part "school opening date", in relation to a new maintained school, means the date when the school first admits pupils.'.—*[Mr. Byers.]*

Brought up, and read the First time.

7.45 pm

Mr. Byers: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this, it will be convenient to discuss Government amendments Nos. 4, 5, 9, 1, 81, 6 to 8, 3, 14 to 22, 66, 67, 11, 23, 24, 10, 2 and 28.

Mr. Byers: It gives me great pleasure to deal in detail with the new clause and each of the Government amendments.

New clause 1 and Government amendments Nos. 1 to 11 and 81 to 82 concern the governance of new schools and set out in greater detail the position of temporary governing bodies of new schools. The greater clarity provided by new clause 1 and the Government amendments will help both governing bodies and local education authorities.

Government amendments Nos. 14 to 24 provide for transitional arrangements so that we can ensure a speedy and smooth transition when governing bodies are set up and we move to the new structure under the Bill.

Government amendments Nos. 28 and 67 concern expenses for governors. Under schedule 11, regulations may allow governors of schools with delegated budgets to be paid expenses, other than for travel and subsistence, if the governing body believes that to be appropriate. The amendments allow for regulations to give local education authorities the same latitude in their schemes to pay expenses along similar lines.

Government amendment No. 66 concerns meetings and proceedings of governing bodies, and allows governing bodies to regulate their own meetings and proceedings on any aspect not covered by the regulations.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 2

RATING OF MAINTAINED SCHOOLS

'.—(1) For the purposes of Part III of the Local Government Finance Act 1988 (non-domestic rating) the occupier of any hereditament so far as consisting of the premises of a maintained school shall be taken to be—

(a) the local education authority, where it is a community, voluntary controlled or community special school; or

(b) the governing body, where it is a foundation, voluntary aided or foundation special school.

(2) In section 43(6) or 47(2)(a) of that Act (mandatory and discretionary rate relief) any reference to trustees for a charity includes the governing body of a foundation, voluntary aided or foundation special school.'.—*[Mr. Byers.]*

Brought up, and read the First time.

Mr. Byers: I beg to move, That the clause be read a Second time.

The new clause concerns rate relief. It does not affect the existing provisions for rates which would be outside the Bill's scope. It simply mirrors the existing provisions as they affect schools and simply rolls forward the existing arrangements into the new framework. It does not affect schools themselves financially, but simply clarifies the position and introduces a degree of certainty which the Government feel will be of benefit. This is a technical new clause.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 3

CONTROL OF DISPOSALS OR CHANGING USE OF SCHOOL PLAYING FIELDS

' .—(1) Except with the consent of the Secretary of State, a body to whom this subsection applies shall not dispose of any playing fields—

(a) which are, immediately before the date of the disposal, used by a maintained school for the purposes of the school, or

(b) which are not then so used but have been so used at any time within the period of 10 years ending with that date.

(2) Subsection (1) applies—

(a) to a local authority; and

(b) in any case where the consent of the Secretary of State is not required to any such disposal by virtue of either of paragraphs 1 and 2 of Schedule 22—

(i) to the governing body of a maintained school, and

(ii) to a foundation body.

(3) Except with the consent of the Secretary of State, a local authority shall not take any action (other than the making of a disposal falling within subsection (1)) which is intended or likely to result in a change of use of any playing fields—

(a) which are, immediately before the date when the action is taken, used by a maintained school for the purposes of the school, or

(b) which are not then so used but have been so used at any time within the period of 10 years ending with that date,

whereby the playing fields will be used for purposes which do not consist of or include their use as playing fields by such a school for the purposes of the school.

(4) Subsection (3) does not, however, apply where the land in question will, on a change of use falling within that subsection, become used in connection with the provision by a local authority of educational facilities for a maintained school or any recreational facilities.

(5) For the purposes of this section the Secretary of State's consent may be given in relation to a particular disposal or change of use or generally in relation to disposals or changes of use of a particular description, and in either case may be given subject to conditions.

(6) This section has effect despite anything in section 123 or 127 of the Local Government Act 1972 (general power to dispose of land) or in any other enactment; and any consent which a local authority are required to obtain by virtue of this section shall be in addition to any consent required by virtue of either of those sections.

(7) In this section—

"local authority" includes a parish council;

"playing fields" means land in the open air which is provided for the purposes of physical education or recreation, other than any prescribed description of such land.

(8) For the purposes of this section any reference to a maintained school includes, in relation to any time falling before the appointed day, a reference to the school as—

(a) a county, voluntary or maintained special school, or

(b) a grant–maintained or grant–maintained special school,

within the meaning of the Education Act 1996.

(9) Nothing in this section applies in relation to Wales.'.—*[Mr. Blunkett.]*

Brought up, and read the First time.

The Secretary of State for Education and Employment (Mr. David Blunkett): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this it will be convenient to discuss Government amendments Nos. 77, 76 and 78.

Mr. Blunkett: The new clause is intended to fulfil another of our manifesto commitments, this time to ensure that the wholesale sell-off of playing fields is at last put to an end.

We have agreement across the House. In 1991, the then Department of Education and Science went out to consultation; seven years on, that consultation is gradually coming to an end. The previous Prime Minister, the right hon. Member for Huntingdon (Mr. Major), promised to put a stop to the sale of playing fields, having sold 5,000 of them over the years. In fact, about 40 playing fields a month are still being lost to us. Therefore, it is with great pleasure that, tonight, we can join together to say that enough is enough, and today is the day when we agree to put a stop to this environmental vandalism.

In rejoicing in doing that, we can also ensure that common sense prevails. Where it is appropriate for a swap to be done to provide facilities, that can be agreed. Where the criteria need to be worked out, that can be done in conjunction with the Sports Council, the National Playing Fields Association and others. We can apply common sense, work together, ensure that everybody gains, and provide children with adequate facilities for play and for sport. We must ensure that the environment in which they find themselves is acceptable as we approach a new century.

As I am totally against waffle, I shall sit down.

Mr. Dorrell: I am as opposed as the Secretary of State to waffle, so I do not propose to speak for more than a few moments on the new clause. The right hon. Gentleman correctly anticipated the reaction of the Conservative party. I welcome the provision being written into the law, not least for the various reasons given by the right hon. Gentleman relating to the history of the proposal during the lifetime of the Conservative Government.

In my year as Secretary of State for National Heritage, I was responsible for the early drafting of a White Paper that was then published by my successor, and which contained exactly this proposal within it. I am pleased to support the new clause.

Mr. Paul Keetch (Hereford): The Liberal Democrats will not engage in waffle on this subject, either. However, I want to make a few brief remarks.

The physical fitness of those undergoing education is vital. We are concerned that so many playing fields have been sold, but a number of swimming pools are also being closed. We all know of examples of that in our constituencies.

When I visited the Army recently in Germany, I was told that the physical fitness of new recruits is bad. One reason for that is the selling of playing fields. We must remember why playing fields are sold—to raise cash because schools are short of money. The underlying point is that if schools are not to be forced to sell them, they must be properly financed and receive the right amount of support from the Exchequer. We hope that that will be the case under this new Government.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New clause 4

GRANT MAINTAINED SCHOOLS

'.—(1) Where a school is a grant maintained school within the meaning of the Education Act 1996 at the beginning of the 1998–99 school year—

(a) the provisions of this clause shall have effect for prescribing the procedure for altering the school's status so that it is no longer a grant maintained school; and

(b) the status of the school as a grant maintained school shall not be so altered except in accordance with the provisions of this clause.

(2) The Secretary of State may by regulations make provision for ballots of parents to be held, at their request, for determining whether the grant maintained school to which such a ballot relates should retain its status as a grant maintained school.

(3) Ballot regulations may make provision—

(a) for determining the parents who are eligible to request and vote in a ballot under this section, provided that such determination shall include only parents of children for the time being in the school or who have accepted an offer of a place in the school;

(b) requiring a request for such a ballot to be made by means of a petition signed by such number eligible parents as may be specified in or determined in accordance with the regulations;

(c) prescribing the form of any petition and other requirements (whether as to the procedure to be followed or otherwise) which are to be complied with in relation to any such petition;

(d) prescribing the body ("the designated body") to which any such petition is to be sent and which, under arrangements made by Secretary of State, is to—

(i) make the arrangements for the holding of ballots under this section, and

(ii) discharge such other functions with respect to such petitions and the holding of such ballots as may be prescribed (which may include the determination of any question arising as to the validity of any request for a ballot);

(e) requiring prescribed bodies or persons, or bodies or persons falling within any prescribed category—

(i) to provide the designated body or any other person with any prescribed information requested by that body or person, or

(ii) to publish prescribed information in such manner as may be prescribed;

(f) prescribing the terms of the question on which a ballot under this section is to be held and the manner in which such a ballot is to be conducted;

(g) specify how the result of such a ballot is to be ascertained;

(h) enabling the Secretary of State, in any prescribed circumstances, to declare a previous ballot under this section void and require the holding of a fresh ballot;

(i) requiring anything falling to be done under the regulations to be done within such period as may be specified in or determined in accordance with the regulations;

(4) Ballot regulations may provide for a request for a ballot under this section to be made, in any prescribed circumstances, by means of two or more petitions.

(5) The information required to be provided in pursuance of subsection (3)(e) may include the names and addresses of parents of any prescribed description.

(6) Where—

(a) a ballot has been held under this section, and

(b) the result of the ballot was to the effect that the schools or school in question should retain grant-maintained status,

no further ballot relating to the schools or school shall be held under this section within five years.

(7) An authority or body to whom this subsection applies shall not—

(a) publish any material which, in whole or in part, appears designed to influence the result of a ballot under this section, or

(b) give any financial or other assistance to a person for the publication of material, which the authority or body are prohibited by this subsection from publishing themselves, or

(c) otherwise incur any expenditure, or give any assistance, for the purpose of influencing the outcome of a ballot under this section.

(8) Subsection (7) applies to—

(a) any local education authority, and

(b) the governing body of any maintained school within the meaning of section 95 and in the case of the governing body of such a school which has a delegated budget within the meaning of Part II of this Act (or, in relation to any time before the appointed day, Part II of the Education Act 1996) the reference to expenditure in subsection (7)(c) is to expenditure out of the school's budget share.

(9) In this section, "ballot regulations" means regulations made under this section.'.—*[Mr. Dorrell.]*

Brought up, and read the First time.

Mr. Dorrell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 113, in schedule 2, page 99, line 39, at end insert,

'except that no such school shall be allocated to a new category unless the change has been agreed to following a ballot under section (*Grant Maintained Schools*).'.

Mr. Dorrell: The House will recognise that new clause 4 deals with the principal occasion of the Bill. The Government would say that the purpose of the Bill is to raise school standards, and we all share that purpose—but the occasion of the Bill is the Government's determination to abolish grant-maintained schools. New clause 4 would offer some protection to those schools whose parents, through a parental ballot, have voted to accord to them GM status. It would entrench their right to remain GM schools and prevent the Government from removing that status without first securing the consent of the parents.

In terms of the delivery of children's education, the new clause is the most important that we are likely to consider on Report. It goes to the heart of the central purpose that led the Government to introduce the Bill—the determination to abolish GM status.

When the Secretary of State introduced his White Paper in the summer, he included as one of the guiding principles of his education policy the proposition that standards matter more than structure. No one in the House should disagree with that principle. However, in the months since that White Paper, the right hon. Gentleman's policy has given the lie to any suggestion that it motivates the way in which, day to day, he carries out his functions.

The Bill is called the School Standards and Framework Bill and it devotes 50 clauses to establishing a new framework for the management of schools. The right hon. Gentleman's principle, when it is converted into legislation, amounts to the substitution of the word "framework" for the word "structure", and then a commitment to redesign the framework of the management of schools.

As my hon. Friend the Member for Maidenhead (Mrs. May) said, it is even more ironic than that. Through the Bill—the central purpose of which is the redesign of the framework for the management of schools—the Government are withdrawing the principles of local responsibility and accountability as they have been accorded to GM schools, which have used the opportunity to deliver successful education to their children. Yet in an earlier debate, the Minister for School Standards—with our support—wanted to introduce new flexibility and new opportunities to escape from over-prescriptive local education authority control for any school that opted into an education action zone.

It is extraordinary that, within the same Bill, the Secretary of State is asking the House to endorse two flatly contradictory principles—first, the principle of withdrawal of local responsibility and the reimposition of LEA control; and, secondly, the principle of enhanced flexibility and the removal of LEA control, where that can be shown to be in the interests of children.

We agree with the Secretary of State on his second principle; we disagree profoundly with him on his first. We believe that we can adduce arguments of practice and of principle to show that when the right hon. Gentleman seeks to reimpose and reintroduce over-prescriptive LEA control, he is wrong.

First, The right hon. Gentleman is wrong on the basis of the results published by his Department on the delivery of service by GM schools. In November last year, the Department for Education and Employment listed the 240 most improved schools in Britain. The Secretary of State was embarrassed by having to admit in interviews that, of the 240 schools that he listed, a third were grant maintained. It was pointed out to him that it was a bit of an own goal to issue a press release effectively praising schools whose status he was about to abolish. Eight of the top 20 schools on the list were grant maintained.

Mr. John Bercow (Buckingham): Will my right hon. Friend confirm that those figures are all the more striking

[Mr. John Bercow]

in view of the fact that grant-maintained schools account for only 6 per cent. of all state schools in England and Wales?

8 pm

Mr. Dorrell: That is exactly right. The Secretary of State says that grant-maintained schools account for about 20 per cent. of secondary schools, but, even taking that figure, the grant-maintained sector is over-represented by a factor of roughly two in the list of most improved schools.

In the table published in *The Sunday Times* following last year's A-level results, 50 of the 100 best-performing schools, including the top three, were grant maintained. That is the track record of the structure that the Secretary of State wants to abolish, while saying that standards are more important than structure. How can the two halves of his personality be reconciled?

Mr. Blizzard: Does the right hon. Gentleman attribute the success of those schools to good management and efficient use of their delegated budgets, or to the favoured funding that they received as against other schools in the same area, many of which lost funding as a result? If the answer is the former, that will be unaffected by the legislation; if it is the latter, most people would believe that our schools should be fairly funded.

Mr. Dorrell: The answer is the former, but the hon. Gentleman is completely wrong to say that it is unaffected by the Bill. If it were true that the Bill left the grant-maintained school with the same authority over its own affairs, and the same freedom to decide which resources are spent by the school and which are retained by the local education authority, I would have no problem with it; but that is not what the Bill delivers.

The Bill consciously and deliberately reasserts the principle that the grant-maintained school should receive the resources allocated by the local education authority after the authority has decided which resources to use within its own bureaucracy. That is the principle that the hon. Member for Waveney (Mr. Blizzard) will be asked to support. He may shake his head, but that is the principle in his party's manifesto.

Dr. George Turner: The right hon. Gentleman wants to defend what he regards as essential management powers. Which of those powers will not be available under the Government's proposals?

Mr. Dorrell: I am about to deal with exactly that subject. The House should concentrate not only on the results achieved by grant-maintained schools but on the principle that lay behind their establishment. The Government are asking their Back Benchers to throw over that principle and substitute the principle that the powers should be vested in the local education authority.

The Minister for School Standards says that it is his view that the key responsibility for the delivery of standards rests with the school. He is right to say that, but the problem is that he then advocates taking powers away from the school and vesting them in the LEA. The hon. Member for North-West Norfolk (Dr. Turner) asked which powers. One was mentioned earlier: the power of the school to determine its own priorities.

The structure of the education development planning process that we discussed in Committee requires the school's targets to be agreed by the LEA, and the LEA's education development plan to be agreed by the Secretary of State. The Bill transfers power from the school to the LEA, but that power rests with the LEA only as long as the Secretary of State is satisfied, week by week and month by month, with the way in which the service is managed.

The Secretary of State is seeking powers over the maintained sector that are indistinguishable in principle from the powers that the Secretary of State for Health has over the national health service. The key difference is that the national health service was always intended to be a national service, accountable to Parliament through the Secretary of State, whereas we sought, first, to have a school system that is accountable through the local education authority—an elected assembly to a local body—and then, more recently, to have direct accountability from individual schools, through the governing body, to parents and the local community.

Dr. George Turner: I fail to understand how the Secretary of State's insisting on the setting of standards and targets interferes with a governing body's ability to achieve higher standards.

Mr. Dorrell: The hon. Gentleman is now asking me a totally different question. He asked how power was taken out of the school, and I answered his question. The school should be responsible for deciding its priorities for the community that it serves, but the Bill takes that power out of the school and vests it either in the LEA or in the Secretary of State.

It is not true, as the hon. Member for Waveney loves to argue, that there was a distortion of resources in favour of grant-maintained schools. Resources were allocated to the school rather than to the local education authority, and it was for the school to decide whether they should be used within the school or to buy services from elsewhere in the bureaucracy.

Mr. Blizzard *rose—*

Mr. Dorrell: Before the hon. Gentleman embarrasses himself again, he should remember the words of the Minister for School Standards, who is on the record as saying that he wants to raise the level of delegation in the rest of the maintained sector to that achieved in grant-maintained schools.

If that is the right principle, why abolish grant-maintained schools? Why not leave them there and raise the other schools to their standard? Why begin the process by levelling down, rather than—as the Minister for School Standards might have said, but did not—using the grant-maintained schools as a gold standard by which to raise the attainment of other schools?

Mr. Laurence Robertson (Tewkesbury): Does my right hon. Friend agree that it may well have appeared that grant-maintained schools got extra money, but that

they could spend what they needed to spend only because they were given directly money that many local education authorities had not passed on as they should have done?

Mr. Dorrell: My hon. Friend is entirely right. It is a question whether decisions about resources should be made by LEAs, or should be vested in schools and governing bodies. Sometimes, schools and governing bodies use resources to buy services from LEAs—and that is fine by us, if it is in the best interests of the school concerned and the children in it. We argue—and it is the implication, which is never faced up to, of the remarks of the Minister for School Standards—that resources should go into the school. It should then be for the head teacher principally—but also for the teaching staff and the governing body—to make decisions about how those resources can best be used.

Mr. Blizzard: Will the right hon. Gentleman give way?

Mr. Dorrell: I will give way once more.

Mr. Blizzard: I thank the right hon. Gentleman. In the light of what he has said, how does he explain comments frequently made to me by head teachers of schools that became grant maintained? Effectively, they said, "I did it for the money." Head teachers often persuaded their governing bodies to become grant maintained in pursuit of extra money—not just a greater share of the annual revenue resource taken from the LEAs, but priority in attaining capital funding from the Government. Most of those schools took the carrot that was dangled before them—extra capital resources—in what appeared to be, in the light of what the right hon. Gentleman has said, a deliberate attempt to break down LEAs altogether.

Mr. Dorrell: The hon. Gentleman says that they did it for the money. In fact, they did it to control the budget that was available for the children anyway. I say that the budget was available anyway, but, if the schools were not grant maintained, the money did not get into the schools.

Labour Members love to claim that extra resources went towards the education of children in grant-maintained schools, but that is not true. As Labour Members know very well, resources were divided on the basis of local spending decisions. That is why, in the early stages of grant-maintained status, spending levels in individual GM schools with similar needs varied: they reflected the circumstances of the LEA. The hon. Gentleman's interlocutors said, "We did it for the money" because they wanted to control the money that they knew was supposed to deliver education to their children, but which, in their opinion, was not being used properly.

It is true that many GM schools have used the extra authority that they have had over resources to improve their capital stock, but they have been able to do that because the money that was previously stuck in the bureaucracy got to the schools, and the schools were able to make decisions about the best use of that money.

The Government are committed to the abolition of GM schools. I remind Labour Members who defend the abolition of GM schools that the Bill introduces the same principles in regard to education action zones. At least we are consistent: we voted for the principles regarding education action zones against which Labour Members have just voted, and we shall vote for the principles regarding grant-maintained schools as well. We shall do so because the principles are right, whether we refer to education action zones or to grant-maintained schools.

Labour Members are wrong in their vendetta against grant-maintained schools. They are wrong because they have not looked at the evidence that such schools are successful, and they are wrong in principle. They are not adhering to a principle that the Minister for School Standards loves to proclaim, but then violates in the way in which he discharges his function: maximum delegation. When the Minister proclaims maximum delegation, he is right; when he pursues a policy that inhibits and, indeed, reverses his principle for grant-maintained schools, he is wrong.

We do not claim that the grant-maintained system was perfect or incapable of improvement; nor have we ever said that grant-maintained status is right for all schools. What we say is that grant-maintained status moved power into schools, and that the result was a dramatic improvement in the education that those schools gave children.

We make another key case. Grant-maintained schools do not exist as a result of a fiat issued by the Secretary of State or his predecessors; they do not exist as a result of a private agreement between heads and governors, or local education authorities. They exist within the law as it currently stands, for a simple reason: parents supported the principle of grant-maintained status in a ballot.

8.15 pm

That is what the new clause proposes. Given the Government's determination to remove the concept of grant-maintained schools from the statute book, the least we should do is accord schools that voted for grant-maintained status within the last 10 years the same protection that the Government are prepared to accord to grammar schools. The Government's attitude to grammar schools and grant-maintained schools is remarkably consistent. Both are successful institutions, and there is clear evidence that they have widespread parental support, but the Government are plainly opposed to both. The grant-maintained sector is uniquely exposed, however. At least the Government have said, in principle, that they will not abolish grammar schools without securing consent in a ballot.

The new clause applies principles which, as I said in Committee, I do not find hugely attractive in themselves, but which provide some protection for grammar schools. I simply ask this question: why do the Government not give grant-maintained schools, when parents have voted for GM status, the protection that they are prepared to accord to grammar schools? That is the challenge which the new clause presents to the Secretary of State. I hope that, in his reply, he will recognise this: a school that can claim in its support, first, that the system works because it delivers high standards, secondly, that it is right in principle because it reflects the principle that the right hon. Gentleman himself is introducing in education action zones, thirdly, that it is backed by parents, governors and teachers, and, fourthly, that it has already been supported in a ballot of parents is entitled to expect the protection of one of Her Majesty's Ministers. The Secretary of State should not have the power to abolish grant-maintained

[Mr. Dorrell]

schools unless he can show that parents have changed their minds, and have voted in a ballot to reverse the decision that they made in a ballot only a few years ago.

Mrs. May: My right hon. Friend the Member for Charnwood (Mr. Dorrell) has outlined the ultimate irony that lies behind the Bill very well. It is clear that the Bill is fundamentally about changing the framework of schools. Whatever the Government say about its being a Bill to raise standards, most of it is about school structures. It is about changing the framework of schools; it is about development plans for organisation committees. It is not about standards in themselves, but about the structure within which schools operate, and the sort of schools that we have under local education authorities and education action zones.

The irony is that, in two ways, the Bill discriminates against grant-maintained schools—as my right hon. Friend the Member for Charnwood pointed out. On the one hand, the Government say, "Fine. We may not want to create new grammar schools"—we disagree with that, but it is the Government's position—"but if parents have said that they want grammar schools to stay, we will allow it. As for grant-maintained schools, no thank you—goodbye."

As for education action zones, the Government envisage certain powers in an innovative new world. The Minister for School Standards confirmed that in a debate on another new clause. The Government look ahead to the provision of education in the new millennium. They want radical thinking from schools and, to bring it about, they will set up a structure enabling schools to free themselves from LEAs, to apply different terms and positions to the employment of teachers and to have extra, favoured funding. Those are the principles that lie behind education action zones. However, the principles that schools should be free from local education authorities and have the freedom to say "No, we do not want to retain standard terms and conditions for teachers", are precisely the same principles that were applied to grant- maintained schools.

The Government are saying, "Fine, we accept that schools might not want to be under the local education authority and might want to have new thinking. We think that that's a good idea, but they can do it only if they do it under the structure that we set up and not under the previous structure. If it is a Labour idea we like it, but we don't like the idea if it was introduced by the previous Government, despite the fact that they are exactly the same."

There is also a great sadness behind the Bill.

Mr. Bercow: It is small-minded.

Mrs. May: Yes, that is an excellent description of the Bill. In Standing Committee, we were told that the Bill is about looking forward to the new millennium, about free thinking and about saying that the structure of schools under a local education authority is not right. Let us make no bones about it: the Bill will lead to the demise of local education authorities. By establishing education action zones, Ministers are saying that they want to abolish LEAs, but that they do not want to come out and say so. They will create a new structure and abolish LEAs by subterfuge.

In Committee, the Under-Secretary of State for Education and Employment, the hon. Member for Birmingham, Yardley (Ms Morris), made it absolutely clear that the Government think that, very soon, there may be 400 education action zones. The Government have created the new structure not to deal with failing schools but, ultimately, to take over the education structure of the United Kingdom. That is how the Government perceive the way forward to the new millennium.

Dr. George Turner: Does the hon. Lady acknowledge that the GM experiment was divisive and that it—unlike action zones—fostered competition rather than co-operation? Despite what she says, by no means will action zones be anti-LEA. They are a way forward. Now we shall be able to get on with raising standards, rather than continuing the sterile debate of the past 10 years on the GM experiment.

Mrs. May: That intervention was up to the hon. Gentleman's usual standard. He said that it was divisive to give a school GM status, but he thinks that it will not be divisive if schools band together as education action zones and receive extra Government funding. He has defeated his own argument.

I should like to disabuse the hon. Member for North-West Norfolk (Dr. Turner), and suggest that he think through very carefully the implications of the provisions that he has voted for in the Bill. He should spend some time thinking about the likely ultimate result of the education action zone experiment. In Committee, Ministers said that, in the new millennium, the modern school structure and modern education in modern Britain would be education action zone led and not local education authority led. Ministers made that quite clear in our Standing Committee debates, and I suggest that the hon. Gentleman should go away and have another look at those proceedings. Ministers' statements on that point were very interesting.

The hon. Member for North–West Norfolk and other Labour Members have voted for the concept of schools being freed from local education authorities, but they are saying that schools can do that only if they are in an education action zone and are not grant maintained. Grant-maintained schools were very successful precisely because they gave power to schools to make decisions on their own future and on how to provide education in those schools, without being under an LEA's authoritative hand.

Mr. Bercow: Is not the extraordinary illogicality of the Government's position that failing schools can be freed from the authority of local education authorities, but that successful schools cannot be so freed bizarre, even by new Labour standards?

Mrs. May: The Government have moved forward and accepted our argument, as they will allow successful schools to become part of an education action zone and thereby free from the local education authority. However, my hon. Friend is absolutely right in saying that Ministers believe that, whereas groups of failing schools should be given those freedoms, successful grant-maintained schools must have those freedoms removed.

Mr. Hayes: Does my hon. Friend acknowledge that, by any other name, the provision is an insult to local

education authorities? Our local education authorities—be they successful or unsuccessful—are being told that they are incapable of running schools. Are local education authorities being told that the democratic accountability that they offer is no longer relevant? Moreover, are we being told by Ministers that differential funding, which various Labour Members have argued against in this debate, is now acceptable?

Mrs. May: My hon. Friend makes a very interesting point. I think that every Labour Member needs to think through the Bill's consequences for local education authorities and the Government's views on them.

I tell my hon. Friend the Member for Buckingham (Mr. Bercow) that there is an even greater illogicality in the Government's position. The Government have said—the Minister for School Standards has confirmed it in response to an intervention by my hon. Friend the Member for Guildford (Mr. St. Aubyn)—that if a group of grant-maintained schools wishes to join in an education action zone, it will be able to do so. The Government are, therefore, saying that a group of grant-maintained schools can form an education action zone—with freedom from the local education authority and, should they wish, from the national curriculum, and with powers on how to employ their staff—but that they cannot have those powers or freedom if they maintain grant-maintained status.

The Government are interested only in abolishing something called "a grant-maintained school". They are interested not in the principles underlying grant-maintained schools or in how grant-maintained schools can and have raised standards, but only in the name "grant-maintained school". It is sheer envy of that name. Ministers believe that it is perfectly acceptable for the Government to allow education action zones to have extra funding to free themselves from local education authorities because they will not be called grant-maintained schools. That is what that provision in the Bill is all about.

I suggest that the Minister and the Secretary of State should themselves think through the illogicality of saying no to grant-maintained schools, but saying yes to the very powers that grant-maintained schools provided.

Mr. Laurence Robertson: I endorse everything said in this debate by my hon. Friend the Member for Maidenhead (Mrs. May) and my right hon. Friend the Member for Charnwood (Mr. Dorrell). I should also declare an interest, as my daughter attends a grant-maintained school. She is very proud to attend such a school, and I am very proud that she attends one.

We have a number of grant-maintained schools in Tewkesbury, and I have spent much time at them.

Mr. Bercow: Will my hon. Friend take this opportunity to accept from me—having met his excellent daughter at Conservative party conferences—that she is an admirable advertisement for the continuation of grant-maintained schools?

Mr. Robertson: As they say on the television, "You may think that, but I couldn't possibly comment." Nevertheless, I thank my hon. Friend for that very kind intervention. I suspect that more unfriendly interventions will be forthcoming as I make my speech.

I have spent much time at those grant-maintained schools, and base my remarks not only on those visits, but on my experience, some years ago, as a chairman of governors of a primary school that had about 200 pupils. At that time, primary schools of that size could not opt out; they could not apply for grant-maintained status. I tended to find that, as chairman of governors, I spent at least half my time fighting the nonsense of the socialist LEA in Bolton, and very little time doing what I was supposed to do. The headmaster found himself in a similar position.

The LEA adopted a sinister and arrogant attitude to that primary school, because it knew that, at that time, we could do nothing about it. It—and other LEAs—adopted a very different attitude to secondary schools that could opt out, because of the constant threat that those schools might leave the LEA. I do not like to use the word threat, but, when dealing with socialist LEAs, especially in the north, it was necessary to use every available weapon to run a school decently.

8.30 pm

That experience persuaded me to put pressure on the then Secretary of State, my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard), to allow smaller primary schools to apply for grant-maintained status. I was proud to take part in that campaign, and the Secretary of State authorised the change. I felt that smaller primary schools needed financial and managerial autonomy. The schools that have opted out have enjoyed success as a result.

The then Government wanted schools to become grant maintained because they wanted to give parents a choice about which schools their children attended. There were grant-maintained schools, Church schools and grammar schools—a range of schools—so the opinion of parents, the people who really take these decisions, mattered.

However, I have one criticism of the then Government: they made it far too difficult for schools to opt out. An enormous turnout of parents in the ballot was required. That requirement, and the terrible campaigns that LEAs carried out against schools that appeared likely to opt out, made it difficult for schools to opt out. Before any hon. Member says that there are not that many grant-maintained schools, I should say that that is hardly surprising, because there were no depths to which the LEAs would not sink to prevent schools from opting out. That is why there are not as many as there should have been.

Mr. Brady: Would my hon. Friend care to reflect on the position of many grant-maintained schools that faced sinister and unpleasant campaigns by their LEAs, which tried to oppose GM status? Many of those schools are in great fear of the prejudice that they may experience from predominantly Labour LEAs when they are forced back into the LEA sector.

Mr. Robertson: My hon. Friend is right. Those schools do not know what will happen and they are afraid of being returned to that situation. Some disgraceful campaigns were mounted against schools that proposed to opt out.

I attended St. James's school in Farnworth, Bolton which I believe, became the second school in the country to opt out. It was interesting to watch how the LEA acted

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to try to prevent the school from doing so. It let it be known that the school might close. That made parents slightly dubious about sending their children to the school, so the rolls started falling, and the LEA then considered closing the school. The Bolton LEA thereby put the school in a position where it had no option but to opt out. The campaign that the LEA waged against the school was disgraceful. My hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) is absolutely right.

The previous Government should have made it easier for schools to opt out, especially given the success that grant-maintained schools have had. I ask a single question. Those schools—

Mr. Don Foster: The hon. Gentleman has just suggested that the grant-maintained school experiment has been some sort of success. I appreciate that this is the last gasp of an attempt to save them, but will he enlighten the House with his knowledge of evidence that demonstrates that the grant-maintained school sector has led to overall benefits? Specifically, will he draw our attention to any research that he knows of that has shown that the grant-maintained school experiment has led to a raising of academic standards?

Mr. Robertson: I can only quote the figures that I have been given. *[Laughter.]* Well, I shall not quote the figures that the Minister gave me because, when I did so this morning, having had them in writing from the Minister, he denied that he had given them to me—so I shall not quote the Government's figures, because I may be corrected. They may change later this evening.

However, I understand that 92 per cent. of grant-maintained schools have appointed additional staff, 91 per cent. have increased their spending on books and equipment and 54 per cent. have increased their spending on new buildings. *[Interruption.]* From a sedentary position, the hon. Member for Bath (Mr. Foster) suggests that I am talking only about cash. I am actually talking about what that cash bought, which seems to me to be quite important.

Mr. Hayes: My hon. Friend is right to draw attention to those extra measurements of input, but measurements of output are also relevant. As my right hon. Friend the Member for Charnwood (Mr. Dorrell) said, measured by examination results, by university entrance or by any of the standard criteria for academic success, grant-maintained schools are way above and beyond a success; they are a towering success. I know that the hon. Member for Bath (Mr. Foster) was a friend of city technology colleges and grant-maintained schools before he entered the House.

Mr. Robertson: As usual, my hon. Friend makes the point better than I could.

If, now that opted-out schools are about to lose their status, I were to ask them, "Would you, by choice, revert to your previous status under the LEA?" I am not aware that any school would choose to do so. We should listen to what those schools are saying. It is all very well for us to talk about the subject in the Chamber. Should we not listen to what the schools are saying? They opted out voluntarily, and they would not revert to their previous status. They have had success because they have been able to control their finances. They have more teachers, books and buildings.

Grant-maintained schools have also been a success in less tangible terms. When one walks through a grant-maintained school, one can feel its liveliness, balanced by discipline. I believe that that is unique in such schools.

Mrs. Browning: I wonder whether my hon. Friend is wondering just how wrong a Prime Minister can be. Labour Members are all gesturing from sedentary positions to suggest that everything that my hon. Friend is saying about academic standards and discipline in schools is wrong, and yet the personal preference of the Prime Minister of this land—

Mr. Tony McNulty (Harrow, East): Cheap.

Mrs. Browning: It is not cheap; it is fact. It cannot be denied. If the Prime Minister of this land, who has the choice of any school that he wishes—including those in the private sector—decides to send his son to a GM school, is his judgment out of accord with that of the members of the Labour party, or is it that they are right and he is wrong? I wonder what my hon. Friend thinks of that.

Mr. Robertson: I am grateful for that intervention. The Prime Minister is absolutely right to exercise his choice about which school he sends his children to—I wish them the best of success—but he is wrong to deny that choice to other children. Of course, he is only following what many other Labour Ministers have done. They have attended schools that, at a later date, they have wanted to close. It is a matter of "Do as they say and not as they have done." They have benefited from a far greater education than many Conservative Members have done, but have then wanted to close those very schools. It is hypocrisy. I am sorry that that is the case.

I spoke of the success that resulted from financial and managerial autonomy. I spoke of the intangible success of a disciplined and lively atmosphere in grant-maintained schools. That has led to the academic success that Conservative Members have mentioned.

Mrs. Louise Ellman (Liverpool, Riverside): Is the hon. Gentleman seriously saying that local authority schools do not have discipline and standards? Is he aware that only a handful of schools chose to opt out in areas such as Labour Lancashire? Is he also aware that the Labour-controlled Lancashire county council transformed its inheritance from a Conservative administration to raise standards of numeracy and literacy, as well as well-being and discipline?

Mr. Robertson: Having spent 33 years in Lancashire, I do not recognise the success that the hon. Lady describes. I am not suggesting that there is no discipline in schools that are not grant maintained. I am saying that the grant-maintained schools that I have experience of have successfully balanced a great fun atmosphere with good discipline. If the hon. Lady is suggesting that there has not been a discipline problem in our schools, she has

lived in a different country from me. There have been serious discipline problems at many schools in Lancashire.

The financial autonomy, managerial autonomy and intangible atmosphere of grant-maintained schools have led to great academic success. That success is clear for all to see. It is a tragedy that the Government want to scrap those schools.

What will happen to grant-maintained schools when they return to LEA control? Like other schools, they will have to queue up for money from LEAs. That is difficult for many schools. Many councils have a lot of bureaucracy and top-slice the money, diverting it from schools. I pointed out to the Secretary of State at Education and Employment questions a few weeks ago that the Labour group in Gloucestershire did not want to passport the Government's extra money to schools. That money is being passported only thanks to the Conservative group, with the support of the Liberal Democrat group. The Labour group voted against it.

Mr. Brady: Disgraceful.

Mr. Robertson: Absolutely disgraceful.

If something is not broken, we ought not to be fixing it. As my hon. Friend the Member for Maidenhead asked, why are the Government making the changes? It is another vain attempt to look dynamic. If there had been no grant-maintained status, the Government would probably have introduced it, just to look as though they were doing something. Their behaviour is spiteful. Many Labour Members still consider good education to be an elitist concept. I did not have the education that I might have wanted, but I respect those who did and I respect organisations that provide good education. It is a pity that the Government do not. Their socialist principles are in good health and are here for all to see.

Mr. Brady: I am delighted to follow many of my colleagues who have spoken eloquently in support of grant-maintained schools. *[Interruption.]* The Secretary of State is chuntering from a sedentary position, as he was when my hon. Friend the Member for Tewkesbury (Mr. Robertson) was speaking. My hearing is very good. I could tell that he was suggesting that my hon. Friend had had the good fortune to attend a grammar school, as I did. I saw the palpable disappointment on his face when he discovered that that was not the case.

Mr. Laurence Robertson: I am happy to correct the Secretary of State. I am not proud of the fact, but I had the distinction of failing the 11 plus. I went to a good secondary modern school and did not go to a grammar school until I was 16.

Mr. Brady: We may come to selective education on the second day on Report. I point to my hon. Friend as a perfect example of how a selective education system can work for the benefit of all. My hon. Friend was not traumatised and made a failure for life by failing his 11 plus. I accept that the Deputy Prime Minister may have suffered from that more significantly. We shall doubtless come to the issue on another occasion.

I am proud to defend grant-maintained schools, but I am sad that we have to do so. The Government's actions regularly contrast with their policies. They say that intervention should be in inverse proportion to excellence. That sounds fine and we all support the principle. However, their actions oppose it. To abolish grant-maintained status when grant-maintained schools achieve so much is a disgrace, as is the Government's intention to damage grammar schools, which are another mark of excellence in our state education system. The Government should be proud of them, as we are.

The Government have moved some way towards understanding the logic of giving greater freedom and independence to schools. That is evident in the education action zones proposals, principally for failing schools in inner-city areas, which will be given greater freedom and flexibility. At the same time, as several of my hon. Friends have said, the Government's policy on grant-maintained schools runs in entirely the opposite direction.

By creating foundation schools, the Government have moved a little way. The measure is a sop to grant-maintained schools and the idea that independence and autonomy in schools are a good thing; it is very half-hearted. By going so little of the way towards a system that we have seen work so effectively, the Government risk throwing out all the benefits of grant-maintained status. Parents in many parts of the country will have cause to criticise the Government for that in years to come.

8.45 pm

The imposition of LEA representatives on boards of governors, the removal of articles of government of schools, the imposition of a standard new form and the control over admissions policies all point to a major erosion of independence.

Changes in funding arrangements, which have been discussed to some extent, are entirely inadequate and have not been made sufficiently explicit. We need far greater transparency and a far fairer settlement in transitional arrangements—not only over one year—particularly for schools that only recently became grant maintained, such as Altrincham girls' grammar. It is vital that such schools should be able to continue and complete their restructuring, expecting that special purpose grants will be available and without having to do so in a concertina time scale.

To change the teaching force and the profile of staff over one year would be very unsettling. It would be appropriate for the Government to consider extending the transition period to allow such schools to take a longer view and to smooth out changes as they otherwise would have done.

My right hon. Friend the Member for Charnwood (Mr. Dorrell) referred to the academic success of GM schools, which I was going to do only in passing. I am pleased that, in contrast to their performance in Committee, Labour Members did not take the trouble to try to suggest that the performance of GM schools was not as good as we claim. The hon. Member for Bath (Mr. Foster) challenged one of my hon. Friends, however, so I shall give him some of the figures that ought to be on record in this debate.

The figures are very clear; they show the percentage of schools in which pupils achieved, for instance, five-plus A to C grades at GCSE. In the grant-maintained sector,

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the figure is 53.3 per cent., the national average is 42.6 per cent. and the LEA performance is 39.8 per cent. That difference is maintained even in areas where there are no selective schools. GM schools in those areas achieve a performance of 45.6 per cent. against an LEA performance of 38.4 per cent.

Before Labour Members talk about social differences across the country, I should point out that the same difference in performance is borne out even in areas where many free school meals are provided. In areas where more than 30 per cent. of school meals are provided free of charge, GM schools deliver a performance of 29.4 per cent. of pupils achieving five-plus A to C grades, against an LEA performance of 21.7 per cent. I know that the hon. Member for Bath is itching to get to his feet, so I shall allow him to intervene.

Mr. Don Foster: The hon. Gentleman was absolutely right; I was itching to get to my feet. If grant-maintained schools were the success that he described, presumably the prediction of the former Secretary of State, Mr. John Patten—that by about four years ago, the majority of secondary schools would be grant maintained—would have come true. He said that if they were not, he would eat his hat, garnished; we are stili waiting for him to do so.

On statistics, does the hon. Gentleman accept that it is important that we are concerned about results across the country? He must, therefore, demonstrate that the growth of GM schools—what growth there has been—has led overall to an increase in success at GCSE level, for example. Does he acknowledge that, in LEAs where there has been a growth in the number of 15-year-old pupils who have gone to GM schools, there has not been a commensurate increase in the average GCSE point score? That is statistically correct.

Mr. Bercow *rose—*

Mr. Foster: Some GM schools have done better because they have received additional funding and they should have done better. But, overall, there has not been an increase.

Mr. Brady: I am beginning to become confused about who is intervening on whom. My hon. Friend the Member for Buckingham (Mr. Bercow) sought to intervene on the hon. Member for Bath. I feel as though, by rising to my feet, I am merely giving my hon. Friend an opportunity to speak.

Mr. Bercow: My hon. Friend displays characteristic courtesy in giving way on this point. Does he agree that the hon. Member for Bath (Mr. Foster) imposes far too great a burden of responsibility on grant-maintained schools? It is surely not necessary for grant-maintained schools, which constitute a tiny minority of maintained schools, to show that they have improved standards in all other schools. In order to retain GM schools, we must simply demonstrate that they do not damage other schools.

Mr. Deputy Speaker: Order. Interventions should not be speeches: they should be very brief.

Mr. Brady: I thank my hon. Friend. I agree that it would be unfair to place such a responsibility on any one grant-maintained school. The argument advanced by the hon. Member for Bath—like those put by Labour Members—reveals a manifest failure genuinely to grasp the importance and benefit of competition. That fact emerged earlier by way of intervention. Grant-maintained schools have played, and continue to play, a critical role by setting a gold standard to which other schools can aspire. Amidst all the rhetoric, the Minister for School Standards occasionally recognises that fact by saying that he wishes to bring all schools to the standard of grant-maintained schools.

However, the reality will be entirely the opposite. There will be a process of levelling down—removing the successful grant-maintained schools and returning to a mixture of local authority control, in one form or another, which will erode standards. My right hon. Friend the Member for Charnwood revealed that 30 of the top 100 improving schools are grant maintained. That is further compelling evidence of the key role that grant-maintained schools can play in raising education standards in this country. It is a tragedy that the Government will prevent that progression.

New clause 4 will not only greatly improve the Bill from a technical point of view, but be a vital step towards a fairer approach on the part of the Government. It is impossible to justify the new Government's decision. Parents have voted—in some instances by overwhelming majorities—for grant-maintained status, but the Government have decided to wave them aside and push legislation through the House of Commons.

Dr. George Turner: Will the hon. Gentleman give way?

Mr. Brady: Yes, with some reluctance.

Dr. Turner: Does the hon. Gentleman accept that there was a vote on the policy which was thrashed out before the general election? The electorate gave the Government the mandate to introduce the compromise that was trailed in the White Paper and which is brought forward in this Bill.

Mr. Brady: The hon. Gentleman reveals his Stalinist tendencies. Although he may have enjoyed the brief period of success thrust upon him by the election result last year, some parts of the country did not vote for the kind of policies that he supports.

In my constituency—where the electors clearly did not vote for the Labour manifesto—the figures speak for themselves. Parents wish to retain grant-maintained schools in my constituency. At my old school, Altrincham grammar school, 78 per cent. of the parents voted and 75 per cent. voted in favour of grant-maintained status. At the Ashton upon Mersey school, 73 per cent. of parents voted and 76 per cent. of them voted for grant-maintained status. At the Blessed Thomas Holford school, 64 per cent. of parents voted, but 84 per cent. of them voted in favour of grant-maintained status.

There is a very real demand for grant-maintained schools in my constituency. Such schools were, and are, popular and they are doing a good job. They were always good schools, but they have improved dramatically since they became grant maintained. The quality of grant-maintained schools shines through not only in

selective educational areas. That is an important point as Labour Members often try to attack grant-maintained schools on the false premise that they are all selective.

I will refer once again, as I did in Committee, to a school of which I am particularly proud—Ashton upon Mersey school, where 23 per cent. of the pupils have free school meals. It is by no means in an area of great social standing or privilege, but it achieves a remarkable outcome for any school. Possibly—the Minister may be able to correct me—it is the only school in the country that has twice achieved an outstanding award from the Office for Standards in Education and a charter mark, and has recently been made a sports college. It is not a selective or grammar school, but a classic and fine example of a grant-maintained school—in this instance a secondary modern, which is using the freedom to control its own resources, decide its own policy and create its own ethos to generate a proud and effective school which serves the local community well.

Ministers would be wise to reflect on the lessons that can be learnt from schools such as Ashton upon Mersey and countless other grant-maintained schools, and they would be wise to remember the popular mandate that many GM schools received from parents who voted for them in overwhelming numbers.

Mr. St. Aubyn: We have heard some excellent speeches from Opposition Members in praise of grant-maintained schools. As my hon. Friend the Member for Altrincham and Sale, West (Mr. Brady) said, it is depressing that we have heard little in response from the Labour side—not even a gracious acknowledgement of how successful those schools have been. Anyone who is interested in raising academic standards has surely to begin with that acknowledgement.

I ask the Government to acknowledge another home truth; that academic excellence is for the few, not the many. Not all of us can have a first class degree. In fact, not all students should go to university and not all school leavers should try for A-levels. Different approaches and levels of education are appropriate to different individuals and if we accept the logic of that, we accept that inevitably, in a fair education system, society will invest more money in some children than in others and yet it will still be a fair system. If we accept that, we are not outraged by the idea that the resources devoted to some schools are slightly higher pro rata than those devoted to others.

The real test of the record of grant-maintained schools is not whether they have achieved a marginal increase in the resources that go into them, but how they have achieved far more than a marginal increase and improvement in the academic success of pupils.

In the area I represent, we have a number of grant-maintained schools. They are not selective, as we have a non-selective system throughout our county, yet they have consistently achieved outstanding academic results. Today, they are asking what they have done wrong. Why are they being forced into the yoke built by this Government in the Bill, which will force them to conform to the branding exercise that new Labour is carrying out?

As my hon. Friends have said, we know that the Government accept the principles of GM schools. Indeed, on 5 February I recall the Minister for School Standards telling us how he intended to build on the experience of those schools. Welcome though that was at the time, as with much that we hear from the Minister it was an ambiguous statement. So much has been reserved in the Bill to be controlled by regulation and decree after it is enacted that it is deeply ambiguous throughout. Conservative Members may be in for a pleasant surprise, whereas some Labour Members may be in for a shock, when education action zones are extended to include clusters of GM schools that know how to take advantage of them.

Our difficulty with the Bill is that, because it will give so many discretionary powers to Ministers, it gives little away to hon. Members who are being asked to agree to it. The new clause would tie down the democratic accountability that is needed for any legislation that introduces as many new powers as this Bill does.

9 pm

As I said, there is a non-selective system in Guildford, yet the achievement of the schools there is significant. Recently, I met the heads of GM schools in the area, who asked me why they should choose foundation status and what it would achieve, as it would mark them out as former GM schools and would not provide them with their previous independence, either financially or from LEA governors.

Fortunately, there is a Conservative LEA in my area. The response of people throughout the country who are in favour of GM schools will undoubtedly be reflected in local election results—more and more local authorities will return to Conservative control as people realise that that is the only way in which they can be sure of the approach to local education that is represented by the excellence achieved by GM schools.

Because Guildford has a Conservative LEA, I can reassure the heads of GM schools in my area, but I understand their concerns for schools where there is not a Conservative LEA. They are worried that, in an area that has a Labour LEA, foundation status will be used as a mechanism to discriminate against GM schools and that a political project will be launched to try to force those schools to give up foundation status and return to the mainstream. If that project succeeded, it could be heralded as a political victory for the Government when in fact it would be a cynical exercise in undermining the morale and success of some of the best schools in the country.

Earlier, we were asked to provide evidence of the success of GM schools. Last November, *The Independent* published research showing that barely 5 per cent. of schools exhibited an improvement in standards for each of the previous four years. Of that 5 per cent., one in three were GM schools. Moreover, as we heard, eight of the top 20 schools in the country are grant maintained. There can be no doubt about GM schools' ability to raise standards.

Because of the Government's retrograde step, GM schools are being denied the opportunity to build partnerships. Labour Members often talk about the need for local partnerships; GM schools are ideally placed to build them. They could show other schools in the area how to build forms of co-operation that go way beyond what the LEA can offer through its bureaucratic and stratified systems and means of delivery. Why should not local schools go out to tender in a group bid for financial

[Mr. St. Aubyn]

and auditing services? Why should not groups of schools pool their transport or sports facilities? Very few schools adopt such an approach, but if any group of schools is capable of doing so and developing these ideas, it is GM schools. They should do it because, in doing so, they would produce a better quality service that releases resources to put into education.

It is a great regret that, as a result of the passing of the Bill, there will be no opportunity to develop the independence of GM schools in setting their capital budgets. It was a matter of resentment to the hon. Member for Waveney (Mr. Blizzard) that GM schools had some freedom on their capital budgets, but let us not forget the context in which that freedom was given. The capital spending of GM schools was outside the public sector borrowing requirement. We learnt only by chance in Committee that the Government had allowed that favourable status to be lost. It appears that they are incapable of doing anything to resurrect it. They appear to be happy to see £11 million of capital spending by GM schools come back within the PSBR and to deny such schools the opportunity, under whatever status they might be granted, to regain that freedom on their capital budgets.

The Minister told us in Committee that his Department had examined the problem and was unable to come up with any answers, but surely the fact was that it was unable to come up with any answer that would meet the Government's objective of getting rid of GM schools.

Mr. Byers: I am reluctant to intervene because the House wants to make progress, but the hon. Gentleman has been misleading in his description of what I said in the Standing Committee. For the record, he should accurately reflect the fact that the decision was taken by the Office for National Statistics. I made it clear that the Government were making representations for it to change its decision. I hope that the hon. Gentleman agrees that that is an accurate reflection of what was said in Committee, unlike what he has just said.

Mr. St. Aubyn: I believe that there is a misunderstanding. I was trying to explain to the Minister that he would have immense difficulty changing the ruling of the National Audit Office precisely because he had constrained his freedom of manoeuvre by the way in which he has designed the Bill.

Mr. Byers: The hon. Gentleman needs to be aware that the National Audit Office has nothing to do with the matter, which involves the Office for National Statistics. He needs to be aware that the ruling affects grant-maintained schools as it applies to their present status, regardless of the new framework in the Bill.

Mr. St. Aubyn: I stand corrected, but I must point out to the Minister that he has an opportunity in the Bill to create a structure for GM schools that would still be recognised as providing them with a capital budget outside the PSBR. He has failed to take that opportunity.

Mr. Blunkett: I need to put it on record that the House does not have the facility to overturn the Office for National Statistics. It is important for the hon. Gentleman's sake and the sake of his Front-Bench colleagues, who know that what I have said is correct, to state that we are not in a position to do that.

Mr. St. Aubyn: I am grateful to correct the impression created by the Secretary of State. We are talking not about overruling the Office for National Statistics but about creating a new structure into which GM schools could be fitted that would satisfy the requirements of that office and enable the favourable capital budget treatment to continue—but that would involve maintaining the independence and integrity of GM schools, which is anathema to the Government. As a result, the capital spending of schools in general and former GM schools in particular will be constrained in a way that is due purely to dogma and the Labour party's blatant approach to GM schools.

The Bill is all about conformity. As my hon. Friend the Member for Maidenhead (Mrs. May) said, there is a contradiction between the Government's desire to attack individual grant-maintained schools and the possibility that, through the education action zone, they may be prepared to sanction a cluster of GM schools. The reason for the contradiction is that the Government seek conformity. Through conformity, they may achieve some improvement in the performance of the laggards—the schools that are performing least well—but they may at the same time undermine the spirit, energy and enterprise of the best schools and thus the service that our education system should provide for the best of our children.

Mr. Hayes: New clause 4 addresses the contradiction that lies at the heart of the Bill. The Government are sending out a confused message about their appreciation of the role of the local education authority, individual schools and the Secretary of State.

I do not argue with those who say that LEAs should take a strong, perhaps even a dominant, role. That is a logical and acceptable position. I do not argue with those who take the view that all schools should be encouraged to opt out, that LEAs should wither away and that schools should work independently. I do not even argue with those who say that the entire system should be governed centrally—that there should be an all-powerful Department for Education and Employment, that LEAs should cease to exist in all but name and that powers should be removed from the schools. All those positions are at least coherent.

The problem with the Government's approach is that it is a mix of all those positions. The Bill gives the Secretary of State more powers than any Secretary of State has enjoyed before. Labour Members who complained about the centralising tendencies of Conservative Governments over the past 20 years would do well to consider the new powers that the Bill gives the Secretary of State in a range of areas that would have scarce been thought of by Conservative Secretaries of State. Had such powers been proposed before the general election, they would have been roundly condemned by Labour Members.

The Secretary of State is a winner out of all this. LEAs take back some extra responsibilities, but their role is confused. We have already heard of the confusion about education action zones and their relationship with LEAs, and there are other contradictions in respect of the role of LEAs. The schools are, by and large, losers—and none more so than grant-maintained schools.

I shall deal with grant-maintained schools in the context of that general confusion about the future management of education. There has already been some talk in the debate about academic success, which I shall not repeat. I shall not take hon. Members on a travelogue around Windsor, Guildford, Altrincham and other fine places. I mean no disrespect, but I shall not focus on interesting schools in bizarre parts of the country, or bizarre schools in interesting parts of the country.

Given that we all accept that grant-maintained schools have achieved excellence in academic performance, I want to try to analyse the reasons for that success. Even the hon. Member for Bath (Mr. Foster) has acknowledged that in GCSE results, university entrance and A-level results, grant-maintained schools have performed disproportionately well. The question is why.

The answer can be summed up simply. It is about liberty, which breeds confidence; confidence, which breeds higher expectations; and higher expectations, which breed success. If there is one thing that my experience in education has taught me, it is that higher expectations are the key to improving educational performance. That are precisely what liberation from the LEA delivered.

I have no prejudice about that; I say it on the basis of my conversations with heads and teachers from grant-maintained schools all over the country. All of them—including those who would not vote Conservative—conclude that liberty has bred a spirit of energy and enterprise, as my hon. Friend the Member for Guildford (Mr. St. Aubyn) said. That intangible matter of ethos has changed the expectations of schools, staff, parents and pupils, and raised standards. The new spirit, energy and liberty is at risk from the Government's policy, and that is a cause of great regret and sadness.

9.15 pm

I said that I would not give the House a travelogue, but I want to say something about a particular school in my constituency—I would be condemned roundly if I did not. The grant-maintained Sir John Gleed girls' school is in Spalding in Lincolnshire which, I am pleased to say, retains a selective system of education. I am a grammar school boy; I make no bones about the fact that I believe strongly in selection.

Sir John Gleed girls' school is a secondary modern in a town with a good grammar school for girls that is taking a significant and growing proportion of the brighter girls in Spalding, yet it is achieving results equal to or better than many of the comprehensive schools in other parts of Lincolnshire. I was lucky enough to distribute the prizes at the Gleed last year and I can tell you that its success is largely about expectation, ethos, energy and enterprise. It is largely about what is expected of the girls who go to the school—a school which, bear in mind, has many children with learning difficulties. It is a secondary modern that takes a mixed catchment. I can tell you—

Mr. Deputy Speaker (Mr. Michael Lord): Order. I think the hon. Gentleman means that he can tell the House.

Mr. Hayes: I can tell you, Mr. Deputy Speaker—and through you, the House—that the school is a testament to the fact that grant-maintained schools that are non-selective, that deal with difficult catchments and that have no great advantages, can achieve outstanding results. The school has improved consistently over five years, with none of the apparent advantages mentioned by the hon. Members for North-West Norfolk (Dr. Turner) and for Waveney (Mr. Blizzard).

The school is joined to another secondary modern—not just on the same site, but in the same building—which is not grant maintained; Sir John Gleed boys' school. It is an excellent school, but it is not as yet achieving the results that the girls' school is achieving. This is not about new buildings, greater capital investment or some disproportionate funding mechanism that gives undue and unreasonable advantage to the school; it is about spirit, enterprise, energy and liberty—it is about being grant maintained.

There will be those—imperialists always say this—who say that the schools would have been better off under LEA control. There will be those who make light of the intangible concepts I have described. Having visited grant-maintained schools not just in my constituency, but all over Britain, I have scarcely found one that would willingly give up that status. I have scarcely found a head teacher who would honestly say he regretted going grant maintained—even those who initially had reservations, who were not natural supporters and who were not Conservatives but socialists or Liberals. That is why they are so concerned and bitter about the proposals.

With a degree of empiricism, I can genuinely say that grant-maintained status has been a success. Given that empiricism, it is hard to imagine why a fair-minded and objective Government would want to snuff out that success—but that is precisely the prospect we have before us tonight. It is not, I am happy to say, a proposal with which I wish to be associated.

Given the initial failure of this confused and mixed-up Bill, I look forward to the Government clarifying their position on the future of education as they perceive it; clarifying how they see the role of LEAs and how they will develop; clarifying how they see the freedom of individual schools developing and, of course, clarifying what direction needs to emanate from the Government.

The Bill does none of those things. It is a poor start. Ultimately, because we all want a good education for our children, in a spirit of generosity I hope that the Government will do considerably better in the future.

Mr. Bercow: A number of my hon. Friends spoke eloquently of the success of grant-maintained schools. In each case, they cited schools in their constituencies that have performed, and continue to perform, exceptionally well. To date, none of the evidence that my hon. Friends adduced in support of the proposition has been disputed by any hon. Member.

It should be placed on the record that the hon. Member for Bath (Mr. Foster), whose long-standing hostility to grant-maintained schools is well understood, seeks to obscure the realities by posing a challenge to grant-maintained schools that it is wholly unreasonable for the House to expect them to fulfil. The point bears examination. He asked in all sincerity whether successful grant-maintained schools had contributed to the greater success of all schools. The implication was that, unless they could demonstrate that they had, their raison d'etre would disappear.

[Mr. Bercow]

I disagree. It is clear that these schools have succeeded by themselves. I have four in my constituency that are dramatic beacons of excellence. They are thriving at all levels, including key stage 2, GCSE and A-level, in providing facilities, in satisfying their requirements in sport, in achieving excellence in pastoral care, and so on. Each and every one of them is a success.

If the hon. Member for Bath challenges me to prove that those schools have also raised the standards of all other maintained schools in Buckinghamshire, I will readily concede that I cannot—of course I cannot—but equally, and more important, he cannot prove that successful grant-maintained schools in Buckinghamshire have in any way damaged the educational attainments of other schools. That is the point. The onus of proof is not on a grant-maintained school to demonstrate that, as well as educating successfully its own pupils, it has managed somehow to achieve the extraordinary feat of educating successfully pupils of other schools. At most, all that is necessary is for it to be able to demonstrate that it has not undermined the quality of education provided in other institutions, and on that I very much doubt whether the hon. Gentleman will be able to provide evidence.

It is uncharitable of the hon. Gentleman in a sense to smear grant-maintained schools by requiring of them achievements that he would not require of ordinary maintained schools. The record of grant-maintained schools compares favourably with that of other schools. I would be no more likely to assert that all state schools should be grant maintained than any other Opposition Member. I have never argued that case. Many such schools do not wish to be. However, many have chosen to be grant maintained and, having escaped—I use that word advisedly—local education authority control, scarcely any of those of which I am aware now wish to go back into that control.

I am a fair-minded fellow, charitable even—[HON. MEMBERS: "Hear, hear."]—as my hon. Friends' ready enthusiasm in greeting my observations testifies. I am not making a party political observation. I could point to all the examples of Labour local education authorities that have been so incompetent, malign and manifestly unsuitable that schools have rushed to escape their clutches—but I will not.

I point instead to the schools in my constituency and elsewhere in the county of Buckinghamshire that have opted to become self-governing outwith the control of Buckinghamshire county council. I am happy to describe and to criticise again and again the outrageous antics and consecutive failures year after year of left-wing education authorities, and I point to their passion for political correctness.

I make no such charges against Buckinghamshire county council. It is an estimable local education authority, so schools in my patch are not trying to escape the council's control because it is extremist or politically correct, is opposed to standards or has a track record of failure. None of those charges would be true. Indeed, the opposite is true in every case.

The county as a whole is dramatically successful, and many of its thriving schools are within LEA control. Those that have opted to become free of that control—to go their own way, make their own decisions, allocate their own funds, organise their own priorities and determine their own successes—have, without exception, upon my visiting them or via correspondence, told me that they welcome that state of affairs and wish it to continue.

That leads me to my second and final point.

Mr. Brady: I am grateful to my hon. Friend for giving way to me, especially before he moves on to his second point—for which I can scarcely contain my anticipation. He has made an eloquent case for the excellence of grant-maintained status, in that, even in such a good local authority area as Buckinghamshire, schools still see its value. Grant-maintained status is not a negative thing, adopted merely to escape from bad local education authorities.

I have an even better example of the quality and merit of grant-maintained status. Two independent schools in my constituency have opted for grant-maintained status, because they believe that they will continue to enjoy the freedom that they had as independent schools, while being able to give the same quality of education to people regardless of ability to pay. Is it not a disgrace that the Government seek to destroy that state of affairs?

Mr. Bercow: My hon. Friend makes a powerful point. Perversely, the Government could end up by expanding the fee-paying sector as a result of their dogmatic hostility to the self-governing sector of the British education system. They would not want to do that, and they did not anticipate or plan for it, but that could be the outcome.

It comes down to a question of democracy, and whether people have a right to have their schools run by people whom they do elect and can remove, or whether they should suffer the fate, of which the right hon. Member for Chesterfield (Mr. Benn) regularly reminds us, of affairs being run by people whom they do not elect and cannot remove.

Let there be ballots; let people have a say; let the cross be placed on the paper to determine the outcome. If that can happen for grammar schools, I ask the Secretary of State why it cannot happen for grant-maintained schools.

I have said before, and I say again, that Conservatives can be forgiven for thinking that, just conceivably, the reason why the Government do not want ballots—

Ms Rachel Squire (Dunfermline, West): Get on with it.

Mr. Bercow: No, I am afraid that I shall have to extend the hon. Lady's pain, because the embarrassment that the point causes the Government needs to be emphasised.

The reason why the Government do not want ballots is that they know that, in almost every instance, they—*[Interruption.]* The hon. Member for Dunfermline, West (Ms Squire) has clearly had her day and it is obvious that she is suffering from an illness from which I hope she will in due course recover. The Government will lose and we will win. Let democracy speak. Allow the parents to vote.

9.30 pm

Mr. Don Foster: It is a charitable person who seeks to find some good in even the most misguided of people. I enjoyed the contribution of the hon. Member for South

Holland and The Deepings (Mr. Hayes), but I disagreed with it fundamentally. However, I agreed with one point, and that was his reference to the need for us to have high expectations of the children in our schools and of the schools themselves. He was right to draw our attention to that. I suspect that, in the past, some LEAs have not had high enough expectations of their schools, and that some teachers have not had high enough expectations of their pupils.

I even find some good—very little, but some—in the contribution of the hon. Member for Buckingham (Mr. Bercow). The hon. Gentleman at least made the point that there are some good grant-maintained schools, and I agree. There are many good grant-maintained schools. My constituency has two excellent grant-maintained schools—Beechen Cliff school and Oldfield school. They are both excellent schools with excellent staff doing a good job for the pupils whom they serve.

To say that there are good grant-maintained schools does not mean that grant-maintained status itself is a good thing. The one other thing which I share with the hon. Members for South Holland and The Deepings and for Buckingham is a disagreement with the Government's plans, but my disagreement comes from a completely different direction. Both hon. Gentlemen and the official Opposition oppose what the Government are doing because they want grant-maintained schools to continue. My party and I are clear in that we have no desire whatever to see that continuation. Our disappointment with the Government is that, instead of doing as we would wish them to do, which is to bring grant maintained schools back into the light strategic planning framework of LEAs, they are continuing to give those schools a sop by allowing them to stand outside the LEA framework. We believe that that is wrong.

At least the Government have recognised the need to get rid of grant-maintained status, and we are delighted that they have done that. As I said earlier in an intervention, grant-maintained status has not been popular. It was born out of Mrs. Thatcher's handbag back in 1988. We were told that it would be extremely popular and that, before long, the vast majority of schools would be grant maintained. That did not prove to be the case, despite the numerous bribes that were given to schools to become grant maintained. Year after year, the Tory Government came up with another new attempt to persuade schools to become grant-maintained, even requiring every governing body to consider annually whether to become grant maintained.

The one bribe that grant-maintained schools were given was the additional sums of money. When official Opposition Members tell us about some of the successes of some grant-maintained schools, the House should never forget that that is hardly surprising, as schools were given significantly increased sums to enable them to carry out the various things that led to some of those successes.

Mr. Brady: Given the hon. Gentleman's conviction that grant-maintained schools are so desperately unpopular, presumably he would have no qualms in agreeing with our new clause, which would allow parents to get rid of grant-maintained schools by voting to get rid of them.

Mr. Foster: The interesting thing about the hon. Gentleman's intervention is that it was the Conservative Government who, year after year, refused to allow the two-way option for grant-maintained schools. They were allowed to opt into grant-maintained status, but the Government refused to give them the power to vote to opt back out. It was the Conservative Government who wanted a simple one-way street and, once in, a school was stuck in it. Grant-maintained schools have had significant amounts of additional money; there is no doubt about that.

I have been challenged about the education results of GM schools. Anyone who has responsibility for education provision must look at the impact of any change in the system on the overall educational setting across the whole country. I would argue strenuously that the introduction of GM schools did huge damage to the education system. It set school against school, parent against parent and governor against governor. That led to great tension and problems in the system.

Giving additional money to GM schools has been to the detriment of all other schools. That additional money was taken from other schools.

Mr. Hayes: Will the hon. Gentleman give way?

Mr. Foster: No, I will not as time is short and other hon. Members—

Mr. Dorrell *rose—*

Mr. Foster: Of course, I will give way to the right hon. Gentleman.

Mr. Dorrell: In Committee, the hon. Gentleman voted for a clause that would require the Government to secure the consent of parents before abolishing grammar school status. The hon. Gentleman approves of that principle. Will he explain why he does not support the same principle for grant-maintained schools?

Mr. Foster: If the right hon. Gentleman checks the record, he will see that I made it clear that I did not believe that such decisions should be taken on a parental ballot. They should be taken by the local education authority. The right hon. Gentleman is well aware that the one major difference between GM schools and grammar schools is that GM schools are outside LEA provision.

Mr. Dorrell: I have *Hansard* in front of me. The hon. Gentleman voted for clause 95 to stand part of the Bill.

Mr. Foster: I explained that afterwards.

Mr. Dorrell: It is not a question of what the hon. Gentleman said afterwards. Even the Liberal Democrats must occasionally defend the votes they cast and explain why one case is different from the other.

Mr. Foster: I ask the right hon. Gentleman to continue to read *Hansard—*

Dr. Julian Lewis (New Forest, East): The hon. Gentleman is squirming.

Mr. Foster: No, I am not squirming. Immediately after the vote, I realised that I had made an error in my voting.

Mr. Dorrell *rose—*

Mr. Foster: The right hon. Gentleman and I can continue this debate outside the Chamber. [HON. MEMBERS: "Give way."] No—others wish to speak.

Mr. Dorrell: The hon. Gentleman remembers a time when he mistakenly cast his vote the wrong way, but it

[Mr. Dorrell]

was not in the vote on clause 95 stand part, dealing with the principle of the grammar school ballot. If the hon. Gentleman did vote the wrong way on that, he did not tell the Committee so at the time.

Mr. Foster: If the right hon. Gentleman looks through the record, which he needs to do, as he was not with us during the discussion on that particular issue—

Mr. Dorrell: I spoke on the clause and voted on it.

Mr. Foster: I want to make progress and the House wants to hear from the Secretary of State on this issue.

The key issue that has been raised tonight is whether grant-maintained schools have led to an increase in educational standards across the country. Research evidence shows conclusively that the introduction of GM schools has not led to an overall increase in examination results. Therefore, as an experiment it has failed. However—and I acknowledge this—because of the additional resources given, some GM schools have been able to raise standards, but that has been to the detriment of other schools in the LEA area. The net result has been no increase in standards; it has been a failed experiment.

I hope that the House will recognise that GM schools represent a failed policy of the Conservative Government. The sooner that we get rid of them, the better. I very much hope that the House will reject the Conservative new clause.

Mr. Blunkett: I thank my hon. Friends for their forbearance this evening. It is a great pity that so much hot air has been expended on so much self-preening. It is a wonder that all the feathers have not fallen out. I say that because Monty Python has reconvened for a final fling, and I was reminded of the famous sketch about the dead parrot. This debate is a dead parrot. It is nailed to the perch. The Norwegian blue is gone for ever, and we have had one or two Norwegian blues tonight. I have never heard such nonsense in all my life.

Mrs. Browning: Oh, come on. You must have.

Mr. Blunkett: I will let the hon. Lady into a secret: she is probably right. I have probably heard worse once or twice in my life, but we have come fairly close this evening.

Opposition Members know perfectly well that what they are saying is not true, but I welcome the fact that they have acknowledged and specifically embraced the process of balloting for the removal of selection in grammar schools, and recommended its extension into other areas. That gets us off to a sensible start in operating democracy.

Mr. Brady: Some of us might be prepared to accept ballots on the future of grammar schools if those ballots were fair and gave choice to local parents. The Government's proposals fail on that count. If the balloting procedure was fair, the Secretary of State might have an argument.

Mr. Blunkett: Of course we will have fair ballots. That is a necessary prerequisite, to legitimise the parents' decision.

As the hon. Member for Bath (Mr. Foster) pointed out, it is a cheek for Conservative Members, who resisted time and again giving parents the opportunity to decide whether they wanted a school to come back into the family of schools, to suggest that they are in favour of parents being able to vote on grant-maintained status. That really is the cheek of the devil.

The problem for Conservative Members is simple. They want to suggest that a school's status determines its standards, and that it is the change in status that has changed or enhanced standards in certain schools, when they know perfectly well that it is not. It may be something to do with resources. We have heard a lot about that tonight.

The extra resources have been praised as a very good thing. I am in favour of extra resources for all our schools. That is why we are giving an extra £1 billion for capital spending in schools. That is not only for certain schools. The hon. Member for Altrincham and Sale, West (Mr. Brady) argued that the girls grammar school in his area needed extra funding for restructuring. He said that it would be wrong to take away the extra funding.

Mr. Brady: Will the Secretary of State give way?

Mr. Don Foster: Will the Secretary of State give way?

Mr. Blunkett: I shall give way first to the hon. Member for Bath and then to the hon. Member for Altrincham and Sale, West.

Mr. Foster: The Secretary of State rightly points out that the official Opposition are wrong in many ways. Does he agree that they are wrong in the totally scurrilous attack on me by the right hon. Member for Charnwood (Mr. Dorrell)? The record of our deliberations in Committee shows that I voted in favour of clause 95, which designated grammar schools, and against the balloting proposals.

Mr. Blunkett: I am totally in favour of fair balloting and of fair reporting of those ballots.

Mr. Brady: I want to correct a false impression that the Secretary of State appears to have. I was referring not to the capital costs of Altrincham girls grammar school—we are still fighting a battle to get capital funding for necessary repairs, and I would welcome his help with that—but to the process of restructuring the school staff, which was embarked on in good faith when the school became grant maintained last year. It was in the anticipation that that could be done over three years. Now the Government are prepared to guarantee funds for only one year, which could cause real problems.

Mr. Blunkett: I am fully in favour of extra revenue for schools. That is why we are allocating £835 million on top of what the Conservatives would have allocated—£110 per pupil, which happens to be the amount that the previous Government cut in 1996–97 per secondary school. They cut £40 per primary school.

9.45 pm

What the previous Government did was to cut the generality of funding for all schools and reallocate it to

some schools, and then claim credit for the ability of those schools to use the money—wisely, I accept—to enhance children's education. That is fine, but let us do the same for every school.

The hon. Member for Tewkesbury (Mr. Robertson), in an interesting intervention, said that he wanted to celebrate the fact that grant-maintained schools had more books. I tell you what I want to do, Mr. Deputy Speaker: I want to celebrate the fact that, following our allocation of £23 million, every school in England now has more books. We are talking about £1,000 per school. Let us do for all our schools what Conservative Members want to do for only some schools.

Mr. Laurence Robertson: Will the Secretary of State give way?

Mr. Blunkett: I will not give way for the moment. I want to make some progress. I have sat here long enough listening to the waffle of Conservative Members; it is time to deal with some of that waffle head on.

I celebrate the work that many grant-maintained schools have done. I celebrate the improvement that they have brought about for children. I have no intention of damaging their ability to deliver high standards; I want to spread the practice further. It is ridiculous to suggest that, because four of the 18 failing schools that were named in the summer were GM schools, GM schools are a failure. It is as ridiculous to suggest that as it is to suggest that the fact that 80 schools did extraordinarily well proves that the status of a school, rather than its staff, management and direction, brings about such improvements.

Conservative Members know that that is true. They know that that is what is happening in schools. They need only take the word of the chief inspector. Such improvements are self-generated: they are a result of the direction taken by a school, of the quality of teachers, of the leadership given by the head and of high expectations. Of course dynamism is an element, but it is the dynamism within a school, not the status of that school, that makes the difference.

That is why we are driving forward the standards agenda. It is why we established the standards unit. It is why there will be a literacy and then a numeracy programme for all primary schools. It is the reason for the extra resources—the substantial investment in greater specialism. It is why education action zones will transform people's chances.

Mr. Hayes: Will the Secretary of State give way?

Mr. Blunkett: I shall in a moment.

Do hon. Members want to hear what those in charge of grant-maintained schools really think? I respect the representatives of those schools, who have consistently and constructively helped to ensure that the transfer is smooth, rational and sensible. A letter sent yesterday by the grant-maintained joint monitoring group states:

"On the eve of the Report Stage of the School Standards and Framework Bill, we would like to take this opportunity to put on record our support for the constructive approach that the Government has adopted towards the Bill during its Committee Stage."

The group was particularly impressed by the Government's determination to resist any attempt to undermine the status of foundation category. It said:

"We also support Ministerial statements that 'schools control schools' and that financial delegation should reflect the current GM model."

The group said that because we have repeatedly made it clear that schools control schools. We have made it clear that the fact that schools will no longer be unfairly funded, that they will be part of a collaborative, co-operative admissions policy and that there will be wider accountability does not detract from their ability to deliver high standards.

Right across the board in the United Kingdom, people are acknowledging what happened and what can happen. Let us consider Steven Norris, who was a Minister in the previous regime. On the radio this morning, he said:

"I personally believe that our failure in 20 years to significantly improve the level of public education is one of the areas that I believe that we as Conservatives have got to be most concerned about and, frankly, to some degree ashamed of."

The whole country is ashamed of what the previous Government did, and the whole country is behind us in ensuring that we unite the education service on standards, not structure, and on children, not segregation; and in ensuring that all of us can be proud of our education system, wherever we live and wherever those children go.

Mrs. Browning: As the hon. Member for Bath (Mr. Foster) said earlier in the debate, new clause 4 was perhaps a last attempt—certainly in the House—to preserve the status quo for grant-maintained schools. We have heard today the anomalies in the Government's thinking on giving parents choice and on listening to what governing bodies and teachers want. Although Ministers support a ballot on the retention of existing grammar schools, they want to deprive existing GM schools of the same principle. Perhaps that is at the core of their thinking. There is little principle in their thinking, but much dogma.

In its manifesto, the Labour party said:

"GM schools will prosper under new Labour."

The Secretary of State has also just read a letter of endorsement. However, it is plain to every hon. Member who visits grant-maintained schools—I visited one this week, and I shall visit another tomorrow—that GM schools are so frightened that, at the stroke of a pen, they will lose their GM status, that they cling to the idea of being offered foundation status. Although we all understand why they cling to that idea, the offer is a form of intimidation that will come back to haunt the Labour party after standards decline because of the demise of GM schools, and after connivance at a ballot automatically results in the end of grammar schools, once legislation is in place.

No principle was attached to the Government's statements in this debate. The Labour party and the Secretary of State simply have a long-held belief that, although excellence in schools is appropriate to include in their glossy brochures, the excellent results produced by GM schools should be discounted. For the Government, excellence is not measured in results but is based on their prejudices. They believe that GM schools—and the ethos of those schools and the excellent results that they achieve—should be abolished.

[Mrs. Browning]

As Opposition Members have said in the debate, it is extraordinary that the very qualities possessed by GM schools—the freedom and flexibility that have produced their excellent results—which the Government will take away from them, are the qualities that Ministers believe will ensure the success of education action zones.

In its manifesto, the Labour party clearly stated that education action zones will

"attack low standards by recruiting the best teachers and head teachers to under-achieving schools, by supporting voluntary mentoring schemes to provide one to one support for disadvantaged pupils; and by creating new opportunities for children, after the age of 14."

We know that if schools are part of an education action zone, they can openly search on the market for teachers and head teachers; they can disallow the existing conditions of pay and employment for existing staff; they can adopt their own curriculum; and they can attract money from the private sector. They can do all the things that GM schools can currently do, yet, for some pernicious reason, the Government want to deprive GM schools—

Ms Squire *indicated dissent.*

Mrs. Browning: The hon. Lady shakes her head, but that is what education action zones will do. She knows that; she was present in Committee. Extraordinarily, although those methods, systems, freedoms and flexibilities have a proven track record, and although the Government believe that they have been seen to work, they have taken them away from one group of schools—and now, suddenly, they are to introduce them into another group of schools. There is no logic or principle underlying that decision.

The Secretary of State listed all the extra money that the Government were pouring into education—money for this, money for that. In the county of Devon, where I must this weekend respond to more than 30 pieces of correspondence received this week from schools and parish councils, people are not facing all the wonders of new Labour, of modern Britain, of super-school Britain or whatever other slogan the Secretary of State cares to choose; they are facing cuts. This year, council tax bills in Devon are to increase by 19.4 per cent., yet throughout the county there are to be cuts in the classroom.

The Secretary of State must learn that all the sloganising and glossy brochures in the world mean nothing. I advise him and his colleagues, instead of spending their time in Millbank tower, to get out into the country—as we are doing—to visit schools, and to talk to the head teachers who, this financial year, are confronted with real-terms cuts in the classroom. Those cuts will be felt especially in GM schools when the Bill receives Royal Assent.

The Secretary of State is in good company because, like him, the Liberal Democrats have a long track record of wanting to abolish grant-maintained schools. Indeed, the Liberal Democrat chairman of education in Devon had a letter published in *The Times Educational Supplement*, saying that GM schools would lose teachers. However, teachers will become redundant as a result of the Bill.

I remind Labour Members and Liberal Democrat Members who said that few schools took up the option of GM status after a certain date, why that was. What happened when Labour or the Liberal Democrats, or a coalition of both, took control of an LEA? Whenever any governing body or any group of parents wanted to engage in a democratic ballot on GM status, they faced the might and opposition of a propaganda campaign by Labour and the Liberal Democrats. "Focus" newsletters were popped through every parent's door, saying why their child's school should not become grant maintained.

When the Labour party was in opposition—*[Interruption.]* I shall not mention the hon. Member for Plymouth, Devonport (Mr. Jamieson); he need have no fear of that. The Labour party, in opposition, was supported in its campaign by the trade unions—especially the National Union of Teachers—which ensured that they obtained the name and address of every parent in a school when a ballot was in prospect. They published propaganda and made jolly sure that people were intimidated, and that a democratic ballot did not take place. We know, therefore, what the Labour Government really think about parents' free choice.

Extraordinarily, since the general election, the Secretary of State has granted GM status to some schools. What a cynical exercise, when he well knew that he was about to oversee their demise by means of the Bill. I hope that, in government, the Labour party will learn before too long that democracy through the ballot box, which Labour Members constantly talk about, extends further than the ballot box on 1 May 1997. Parents will speak. Parents will want to vote. If Labour Members deny them the opportunity to exercise their preference for grant-maintained schools, the fact will come back to haunt them in another ballot.

Question put, That the clause be read a Second time:—

The House divided: Ayes 129, Noes 327.

Division No. 201] **[9.59 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Beggs, Roy
Bercow, John
Beresford, Sir Paul
Boswell, Tim
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Curry, Rt Hon David
Davies, Quentin *(Grantham)*
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fox, Dr Liam
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Hayes, John
Heald, Oliver

Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paice, James
Pickles, Eric
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Shepherd, Richard
Simpson, Keith *(Mid–Norfolk)*
Soames, Nicholas
Spicer, Sir Michael
Spring, Richard
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Sir David Madel and
Mr. James Cran.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Mrs Jackie
Barnes, Harry
Battle, John
Beard, Nigel
Bell, Martin *(Tatton)*
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chaytor, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Eric *(Midlothian)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Colman, Tony
Cook, Frank *(Stockton N)*
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunningham, Jim *(Cov'try S)*
Dafis, Cynog
Dalyell, Tam
Darling, Rt Hon Alistair
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Geraint *(Croydon C)*
Davies, Rt Hon Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dewar, Rt Hon Donald
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Dowd, Jim
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
George, Bruce *(Walsall S)*
Gerrard, Neil
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Gunnell, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harman, Rt Hon Ms Harriet
Harris, Dr Evan
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hutton, John
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kilfoyle, Peter
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kirkwood, Archy
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Liddell, Mrs Helen
Linton, Martin
Livsey, Richard
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McLeish, Henry
Maclennan, Rt Hon Robert
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
Mallaber, Judy
Marek, Dr John
Marsden, Paul *(Shrewsbury)*
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret

Morgan, Ms Julie *(Cardiff N)*
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Bill *(Normanton)*
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Purchase, Ken
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Reid, Dr John *(Hamilton N)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Roche, Mrs Barbara
Rooker, Jeff
Rooney, Terry
Rowlands, Ted
Ruane, Chris
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Rt Hon Clare
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Sir Robert *(W Ab'd'ns)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Todd, Mark
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Vis, Dr Rudi
Wallace, James
Walley, Ms Joan
Wareing, Robert N
Webb, Steve
White, Brian
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Willis, Phil
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. Graham Allen and Mr. Clive Betts.

Question accordingly negatived.

It being after Ten o'clock, further consideration of the Bill stood adjourned.

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, the School Standards and Framework Bill and the Wireless Telegraphy Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Mr. Pope.]*

Question agreed to.

As amended (in the Standing Committee), again considered.

Further consideration of the Bill adjourned.—*[Mr. Pope.]*

Bill, as amended (in the Standing Committee), to be further considered tomorrow.

Mr. Ian Bruce (South Dorset): On a point of order, Mr. Deputy Speaker. I have had a letter from the Leader of the House asking me to withdraw a remark that I made in a point of order to Madam Speaker earlier today, and I am pleased to do as she requests. I said that the right hon. Lady had admitted to losing a letter that I had sent her, about getting letters answered in a sensible time by Ministers. She has written to remind me that in fact she said that her office had not received my letter of 21 January. She is an honourable Lady and I must accept that that is what happened, so I am happy to withdraw my earlier remark, but clearly we must have an inquiry as to why letters to Ministers are going astray.

Mr. Deputy Speaker: Madam Speaker will have noted the hon. Gentleman's withdrawal of his earlier remarks.

Wireless Telegraphy Bill *[Lords]*

As amended (in the Standing Committee), considered.

New clause 1

ACCESS TO INFORMATION

'Any information held by the Radio Communications Agency relating to the assignment of the spectrum, shall be made available on request to the Spectrum Management Advisory Group and to users of the spectrum.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

10.15 pm

Mr. Tim Boswell (Daventry): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Lord): With this, it will be convenient to discuss amendment No. 9, in clause 5, page 5, line 4, at end insert

'and shall be listed in the annual report of the Radio Communications Agency.'.

Mr. Boswell: One or two hon. Members may be aware that I have been a long-standing supporter of Aston Villa football club, whose motto is, "Be prepared". It is a principle in this place that one should be prepared for anything, as I am sure the Government are at this hour tonight, after the wise passing of the 10 o'clock motion.

It is with some gratitude, as well as trepidation, that I avail myself of the opportunity for the first time to involve myself in matters concerned with wireless telegraphy. In doing so with all due diffidence, I defer to my hon. Friend the Member for South Dorset (Mr. Bruce), in respect of his technical expertise, and my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), in respect of his legal and administrative expertise, as well as to their knowledge of the subject and participation in the Standing Committee. To use a story that my hon. Friend the Member for South Cambridgeshire related to the Standing Committee, no doubt any No. 404 web server errors on my part will be duly and immediately corrected by one or the other of them.

I would not wish to cause any undue trepidation by my arrival at the Dispatch Box. Although I have already announced my football allegiance, my cricketing allegiance is to my county of birth, which is Essex. One of the most distinguished cricketers of yesteryear in that county and an Essex man indeed was the late J.W.H.T. Douglas—"Johnny won't hit today". Unless severely provoked, I was not going to set myself up in the role of being typecast as Mr. I.W.G.L.T. of Daventry—I.W.G.L.T. standing for, "It will go late tonight". However, I am deeply encouraged by the support that I am receiving from my hon. Friends in that part.

I have to admit that these matters were clearly exquisitely debated on Second reading and in Committee. The Government had a certain lead provided by their predecessor in this matter and had the benefit of wise advice in those considerations.

The new clause and the amendment seek further elucidation of the Government's position and reinforce our determination to ensure that the changes, which we do not oppose in principle, are genuinely for the assistance of users and consumers of the spectrum.

New clause 1 represents a welcome to the Government's initiative in setting up a spectrum management advisory group. We want the Government to provide as soon as possible further details of their thinking on the operation of the group. We offer them the opportunity to start sharing those details tonight. If the group is to represent users and to function properly, its members must have access to information—that is the purpose of the new clause. In complimenting my hon. Friends who drafted the new clauses, I should say that mostly they are written in plain English, so that even I can understand them.

Mr. Eric Forth (Bromley and Chislehurst): I hope that I am not pre-empting anything that my hon. Friend is going to say, as I may have been slightly guilty of doing so on a previous occasion. The new clause specifically says that

"information . . . shall be made available on request to"

something called the

"Spectrum Management Advisory Group and to users of the spectrum".

Does that imply that information would be in the public domain, or does he intend that it should be more restricted? It is important that that is cleared up early on.

Mr. Boswell: My right hon. Friend has an amazing capacity for anticipating questions that even I have asked myself and, indeed, of which I was modestly hoping to dispose. Either he has some power of telepathy, which may be useful in relation to spectrum matters, or, conceivably, he has particularly keen eyesight and can read my notes over my shoulder.

As I said, the advisory group must have access to information to function properly. That information will usually be properly releasable to the group and into the public domain. It may be necessary to make provision for cases in which there are aspects of that information that are properly available only in confidence.

Mr. Ian Taylor (Esher and Walton): Will my hon. Friend give way?

Mr. Boswell: I readily give way to my hon. Friend the Member for Esher and Walton (Mr. Taylor), whom we are pleased to see in the Chamber because of his close involvement with these matters in the previous Administration. His undoubted expertise will assist us in our deliberations.

Mr. Taylor: I am grateful to my hon. Friend the Member for Daventry (Mr. Boswell), the Conservative Front-Bench spokesman on this issue. Before we experience the full charge of the radio waves between my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) and him—which I am sure will lie at a very high part of the spectrum and so should be attractively priced from the point of view of the revenues that could be raised—I remind Conservative Members that they should take credit for the Bill. We drafted it, we nurtured it and, in many cases, we would have removed many of the difficulties, not all of which have been perfectly translated by the Government. The industry has shown by its responses that it takes a keen interest in

[Mr. Taylor]

the Bill. The Government have undoubtedly picked up an interesting piece of legislation, but it requires the scrutiny that my hon. Friend is about to give it.

Mr. Boswell: I am most grateful to my hon. Friend, not least for his previous contribution, but also for the contribution that I am sure he will make tonight. The Bill builds on his personal achievement in taking these matters forward, but, as he has very generously, and with characteristic modesty, conceded, everything—even a good idea from a Conservative Government—brooks examination and may be capable of improvement.

In tabling the new clause, we are saying that it may be sensible to provide in the Bill for the release of information either under controlled conditions, or directly into the public domain, so that the spectrum management advisory group can consider how things are going. The new clause certainly gives the Minister an opportunity to say how she believes information should be released.

If the group is to do that job properly, it is essential that the information is provided. That is the major reason for the new clause, but a second and important one is that, taking the Government's declared philosophy of freedom of information, information should not be withheld by the Government unless there is a compelling reason for doing so.

We sometimes have difficulties in getting information from the Government and in getting answers to our questions, but that is something that we hope to underline by introducing our new clause.

Mr. Forth: Will my hon. Friend give way before he leaves that point?

Mr. Boswell: I readily do so.

Mr. Forth: Does my hon. Friend expect that the Government will accept the new clause? It strikes me as somewhat odd, following what he has said, that, if the Government really believed in the oft-repeated philosophy of open government and freedom of information, such a provision would have been built into the Bill from the outset. Does my hon. Friend know why it has to be our new clause that puts into effect the Government's own philosophy? Why was it not in the Bill already?

Mr. Boswell: My right hon. Friend raises an interesting point. If there are occasions when Opposition Members have been guilty of paranoia in finding it surprising that Ministers have not accepted our entirely reasonable amendments to other legislation, that does not mean that they were not out to get us. I really do not know why the Government did not include such a provision from the start. The Minister has an opportunity of redeeming herself by explaining tonight why it should not be accepted.

Mr. David Davis (Haltemprice and Howden): Will my hon. Friend give way?

Mr. Boswell: Yes. We are anxious to make progress on these Benches, but I give way to my right hon. Friend.

Mr. Davis: I thank the Opposition spokesman for being so kind. May I bring him back to the point raised earlier by my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) about the extent to which the information given to the spectrum management advisory group should be made public?

Giving information to a narrow group or industry group can create a barrier to entry. That is the sort of thing that the Conservative party always tries to prevent. We want to see the maximum possible competition. Surely we should draft the Bill to ensure competition by making the information available to all, not just to some narrow industry group.

Mr. Boswell: Indeed, Conservative Members are believers in open government for the many, not for the few. My right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) performs a very reasonable task in making that point. He is essentially saying—this would be my merit order, if I may borrow another analogy—that the ideal is the release of information into the public domain. The second best is release of the information to the spectrum management advisory group, if that is as far as it may properly go. The third best—I fear that that is where the Government are unless they accept our new clause—is simply to keep the information in house.

Mr. Ian Bruce (South Dorset): One should give acknowledgement to the Government. Between proceedings in the other place and here, the industry was keen to see a spectrum management advisory group set up. The Government, by press release, said that they would set one up. I hope that now, because of the amount of time that has elapsed, the Government have been able to think again. Nowhere in the Bill does it say that the group will be set up. My hon. Friend rightly says that we do not know who will be members of the group. Will it be just a few Labour councillors, as there are on most quangos being setting up now, or will it really be representative?

Mr. Boswell: My hon. Friend and I share the common objective of preventing the group from being merely a press release. We do not want what I might call a metaphorical spectral spectrum management advisory group. We want a real one and we want to hear more details of it than have been given to us so far. But, of course, I defer to the Minister. She is an honourable Lady. I am sure that her intentions are entirely of the best, but her explanations are urgently required.

In that spirit, I shall not detain the House very much longer on this group, but I wish to refer to amendment No. 9, which is bracketed with new clause 1. The amendment provides for some transparency in the issue of grants. If they are to be issued for research and to take forward the use of a limited national resource, the spectrum, they must be seen publicly to be used to best effect. That is an important matter of accountability, and my right hon. Friend the Member for Haltemprice and Howden will be as concerned with it as anyone.

Some years ago, I chaired a grant-making charitable trust. We always gave considerable details of our modest grants in our annual report.

Mr. Edward Leigh (Gainsborough): Has my hon. Friend noticed that sitting behind him are no fewer than three former Ministers who were associated with the

Radiocommunications Agency and laid the foundations for the Bill? Does that prove that for new Labour, one can read old Conservative—with one difference: we are more committed to open government than are Ministers of the so-called open Government?

10.30 pm

Mr. Boswell: I would not wish my hon. Friend to tempt me too far. The Government are clearly on message tonight.

It is important that there should be the maximum possible transparency. It is somewhat distressing that a Bill that received a Second Reading as long ago as 29 October should have mouldered until now, before its further consideration. There was a Committee stage, but that took place in the middle of November, long before I joined the shadow Department of Trade and Industry Front Bench. Some of us have been preoccupied with one or two other considerations up till now, but we are pleased to be here to discuss the Bill.

We are here not to fight the principle, but to ensure that the details are properly secured. Like any proper attitude to legislation, those details should begin with a commitment to the maximum openness of information. That is the purpose of the new clause.

Mr. Andrew Lansley (South Cambridgeshire): I am grateful for the opportunity to support my hon. Friend by speaking to new clause 1. The issue of access to information arising from the Bill was discussed a little in Committee, but the discussion tonight can be more focused, now that it is clear that the Government's intention is to establish a spectrum management advisory group. It is incumbent on the House to consider the purposes for which that is to be used. The adoption of the new clause would improve the Bill and would implement the Government's intentions.

The principle of openness in respect of telecommunications activities is well established. As the Minister will know, the Telecommunications Act 1984 began a process of increasing transparency in the issue of licences, which has greatly benefited the telecommunications industry. It has not helped one competitor to obtain an advantage of information over another, but, for reasons that were made clear by my hon. Friend the Member for Daventry (Mr. Boswell), transparency in the marketplace and availability of information are essential to create a better marketplace.

We are moving through the system of spectrum pricing to a device that is intended to create a market. If it is our intention to create a market, we must provide the mechanisms that help to make markets work more effectively. Pre-eminent among those is the availability of information. A market in which there is differential information among those participating is a distorted market.

It would be remiss of us to agree to a Bill whose later clauses should be based on a high level of transparency for those who are putting in bids for auctions for spectrum allocation, if the information available to them would be inadequate.

One or two issues have arisen, and it might be helpful if the Minister referred to them. First, I wish to refer to the Radiocommunications Agency's database. I do not profess to be sufficiently expert to be able to articulate the concerns in detail, but there is concern in the industry that the amount of information available on the database, the form in which it is available, and the reasons for agency decisions—for example, in relation to the assignment of applications for fixed links and the plotting of fixed links across the country—may not be sufficient. We ought to look through the database for greater understanding of the allocation of spectrum, the reasons why spectrum has been allocated to particular purposes and the reasons why applications for particular spectrum or fixed links have been turned down.

Mr. Ian Bruce: Has not the Radiocommunications Agency always been a technical organisation—looking after worries about signals interfering with one another—but is now having to move to a market-sensitive role? The user group was clearly designed to help the agency come up with the right decisions. The Government must tell us how they will extend the agency to allow it to fulfil these new functions.

Mr. Lansley: My hon. Friend makes a good point which will inform our discussions as we proceed through Report. The agency—with which I have had dealings in the past—has acknowledged expertise and produces a fine service in relation to the technical management of the spectrum. However, we are looking towards a different structure, which includes an assessment of economic and consumer benefits, and so on. This pre-empts slightly discussions on subsequent new clauses and amendments, but it is relevant to this new clause.

Within the responsibility for the assessment of consumer benefits and the allocation of spectrum on the basis of bids—and the more efficient management of spectrum for economic, and not simply technological, purposes—is an understanding of the marketplace within which the operators—those making applications to the agency—are having to work. There is considerable sensitivity in the industry which wants assurances about the degree of information it will receive.

Can the Minister assure the House that, in planning and implementing changes to the agency's database, the amount of information available to operators will be at least as full as is available at present? Secondly, in designing the database and the relationship that operators will have with it, will she work closely with the industry to ensure that that is achieved to the maximum? The spectrum management advisory group will doubtless have a role, but the Minister must look beyond that group to the industry more generally.

My second point is that, after the Committee stage, it was put to me that some transparency in the way in which the agency assigns links would be highly desirable, but there was concern that information being acquired by the agency was not necessarily being put into the public domain where it might have had greater value than it has simply resting with the agency and the Department.

Particular reference was made to a report—commissioned, I am told, by the Radiocommunications Agency—carried out by the university of Bristol. It was designed to look into calculating spectrum congestion as part of research into trying to understand on what basis one can implement excess, not administrative, pricing to try to manage spectrum better. One needs an understanding of how spectrum congestion has occurred.

[Mr. Lansley]

It was suggested that the report could be published, but, at that time, had not been. Is the Minister aware of the report and the effect that it might have on the calculation of spectrum congestion? Perhaps it is appropriate for the report to be put into the public domain, in the spirit of openness encouraged by new clause 1. I hope that that is the Department's intention.

I shall rest on those two questions and the general proposition that not only is it desirable that the availability of information should be encouraged specifically through the spectrum management advisory group, but information should go beyond that, into the industry to ensure that, when we discuss spectrum allocation, the market is fully informed through an understanding of the ways in which the agency allocates spectrum, and the terms of the licences that it offers.

Licences are confidential documents between the agency and the operator. That is perfectly legitimate, but, in the marketplace, transparency in licensing has become the norm in relation, for example, to telecommunications operators. There is a case for transparency to be carried through into the agency's licences as well.

Mr. Ian Taylor: I wish to add just a few words, particularly on access to information.

Although it does not look like it, the Bill is a dramatic step forward in how we manage a scarce resource—radio spectrum. Radio spectrum is something which people cannot see, so they do not necessarily think that it has any great value, but it has enormous implications for the running of the economy in an age of digital communications, most of which will increasingly use the radio spectrum in some form to effect those communications.

The Bill also begins the transformation of the merger of fixed and mobile telephony. It will have a big impact when we move to digital television, which will free up a lot of local spectrum because the same amount of power around a particular transmitter will not be needed. The analogue spectrum needs to be kicked on from transmitter to transmitter, which creates great local disturbance. Digital signals are much clearer and travel further, and therefore will give back a considerable amount of spectrum, which we can use successfully. The way in which we use it, however, should be a function of market pricing.

In each of the areas that we are talking about, the public will need to understand fully what is going on. The Bill does not introduce a hidden tax. It is not some method used by the Government to penalise people. It is, dare I say it, a Conservative measure designed to use the market to enable a scarce resource to be properly managed between willing users.

Dr. Nick Palmer (Broxtowe): On Second Reading, we were slightly surprised that the shadow Secretary of State reversed the pledge in the Conservative manifesto and opposed the measure, saying, in contrast to what we have just heard, that the Bill introduces a disguised tax. Most other Conservative Members who spoke supported that view.

However, it seems that tonight, we shall hear a reversal, and that most Conservatives will take the opposite view. I am curious about whether those mass conversions happen individually, or whether the Conservatives have a sort of session, as the Reverend Moon does in South Korea, and it all happens simultaneously.

Mr. Deputy Speaker: Order. Before the hon. Gentleman responds to that intervention, I must point out that we are now going rather wide of the mark. I remind him that both the new clause and the amendment are tightly drawn.

Mr. Taylor: I accept your ruling, Mr. Deputy Speaker. Far be it from me to enter into a discussion about the shadow Minister in any case. We do not always agree, but I am sure that on that occasion, he was merely probing to find out what the Government's intentions really were.

Mr. Boswell: Will my hon. Friend take a little advice from me, as I am a former Whip? If he praises the Bill too intensely, the Government may have a deathbed conversion to old Labour and suddenly decide that they favour it less—something which I am sure my hon. Friend would wish to avoid.

10.45 pm

Mr. Taylor: I was allowing ample opportunity for my hon. Friend to probe deeply into the measures, about which he has obviously thought carefully, and the proposed amendments. No Bill, whatever its origin, is perfect, and it is the job of the House to consider closely what its impact will be. The Bill is important, which is why I am anxious that we should have as much public information as possible. However, much as I support my hon. Friend's probing, I remind him that he had already said that he approved of the principle of the Bill. That is the general point on which I rest.

I certainly welcome the measure in terms of the discussion and the spectrum management advisory group, but I urge the Minister to ensure that, as my hon. Friend has said, as much of the information that can be made public will be. I used to have ministerial responsibility for such matters, but sadly, the Minister now has that responsibility and I do not. Both of us, as well as my hon. Friend the Member for Gainsborough (Mr. Leigh), have at one time been responsible for the Radiocommunications Agency.

For reasons that we shall not debate in the Chamber, some of the agency's work is not capable of being put into the public domain, but that is not true of areas in which there will be a dramatic move forward and a new system of management, and in which we shall also need an understanding of what will and will not be fair. When we are not auctioning but merely introducing administrative pricing, there will be a need not only for an advisory group, but for public confidence in its work. That is why I endorse the questions asked by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), which were most pertinent.

Mr. Ian Bruce: First, I declare a financial interest in that I am a paid adviser to the Telecommunications Managers Association. However, I also make it clear that I have had no briefing on the Bill from the association, and that I speak only for myself, from my own knowledge of the issues.

I am grateful for the congratulations that were offered to my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) and me on our drafting of the amendments and new clauses, but I must admit that much of what I have produced in that line comes directly from Oftel's views on the future of spectrum pricing. The quality of the drafting is, as always, due to the Table Office, which turns one's thoughts into proper parliamentary language, and I hope that the way in which the amendments and new clauses read will be clear enough to enable hon. Members to discuss the issues.

This week, several people have made such comments as, "There's that fellow Bruce again, going in to bat throughout the night," so may I also tell the House that the Opposition have no intention of delaying things, filibustering or anything else. The only reason why we are speaking on the amendments and new clauses at this time of night is that the Leader of the House and the other powers that be have decided to schedule important Department of Trade and Industry Bills after other Bills have been dealt with.

Mr. Boswell: For the record, does my hon. Friend accept that Opposition Front-Bench Members and, in my experience, Back-Bench Members too, never intend to delay the consideration of a Bill? We are anxious to give any Bill merely that consideration which the issues that it raises and its importance properly deserve, and that is exactly what we shall do tonight.

Mr. Bruce: I was certainly not accusing my hon. Friends of filibustering. I do not want to go wide of the narrow amendments in explaining our position. These are important matters. I would much rather be at home with a glass of Scotch in front of the television—would not we all?—than here with a glass of water having to speak at this late hour. However, anyone who was present for the Report stage of the Fossil Fuel Levy Bill yesterday will have heard the best speech in the Chamber this year, and possibly since 1 May, when the hon. Member for Bolsover (Mr. Skinner) spoke so eloquently.

I am glad to see still in his place the hon. Member for Sheffield, Attercliffe (Mr. Betts). There is only one Whip for the Department of Trade and Industry and he seems to be here all the time. It has been suggested that that may be because the hon. Gentleman is being punished by his party for not running the National Minimum Wage Bill in quite the way that was expected. However, I hope that he has a restful week next week.

I am grateful for your indulgence, Mr. Deputy Speaker, in allowing me to make those general remarks. However, I want specifically to talk about the spectrum management advisory group. As I said in an intervention earlier to my hon. Friend the Member for Daventry (Mr. Boswell), that is the creature of the Government. The industry, and certainly the Federation of Communication Services which, at various times, has briefed me, have made it clear that they felt that it was extremely important that there should be some form of industry group which would advise the Radiocommunications Agency, so that any commercial clashes or problems could be ironed out before they affected the industry.

I am glad that Labour Members are now great enthusiasts for the free market in telecommunications. We shall not remind them what happened during the privatisation of British Telecom; that is much too wide of the mark. However, we genuinely welcome their conversion.

At the beginning of the Bill's passage through the House, the Government said that they were persuaded that there should be an advisory group, but there is still no flesh on the bones of that. The new clause seeks to tease out from the Government what they are thinking, and to put on the record the fact that without some mechanism to ensure that the spectrum management advisory group is privy to information, it will not get anywhere.

Unless an advisory group believes that there is a genuine dialogue between those with power and those who are simply advisers, it will take its bats home. If it is not listened to, and without the information that it needs to do its job, its members will wonder what is the point of giving up their time. I suspect that the members of this advisory group will be volunteers. With your indulgence Mr. Deputy Speaker, I hope that the Minister will tell us who will be on that body. There is always the worry—

Mr. Deputy Speaker: Order. The hon. Gentleman is pushing my indulgence a little too far. Will he now stick tightly, please, to the new clause?

Mr. Bruce: It is important that we know who will be on the group, and that it will be a wide spectrum—*[Interruption.]* I apologise; that was an unintended pun. Industry may come to the Government and say, "This is wonderful; it is exactly the group that we want", and agree what sort of information will be exchanged—but in all that cuddling of each other, no one will remember to say, "What about the consumer?" What about people who do not have technical knowledge, but who want information about how spectrum is being divvied up—so that it is not just good for the Government and the industry, but in the public interest? I know that the Government are keen to say that they want to do things in the public interest, and that is what we want to hear now.

I appreciate that this is a narrow group of amendments, so, without further ado, I shall sit down and hope to hear the Minister say that she has been persuaded by our arguments on new clause 1, and that she will set us on the right track for this evening's business by accepting it.

The Minister for Small Firms, Trade and Industry (Mrs. Barbara Roche): I welcome the hon. Member for Daventry (Mr. Boswell) not to his responsibilities, but to the issue before us. This has been Department of Trade and Industry week in the House. I understand that the hon. Gentleman was in the Chamber yesterday evening listening to the right hon. Member for Wokingham (Mr. Redwood) and that he had a little difficulty keeping awake during his right hon. Friend's speech. I heartily congratulate the hon. Gentleman on managing to keep awake for his own remarks.

I am pleased that the hon. Member for Esher and Walton (Mr. Taylor) is here this evening, as I agreed with many of his remarks. He played a large part in the initial development of the Bill. I share his view that, on the surface, this does not appear to be the most exciting of Bills, but I am sure that he and other hon. Members here tonight agree that in terms of economic growth, wealth creation and job creation, it is vital to the country.

I welcome the remarks of the hon. Member for Daventry on the principle of the Bill. It was right and proper of him to probe its effects. I also welcome the

[Mrs. Barbara Roche]

Opposition's U-turn. I remind the hon. Gentleman of what the right hon. Member for Wokingham said on Second Reading:

"We shall oppose it, but we shall not jeopardise business because I shall shortly reveal to the Minister how to handle the matter much better . . .

The Bill sums up all that is wrong with the Department of Trade and Industry. It is bad for business and will cost us jobs and technical leadership. It is mean-minded".—[*Official Report*, 29 October 1997; Vol. 299, c. 933-41.]

How extraordinary it is, but I am always glad when sinners repent.

Mr. Boswell: I thank the hon. Lady for giving way and for taking such care to read the speeches of my right hon. Friend the Member for Wokingham (Mr. Redwood) in such detail and then relaying them to the House.

Does the hon. Lady appreciate that one of the major elements of our concern about the Bill is the cost to business of the proposed changes unless there are better safeguards for the possible charging regime—a matter which does not arise on this new clause but which we shall discuss in a moment.

Mr. Deputy Speaker: Order. Can we therefore, for the time being at least, stick to the new clause that we are discussing?

Mr. Boswell: I think that my intervention is immediately germane to what the Minister said. Will she accept that my right hon. Friend did not seek to divide the House on Second Reading?

Mrs. Roche: Indeed. That is exactly what I said; but the right hon. Gentleman said, "We shall oppose it." I pay tribute to other Conservative Members, who did not take that course. There was a reversal of attitude in Committee, when industry representatives made it known to them how much they disagreed with their original stance.

I am not in a position to accept the new clause or the amendment, but I hope that by offering some explanation and assurance I can persuade Conservative Members not to press them to a vote. I believe that both are unnecessary and would add nothing to the rights of spectrum users, and that the new clause would give rise to difficulties for the industry.

11 pm

The Radiocommunications Agency is fully committed to transparency in its management of the radio spectrum and makes available a great deal of information to users. I am sure that the hon. Member for Esher and Walton agrees, as he has had responsibility for it in the past. The agency's commitment is demonstrated by the extensive consultation that it already undertakes through a network of standing consultative committees and through ad hoc consultation exercises such as that currently under way on implementing spectrum pricing. That will be further reinforced by clause 6. The agency also publishes and consults on a comprehensive survey of the use of the radio spectrum.

The new clause would do nothing to help users. The Radiocommunications Agency already makes information available in accordance with the requirements of the code of practice on access to Government information and data protection. That means that it already provides information on request, subject to overriding considerations such as national security, law enforcement or commercial confidentiality: matters which are not recognised in the amendment.

Mr. Boswell: In no sense do I want to entrap the Minister in my question, but will she confirm that, at least broadly, the categories that she has outlined represent the limits under which the agency operates in restricting information and that, by implication, all other information is already released?

Mrs. Roche: In the main, yes. I understand entirely what the hon. Gentleman is saying, and I appreciate the spirit in which he says it. The agency is committed to transparency.

Greater access to the agency's database of assignments was raised in a wide-ranging public consultation in 1994. The responses showed significant concern about national security and commercial confidentiality, as one would expect. It would be possible for a competitor to gain information from the database about frequencies used and the disposition of transmitters, and hence the extent and nature of licensees' businesses, which could be very damaging commercially.

Mr. Ian Bruce: I want to explore the other side of the argument that most of the information is already available to the public generally. Might not there be a problem about information that is quite properly given in confidence to an advisory group but would not normally be given out generally? The agency might not have the power to do that.

Mrs. Roche: I do not think that there is a problem. There are many examples of circumstances in which, within the restrictions of the code, one tries to give as much information as possible. When a special advisory group is charged by Government with a special function, it is perfectly proper, and indeed not unusual, for confidential information to be released to that group. When the Bill was discussed in the other place, similar concern was expressed by Lord Derwent—who takes the Conservative Whip there—on behalf of mobile telephone operators. He explained that operators would not wish detailed information about matters of this kind to be released. He made that point very strongly.

The new clause does not provide safeguards for licensees, such as law enforcement agencies and security companies, that have a legitimate reason not to disclose details of their assignments in case the information assists criminals. I am sure that all hon. Members want the status quo to be protected. The agency is continuing to develop plans for greater access to its databases, but it must have regard to the sensitivities of licensees who have legitimate reasons for wishing information about their assignments not to be made available.

Mr. Lansley: Will the Minister give way?

Mrs. Roche: Just one more time.

Mr. Lansley: I am grateful to the Minister, who is being generous in giving way. Does she acknowledge that

while both sides of the House understand the commercially confidential issues that the industry—quite properly—wants to be protected, that must be balanced against the interests of those who want to enter a market? Does she agree that we must not go too far and allow the protection of information in the marketplace to become a barrier?

Mrs. Roche: I could not agree more. In all such matters, a balance must be struck. We must ensure that there is a market for new entrants: that is how competition is promoted. On the other hand—quite legitimately—commercial confidentiality must be protected. As the hon. Gentleman will know, such issues crop up all the time, not only in relation to management of the spectrum and the Radiocommunications Agency but in relation to other matters.

The new clause requires information to be made available to the spectrum management advisory group. I am glad that the group was mentioned, because it was an initiative of the present Government. Indeed, the idea was raised in another place. I see that the hon. Member for South Cambridgeshire (Mr. Lansley) agrees. Quite properly, the Government went away and considered the matter. I am delighted with the approval that has been given to the establishment of the group. I intend it to have a significant input in matters relating to the management of the of the radio spectrum.

We have continued the work of setting up the group since my earlier announcement. I am pleased to say that Dr. John Forrest has agreed to become its first chairman. Dr. Forrest will bring to his position wide experience of radio use in the defence, broadcasting and telecommunications industries, and I am confident that he is ideally qualified to lead the group in its task of providing Ministers with independent strategic advice on the management of the radio spectrum. Tomorrow, I will place in the Libraries of both Houses a list of members of the group. Between them, they represent a wide range of experience and expertise covering all the major categories of spectrum user. I think it important for the group to have direct access to Ministers, and I look forward to working with it in the coming months.

Mr. Ian Taylor: This is only a mild criticism, but in a way it would have been helpful to have the list this evening. However, I welcome Dr. John Forrest to the chair of the spectrum management advisory group. I also recognise that this proposal has emerged since the general election.

When, as a Minister, I consulted representatives of industry—not an advisory group as such, but a group of people who were advising—it was clear that information could also be publicly disseminated through improved ways of managing the spectrum and securing the efficiency that is, after all, the objective of the Bill. Dr. Forrest ran NTL, formerly the ITV uplinking and networking station, and he is very experienced in the field. Perhaps he will encourage such developments.

Mrs. Roche: I am delighted that the hon. Gentleman has given such a warm welcome to Dr. Forrest's appointment. I think that it was a very good appointment. Although, as I said, I shall put the list in the Libraries of both Houses tomorrow, I should be delighted to help the hon. Gentleman by reading out a list of the other group members.

I have appointed also Dr. Mark Armstrong, who is the official fellow in economics at Nuffield college, Oxford; Professor Sue Birley, director of research and professor of entrepreneurship at the management school of Imperial college; Dr. Kevin Bond of Yorkshire Water; David Brown, chairman of Motorola; Keith Harlow, director of technology, BBC resources; Dr. Mohamed Ibrahim, chairman and founder of Mobile Systems International; Stephen Lowe, product development director of Eurobell Holding plc; Michael Short, director of international affairs for Cellnet; and Andrew Sleigh, director general of information and communication services in the Ministry of Defence.

Mr. Ian Bruce: They are Labour councillors.

Mrs. Roche: The chief executive of the Radiocommunications Agency will also be a member of the group.

I hope that that list will assist the House. I am sure that hon. Member for Esher and Walton will think so, as I am sure the hon. Member for South Dorset (Mr. Bruce) will rethink his remark. It is an extremely distinguished group, and I am absolutely delighted to announce their appointment.

Mr. Bruce: I assure the hon. Lady that it was a playful remark. Although some of the members may also be Labour councillors, I am sure that their expertise makes them better Labour councillors.

Mrs. Roche: I take the hon. Gentleman's remarks in the spirit in which they were intended.

In the light of my comments, I hope that the House will accept that new clause 1 is unnecessary and not press it to a Division.

Amendment No. 9 would require details of grants made under the powers in clause 5 to be listed in the annual report of the Radiocommunications Agency. I emphasise that we are committed to the principle of transparency in the operation of those powers, as we are in the operation of the Bill's other provisions.

The annual report of the Radiocommunications Agency accompanies the agency's annual accounts, which cover all the agency's income and expenditure. The accounts will in future refer to expenditure under the powers in clause 5, but not in more detail than is required by the various directives that govern the form of agency accounts.

I fully agree that additional information about grants paid or offered should be published in the agency's annual report, but I am concerned that the amendment would require an unhelpfully detailed level of information to be published, with the risk of detracting from the annual report's main messages. I do not want to give an undertaking that we will publish details of all grants, because some may be very small. It is possible, for example, that grants may be given to individuals, to assist towards training costs, and not only to businesses.

I certainly agree that it would be right for significant grants to businesses to be listed in the annual report, subject—as I am sure Opposition Members will agree—to considerations of commercial confidentiality. In the light of that assurance, I hope that the hon. Member for Daventry will not press the amendment.

Mr. Lansley: Will the hon. Lady assure the House that, whereas licences granted by the Radiocommunications

[Mr. Lansley]

Agency to operators under the Wireless Telegraphy Act 1949 have been essentially confidential documents, licences granted under the Bill will be essentially public documents, from which material that is commercially confidential, for example, will be withheld? Does she expect that licences granted under the Bill will become public documents from which such information is withheld?

Mrs. Roche: The hon. Gentleman tempts me, but I shall stick strictly to discussion of the new clause and the amendment.

I hope that I have given assurances that Conservative Members can accept, but, if they are unable to do so, I ask my hon. Friends to reject new clause 1 and amendment No. 9.

Mr. Boswell: I am a little disappointed with the Minister's response, although I welcome the fact that, from time to time, she was complimentary to Opposition Members and to some of our ideas and concepts.

It is reassuring that, at this hour, early as it is, hon. Members are flooding into the Chamber. I am especially pleased to see that I have the assistance of my hon. Friend the Member for West Dorset (Mr. Letwin), who has joined our deliberations, and of my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) who, if he knows about this subject 10 per cent. of what he knows about the national minimum wage, will again enliven and embellish our consideration.

I do not wish to prolong debate on this group of amendments.

Mr. Ian Bruce: It was remiss of my hon. Friend not to say that three members of the Liberal party are present and that we look forward to their contribution.

11.15 pm

Mr. Boswell: I am grateful, but, in the interests of accuracy, I remind my hon. Friend that he means the Liberal Democrat party, not the Liberal party. I am sure that he did not wish to make an unfriendly remark. Those hon. Members are extremely welcome and I very much look forward to their contribution, if not to the debate on the current group of amendments—on which I now conclude my remarks—to the next.

The problem with the Minister's reply, in which she sought to twit us—which nettled me, because I explained in an intervention why I thought it inappropriate—was that it revealed that she did not understand the nature of opposition. It is the duty of an Opposition to oppose, not thoughtlessly—I am sure that, as she is a generous lady, she has never opposed us thoughtlessly—or in a knee-jerk way, but to find selected points of concern, to probe the Government and to seek a response from them.

To some extent, a response has been supplied. If nothing else, the debate has smoked out—or brought over the ether—an important announcement by the Minister on the membership of her new spectrum management advisory group. Although I do not know the gentleman personally, I have no reason to cavil at the appointment of Dr. John Forrest, and I have the endorsement of my hon. Friend the Member for Esher and Walton (Mr. Taylor) for that remark.

That announcement is extremely welcome and it seemed to me—although I have no precise knowledge of the individual members of the advisory group—that the Minister had assembled a group of big hitters with plenty of experience. I would simply say one thing about the appointments.

I am not clear in my mind about the group's status. It will advise the Radiocommunications Agency. I hope that it will be open to others with a public interest in this matter—such as Opposition Members of Parliament—to approach the advisory group to obtain briefings. In other words, I hope that the group is not regarded simply as advising Government or the agencies of Government.

I do not want to embarrass the Minister into a commitment that she may feel uneasy about making, but I hope that she will reflect on the fact that it is concomitant with the spirit in which the new clause was moved, of openness, transparency and proper exchange of information, that the advisory group should at least be able to talk to us. That would be helpful. Today, I had a very useful briefing from a non-departmental public body—the Advisory, Conciliation and Arbitration Service. It is extremely useful to have that type of relationship.

As my hon. Friends, with their technical expertise, have said, now that the group has been constituted, there is a real need for it to get to work as soon as possible, because some of these issues need early consideration. If the Bill is to make progress, we need to start taking some fairly early and strategic decisions about the allocation of the electromagnetic spectrum.

The Minister did her best to give reasonable assurances on the specific issues raised by the new clause and the amendment. My points about the duty of an Opposition to probe and tease out the Government's intentions are relevant here. As I understood her comments, the Government have no intention of withholding information that is in the public domain, and information will not generally be withheld unless there is an operational reason for withholding it.

Mr. Lansley: My hon. Friend will know the phrase, "The proof of the pudding is in the eating." Does he agree that it might help if the study by the university of Bristol on calculating spectrum congestion, to which I referred earlier, was put in the public domain if it is regarded as being of value in the agency? If it is not put in the public domain, perhaps we should be told why.

Mr. Boswell: Perhaps that could be resolved by the Minister or the chief executive of the Radiocommunications Agency writing to my hon. Friend with such information about the study as they are able to give.

The broad principle, which I hope is endorsed on both sides of the House, is that information should be in the public domain unless there is a compelling reason for it not to be. If there is a reason—such as national security or the commercial sensitivity of information given in confidence—we will understand that constraints are necessary, as I acknowledged in my opening remarks.

The Minister's assurance was helpful, but, as my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) rightly said—miraculously anticipating my comments—the proof of the pudding will be in the

eating. We shall use the Minister's remarks as a template to test any withholding of information. We shall return them to her with interest if there is any dereliction from that duty. I am sure that the chief executive and the agency will read the report of the debate and take the comments to heart.

On amendment No. 9 and the release of information about grants, I have a slight feeling that Sir Humphrey may have been at work. I understand that the matter is difficult. We do not want a tedious list of ha'penny items, which, while important to the individuals involved, are less important in the national picture. The Minister gave a welcome assurance that, in broad terms—again with the term of art subject to considerations of commercial confidence—big items would be released. It might be helpful for her to consider inviting the agency to provide some details by generic type as an alternative to specifying each at tedious length.

Mr. Lansley: I am prompted by our discussions in Committee to suggest that responses to the agency's consultation document might be made available on the agency's web site. That would provide a vehicle through which information could be listed in sufficient detail for those who want it.

Mr. Boswell: Provided there is not a server error—as my hon. Friend said in Committee. My hon. Friend is right, although I respond jocularly. Putting material on the internet is cost free once the site has been set up. It would be available to technically sophisticated persons with inexpensive equipment. I notice my hon. Friend wrinkling his nose. He seems to be modestly implying that he is not technically sophisticated, but ever more of us are learning to use the internet.

We can call the debate a no-score draw—or perhaps a score draw. We have not achieved our objective of having the new clause and amendment adopted, but we have had some useful assurances which we shall use to test the future actions and intentions of the Government and the agency. With some reluctance because of my natural combativeness, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 2

EFFICIENT USE OF THE ELECTRO–MAGNETIC SPECTRUM

'.—The Secretary of State may reallocate any part of the electro–magnetic spectrum which he considers is not being used efficiently.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this, it will be convenient to discuss the following: New clause 3—*Substitution of parts of the electro–magnetic spectrum—*

'.—The Secretary of State may allocate a new part of the spectrum to a licence holder in return for that licence holder relinquishing that part of the spectrum that they have previously been allocated.'.

New clause 4—*Secretary of State's power to purchase electro–magnetic spectrum—*

'.—The Secretary of State may purchase electro–magnetic spectrum from a licence holder.'.

New clause 5—*Selling or trading of electro–magnetic spectrum—*

'.—A licence holder may sell or otherwise trade all or part of the electro–magnetic spectrum which they have been allocated.'.

New clause 6—*Reallocation of electro–magnetic spectrum from broadcasters—*

'.—The Secretary of State may reallocate any part of the electro–magnetic spectrum from television or radio broadcasting licence holders to other users if he considers it expedient to do so, or if he considers it will promote the change–over to new technologies, or both.'.

New clause 9—*Requirement on broadcasters to use electro–magnetic spectrum efficiently—*

'.—The Secretary of State shall require holders of broadcasting licences to use the electro–magnetic spectrum efficiently, and may reallocate any part of the spectrum made available as a consequence of such efficient use for other purposes.'.

New clause 11—*Promotion of free market in the use of the electro–magnetic spectrum—*

'. Having regard to the desirability of promoting a free market in the use of the electro–magnetic spectrum, the Secretary of State may re–allocate spectrum from existing licence holders to new entrants to the market.'.

New clause 12—*Reallocation of spectrum within particular wavelengths—*

'. The Secretary of State may re–allocate electro–magnetic spectrum within particular wavelengths to ensure competition in services which require a specific electro–magnetic wavelength.'.

New clause 15—*Low power transmitters—*

'. The Secretary of State may by regulations provide that low power transmitting devices which do not cause interference to other users do not require a licence.'.

New clause 19—*Unauthorised use of spectrum or breach of licence conditions—*

'.—The Secretary of State may by regulations prescribe the actions to be taken against those who use the electro–magnetic spectrum without authorisation, or who operate in breach of licence conditions.'.

New clause 20—*Transfer of services from electro–magnetic spectrum—*

'.—The Secretary of State may, by regulations, make provision to encourage the transfer of certain services from the electro–magnetic spectrum to other delivery systems.'.

Mr. Boswell: I suppose that it would be possible for somebody looking at this rather long list of new clauses to conclude that, in the words of a popular newspaper's motto, all human life is there. The group is comprehensive. It has a lot to say, but then it concerns some of the Bill's central objectives and issues. Basically, we are addressing the power to reallocate parts of the spectrum. We are seeking to put a bit of zip and life into the issue of reallocation by proposing alternative approaches.

I come to these matters comparatively freshly. There has been so little going on recently that I am only too happy to participate. After the National Minimum Wage Bill and those small considerations, I have been most struck by the relative conservatism—I hope that I will not put off Ministers when I say that they have been guilty of that—of the Government's rather static attitude to existing

[Mr. Boswell]

users of the spectrum. They find themselves in the position of somebody drawing up a structure plan for a county, where land is either subject to development or it is not. If it is not, it stays as it is. Indeed, it is proposed that only the additional parts of the spectrum will be reallocated.

In the new clauses, we are giving the Government a series of alternative perspectives and options. I hope that they will consider them seriously. It is certainly within the experience and comment of many persons in the field, as well as business users and those who are technical or academic, that some options should become available for reallocation of the spectrum.

I shall pick out three comments. First, as has been discussed, there is congestion in certain areas of the spectrum. There is, therefore, a need to do something about that, although not universally to the same extent. Secondly, there is a growing technical efficiency in compression of signal use; one can do things that would not physically have been possible a few years ago. Thirdly, there will be a changing pattern of use. It is not for us to debate—certainly not in public session—whether the Ministry of Defence requires all its spectrum, and whether it makes best use of it. I certainly would not claim to be a practitioner or be able to speak with authority on that. Those who are—I do not think that they are shooting a line—express some concern.

Mr. Ian Taylor: I am listening carefully to my hon. Friend. He might find that there is a fourth point: where technology enables new use of existing spectrum, which therefore requires reconsideration of the allocation.

Mr. Boswell: I suspect that my hon. Friend has in mind—although I may be wrong—the transition from analogue to digital signals. I notice him nodding. He has added a valuable point.

It is all very well to validate existing licences. There were some exchanges in Committee on this matter, and I understand the Government's argument that they do not want to destabilise people who have to invest quite a lot without giving them some assurance of reasonable security of tenure. It does not seem right that a licence should constitute what might be termed a life tenancy of a bit of the spectrum, regardless of how well it has been used or of whether it can be used more efficiently or moved elsewhere.

That is a difficult balance to strike. Given that there is congestion in some areas, we have come across a very valuable resource that is available naturally through the operation of the spectrum and the electromagnetic waves. We must use the whole of it to best effect. It may not be such a good idea to rely simply on incremental changes when additional parts of the spectrum become due.

I shall rehearse the new clauses in this group—although, as they are clear, they speak for themselves. New clause 2 gives the Secretary of State the power to reallocate any part of the electromagnetic spectrum that he considers is not used efficiently. That is a rather generous power—as the Minister knows, we are extremely generous with our offers to Ministers when we think that is appropriate. In this case, we are offering Ministers a significant power of reallocation.

11.30 pm

The House will not be surprised to learn that the other new clauses are slightly more qualifying. They are designed to stimulate debate and discover which bits tickle the Government's fancy—metaphorically speaking—and about which they might be disposed to provide some assurances. New clause 3 states:

"The Secretary of State may allocate a new part of the spectrum to a licence holder"—

which is consistent with the broad approach of the Bill—

"in return for that licence holder relinquishing that part of the spectrum that they have previously been allocated."

That is an attempt to produce a better grouping or a more efficient use of the total spectrum. It offers a power to swap between one user and another.

New clause 4 gives the Secretary of State the power to buy back spectrum from a licence holder. At this point, I remind the House—because I failed to mention it a moment ago—that all licences are not absolute and as of right, in the sense that they could be revoked tomorrow. I think that that would be an unreasonable act—to use the lawyers' term—in the present circumstances. However, it would certainly be much more reasonable if the Secretary of State were given the power to say, "We really want you out of this bit of the spectrum, and we are prepared to pay for you to move"—in the same way that a landlord may reach an agreement with a tenant to move.

Dr. Palmer: I am puzzled by the fact that the new clauses give considerable power to the Secretary of State to act pretty arbitrarily—although the hon. Gentleman said that he thought that that would be unreasonable. There is no reference to any need to provide adequate notice, in contrast with the provisions of an amendment that we shall discuss later. It appears that new clause 6, in particular, would allow the Secretary of State to reallocate the spectrum for quite subjective reasons without compensation or notice. I wonder whether that is what the Opposition intend. If so, it seems to be a rather Marxist policy from the new Conservative party.

Mr. Boswell: I will not say that the hon. Gentleman is beavering away like a terrier, because that would be a mixed metaphor. However, he is working like a terrier in an attempt to create distinctions without difference and difficulties where none exists. The fact is, as will be fairly familiar to the House—I am now at least modestly familiar with Committee work, although I would not like to make too great a claim—Oppositions propose many things to tickle a Government's fancy. It is the groundbait rather than the single fly that is being cast over the Government. The hon. Member for Broxtowe (Dr. Palmer), who served on the Standing Committee, has technical expertise and a real interest in this subject. I hope that he will feel able to contribute to the debate and will respond appropriately to particular points.

Mr. Ian Bruce *rose—*

Mr. Boswell: I shall give way to my hon. Friend in a moment, but I was concluding my remarks on the intervention of the hon. Member for Broxtowe. The hon. Gentleman does not have to follow every last word that we have put in our new clauses. If he is producing a corrective measure in the interests of civil liberties or

natural justice—not that I would expect Ministers by definition to behave unreasonably—he would have my support in amending our new clauses.

Mr. Bruce: The argument of the hon. Member for Broxtowe (Dr. Palmer) is valid and I put my hand up to being the person who did the sketchy drafting. I was congratulated on its clear language and the fact that it was not beset by regulation and all the rest. If I had thought for a moment that we could get the Government to do something about that, I would have taken much more care with the new clause. I assure my hon. Friend that I would certainly support the Government if they said that they wanted a little more time, in order to adjourn the House and produce better clauses, to make an even better Bill than the one that we suggest.

Mr. Boswell: I congratulate my hon. Friend on his intervention, because he has killed two birds with one stone. He has managed to provide an explanation for the hon. Member for Broxtowe and to support my argument—that is welcome because of the consensus about the way in which we approach this matter.

I am anxious to get on and not to interrupt the flow of the argument. We are rehearsing the various possibilities that the Minister will have been considering in papers put to her, or on which she might commission papers. It would always be possible to do a number of things—if not in this legislation, then subsequently. It would be difficult to do so in the Bill, because it has already been considered by another place.

New clause 3 would give the power to reallocate by exchange or buying in, and new clause 4 would provide the buying-in power. New clause 5—I am going through the new clauses seriatim for convenience—is radically different because it does not involve the intervention of the Secretary of State, although I suspect that some legislative facility would have to be provided. The new clause provides for a secondary market in the spectrum; that is an attractive and interesting concept. One does not necessarily need to get into the agonising issues of auction which we discussed earlier. However, if one wants to use the market modestly to move spectrum about between a willing buyer and a willing seller, the Secretary of State should not frustrate that.

Mr. Ian Taylor: This new clause is important. It takes us back to the principle of the Bill, which is to promote greater efficiency of use of a scarce resource. One matter that needs further consideration is how that can best be achieved. As long as there are rules against hoarding, the secondary market could be a useful way to promote the very efficiency gain for which we are looking in the sector.

Mr. Boswell: I am grateful for my hon. Friend's support. The Government should think about this matter with the caveat that he rightly introduced, because we do not want people to hoard capacity. Indeed, a straight buying-in or confiscatory power might be necessary in cases of hoarding.

To continue my tour through the new clauses selected—of course, I shall not advert to the others, Mr. Deputy Speaker—I come to new clause 9, which is the more authoritarian version of the reallocation point. New clause 11 concerns the promotion of the free market and is based on the Bill's principle, as my hon. Friend the Member for Esher and Walton (Mr. Taylor) rightly said. It proposes an administrative, rather than a market solution—reallocation by the Secretary of State.

New clause 12 raises an interesting consideration, as it relates to whether particular wavelengths are appropriate for particular services. I am advised that some wavelengths require a specific electromagnetic wavelength, whereas others are much more flexible, so to speak. As we want the spectrum to be used to best effect, it would be sensible to be able to reallocate. We do not specify how that should be done, but we do specify that the aim should be

"to ensure competition in services which require a specific . . . wavelength".

I have a feeling that my hon. Friends who have expertise in this matter will want to speak further on that matter.

New clause 15 represents an interesting deregulatory concept—or, to use the Government's current terminology, a better regulatory concept. If low-power transmitters are not likely, or in any way disposed, to upset other users, why are they required to have a licence at all? I do not know whether specific exceptions exist, but the Government should consider whether some would be appropriate.

New clause 19—I have almost reached the end of my list—would provide for a power to police those who pinch a bit of spectrum without authorisation, or those who have a bit of spectrum but operate in breach of the licence conditions for that spectrum. That may be rather authoritarian, in that it could lead to punishments, one of which could be the withdrawal of the spectrum that was abused—of course, if access had not been authorised, it could not be withdrawn, in which case other punishments would be appropriate.

The new clause begins to address how we should deal with people who intrude on other people's frequencies. It does not provide for an absolute power, because, even under our rather restrictive drafting, it prescribes the need for regulations, which would be debatable in the House. That would be a safeguard.

New clause 19 is also designed to probe the Government's intentions if there is some market perspective, rather than only an allocation of licences. We want to know whether the Government believe that, where money and value are at stake and people have paid for their piece of the spectrum, there could be better safeguards to ensure that the market worked properly.

New clause 20, the final one in the group, is again somewhat different. It would provide the Secretary of State with a regulatory power to

"make provision to encourage the transfer of certain services from the electro-magnetic spectrum to other delivery systems".

We could hardly be less specific or prescriptive about what those delivery systems might be—they could be anything from optical fibres to carrier pigeons. There might be cases in which people could be prevented from using the spectrum, if access is scarce, because they could communicate in other perfectly sensible ways. That would be flexible, rather than prescriptive.

This is a rather extended group of new clauses, but they are different from one another. I readily concede to the hon. Member for Broxtowe that they are not perfectly

[Mr. Boswell]

drafted; they are designed to raise a series of issues relating to the broad objective which we all share—better use of the spectrum—and to elicit a Government response.

Our concern is that this exercise cannot operate only by the allocation of additional portions of the spectrum, however lucrative or attractive that may be to Government. The Government must consider whether the spectrum is used to best effect—indeed, the advisory group must encourage them to do so. That may be achieved through a more controlled use of market mechanisms, supported, where appropriate, by Government intervention either to take in bits of spectrum that are not properly used or to move the spectrum about. If I were to identify the new clause of the greatest salience, new clause 5, which establishes the principle of a secondary market is perhaps the most productive for the future. Given what is now a welcome acceptance of the market economy by the Labour party—we need to see how that works in practice—I hope that the Minister will think long and hard about ways in which she can assure us of her interest. Perhaps we can move towards future legislation that will establish that principle.

11.45 pm

Mr. Ian Taylor: This is an important group of new clauses. They go some way towards the probing of the Government that the Opposition should be doing. Increasing the efficiency of use of the radio spectrum has taken a great deal of thought, certainly while the Conservatives were in government. People in industry who advised the previous Government were also exercised about it. How at any given moment does one find the right spectrum for an activity such as mobile telephony, which needs to group around 18 GHz, I believe—I can never remember whether it is MHz or GHz. It was difficult to accommodate all the spectrum that the industry wanted around that level.

Even when I was a Minister, there was a good deal of difficulty in accommodating the four main mobile telephone operators. There had been considerations about how, if one of them was not using the spectrum properly, one might reasonably claw spectrum back, and under what terms. I am glad to say that, to some extent, reasonable negotiation was possible.

The Ministry of Defence is probably now a good deal more reasonable—the Minister will confirm this—about its spectrum and how it might be used for commercial purposes when it is not fully in use by the military. Certainly, that was the case in my day as Minister, but there are some arguments as to what overarching interest the Government have in making sure that the Ministry of Defence uses spectrum with the greatest efficiency, in the interest of the economy as a whole. The MOD's age-old argument that spectrum must have national clear coverage is not necessarily viable, given improved technology and the better focusing of spectrum.

I had a lively discussion with Channel 5 before it went on air. This is confusing terminology, but there is a national area of clear spectrum called channel 35. I believe that it could be one of the first clear national channels available for auction. That is not the subject of this group of new clauses, but it shows that there is potential for moving to auctions when there could be a lot of users of a particular part of the spectrum. When Channel 5 was going live, in certain parts of the country it wanted to use a digital spectrum suitable for analogue transmission in the early days. It said that up to 4 million households would benefit.

There was a trade-off, which we handled by means of a gentleman's agreement, if the Minister will forgive my using that expression, between Channel 5 and the Government. I urge the Minister to keep a close eye on it. It was agreed that Channel 5 would have the right to use part of the spectrum in certain regions for five years, when it would have to hand it back to the Government, at no cost to the Government. When it connected people to Channel 5, it had to tell those who benefited from that analogue use of channel 35 spectrum that they would have to migrate to another delivery system in five years.

Channel 5 accepted that happily, because it knew that in five years it would have better delivery systems and would probably be moving to a clearer digital signal. The negotiations were complex, because my overarching aim on behalf of the Government was not to lose the advantage of a clear national digital channel, which may be used ultimately for, say, genuinely mobile television. That may not be the most exciting use of it, but it is an interesting use and there are tremendous advantages in having genuinely mobile national television which, because it is a clear signal, would be available across the country, even if one was moving around from area to area.

Mr. Boswell: The prospect of genuinely mobile television is exciting. Does my hon. Friend agree that for our present consideration, one of the great—if not the unique—selling propositions of radio is its extreme mobility, which is why it is so attractive and why its spectrum allocation is so important?

Mr. Taylor: I entirely agree. My hon. Friend and I agree on the principle of the Bill, and he is right to table the new clauses, because there are ways of improving the Bill before it is too late. The management of the spectrum will have to develop fairly quickly, and the more powers that are taken at this moment in the Bill, the better it will be. I urge the Minister to consider seriously the new clauses that my hon. Friend has wisely tabled.

As I mentioned in an intervention, there will be cases where, because of the technology, the Government and the Radiocommunications Agency will want to move users off a particular spectrum that is not indispensable to them and which could be used more efficiently by another company and for another purpose. I am sure that the Minister is aware of such cases, and the new clauses would give powers that she would find valuable.

With regard to the move to digital television, I was disappointed that the DTI did not continue to take the lead on the important matters related to digital television, as the Department had done under the previous Government. There seems to be too much interference by the Department for Culture, Media and Sport. I never criticise other Government Departments, of course, but when complicated matters are at stake involving technology and commercial interests, it is important not to let the Department for Culture, Media and Sport have too much say.

In the context of digital television, it should be the DTI's overriding ambition to achieve progress towards switch-off of analogue transmission at the earliest possible

date. I am not being silly and suggesting that that means denying many people the ability to receive television. We all understand that. A similar problem emerged with the move from black and white to colour television.

The point is extremely serious. There would be huge commercial advantages for the United Kingdom to be in the lead. If we want to stimulate the move to digital television, a series of timetables must be set. We had set five years or 50 per cent. coverage of digital, whichever was the lesser. Those aims seem to have been fudged in recent Government statements. That will give the wrong impression to industry, which will have to make huge investments if the digital revolution is to occur.

Mr. Boswell: I am grateful to my hon. Friend for giving way, and I am anxious not to interrupt his flow. Does he agree that the experience of radio shows that one critical element is the cost of the receiver? That bears on the acceptability of the switch from analogue systems to digital. Does my hon. Friend further agree that one approach that can fruitfully be adopted, and has been adopted by the Radio Authority, is to allocate licences over a longer period, to give operators a greater inducement to make the shift?

Mr. Taylor: Yes, I accept that. We shall need a series of innovative methods to encourage investment, and longer licences is one. The prize of getting digital transmission for television is not just the fact that we may well become the world's largest set manufacturer—we do not do too badly at the moment, surprisingly.

There are 42 million television sets in this country, if my recollection of DTI figures is right. The Minister is up to date, and the figure might be slightly higher now. If there are 42 million television sets, that is an awful lot to replace. My hon. Friend the Member for Daventry (Mr. Boswell) raised the cost of not only the set, but the set-top box which, at the moment, would be separate but ultimately would be integrated into the new set as the market developed. As the market starts to expand, there will be a downward pressure on prices.

An innovative idea was discussed under the previous Administration. I would not say that it was Government policy; that would be arrogance on my part, and others would point out that I had not achieved any consensus. However, there was a clear possibility that moneys raised from administrative pricing—or, more particularly, from auctions—could have been put to use to stimulate the market for manufacture, distribution and installation of set-top boxes, so that the price to the consumer in the early days would not be as high as it otherwise might have been.

That could have been done in two ways. The first—this is not the way I favoured—was a straight subsidy in conjunction with the television companies that would be players in the digital age, so that the burden was shared between the Government and the private sector, in recognition that there were Government advantages. The second was that the freeing up of the spectrum when the digital signal was able to pass cleanly—rather than with the distortions that occur when an analogue signal passes from transmitter to transmitter—would make the spectrum valuable. A high price could be put on the spectrum, so that an incomer—knowing that spectrum was available—would pay a certain price. That money could be deployed to stimulate the freeing up of the spectrum that the incoming investor wished to take advantage of. A pool of money could be put to good use, to stimulate the market and to get it to a critical mass.

Both sides of the House agree that, invisible though it is, the spectrum is one of our most valuable resources, and the ability to make proper use of it is one of the determining factors as to whether the economy is capable of competing efficiently in the future. We need the ability not only to make use of the given current range of spectrum, but to make better use of the very high frequencies which at the moment have not attracted a great deal of investment. The range of 40 GHz would possibly open up the prospect of interactive television channels, and some experiments are going on. Frequencies at the higher end are not at present in great demand, but I suspect that that will change. That means that the Bill will be important, in how we manage and price the system. There are no such powers, but the Bill starts to provide them. In providing those powers, would it not be better to have the extra resources that would be available because of the new clauses?

There are more negative aspects. What powers can we have to take spectrum away from companies—or public authorities—that are hoarding? How do we insist that a company that is not absolutely dependent on a narrow part of the spectrum—and is therefore making inefficient use of that spectrum, looked at in the widest context—is moved to a different spectrum? We may need certain powers because of interference across borders. Obviously, in our case we mostly have a sea border, but that does not stop radio waves and we get interference from northern France and Holland, and vice versa. There may well be occasions—perhaps if we were moving to a new agreement in the European Union on spectrum resource management—when we would need to move companies around. We would need the powers to do that, and we need to find the right pricing mechanism.

Mr. Boswell: I shall share an anecdote with my hon. Friend. I am sure that he is aware of the situation in which somebody's garage door opener in Canterbury might, allegedly, close down all the taxi radios in Calais.

12 midnight

Mr. Taylor: I am sure that *The Sun* would approve of that anecdote, but I am not sure that it is sensible in any other way. I must not get confused into worrying about European issues, or I shall be thought to be speaking in a different debate.

These powers will be important. There will be many other incidents that I have not mentioned, or which we have not even thought of, because the changes in technology have not yet occurred. I urge the Minister to look carefully at our rather generous offer. It is rare for a Conservative Opposition, fiercely keen as we are to look at the details of Bills, to come forward suddenly, in a fit of generosity at midnight, with new clauses that offer the Government more power. It would be churlish of her not to look at these offers seriously.

Mr. Ian Bruce: My hon. Friend has left out a most important point: the Minister, who is reasonably new to

[Mr. Ian Bruce]

her job, has the advantage of my hon. Friend's experience. He did the same job for some time. I am sure that she will agree how valuable his experience is.

Mr. Deputy Speaker: Order. That may be the case, but it has nothing to do with the new clause before us.

Mr. Taylor: I heard my hon. Friend's intervention, but I shall not comment on it.

I hope that the Minister will say what her attitude is, as Britain has a tremendous opportunity to show leadership in the effective management of a resource where not only has British industry been successful, but Britain has been successful in attracting inward investment. The proof of that is in the list of members of the advisory committee, which includes Motorola.

Motorola is an interesting company. Not only does it employ thousands of people in this country, but, as an American company, it is an inward investor. I hope that David Brown, Motorola's chairman in the UK, has the appreciation of the main board of Motorola in the United States, as Motorola in the UK is a leading player in developing digital mobile telephony—GSM—and did it almost under the noses, but without the attention, of the American company.

The one country in the world where GSM is not the universal standard is the United States. The American directors of Motorola often look quite uncomfortable when I remind them of the fact that it is thanks to Motorola in the United Kingdom that we lead the world in the spread of GSM. The United States, which is a fairly backward technological market, is looking to catch up one day.

Mr. Oliver Letwin (West Dorset): I should declare an interest, although, having discussed it with Sir Gordon Downey's office, I am not clear whether it really is an interest. However, for the avoidance of doubt, I declare that I am a director of the bank that has been appointed by the Department of Trade and Industry to advise on spectrum bids.

It is important to understand the background against which the new clauses are set, which has become more evident in many ways in other countries. Over the past 10 years or so, I have spent a large proportion of my time setting up the regulatory regimes for telecommunications in other countries. It is important to understand that even if the Government do not accept the intention behind the Opposition new clauses in the precise form in which we have put it forward, they will have to revisit the idea at a reasonably early date—unless they wish to generate some bizarre results.

The first piece of background that is critical—the Minister and her colleagues and advisers, including the impressive list of members of the advisory board that she read out, will already be aware of it—is the fact that compression, which my hon. Friend the Member for Daventry (Mr. Boswell) mentioned, is not a matter of slow progress in a mature industry, analogous with the gradual expansion in the size of aeroplanes, which enables the slots at Heathrow to be used more efficiently over time. Perhaps incrementally over 10 or 15 years we might see a doubling in the size of aeroplanes.

We are talking of an industry in which huge shifts have occurred, not least the effective demolition of satellite as the major means of international voice telephony.

Mr. Deputy Speaker: Order. I have heard the hon. Gentleman talk before about the history of why amendments were tabled. Let us simply say that the amendments and new clauses have been accepted for debate. We do not need a history or a background to them. We need only speak to the business before us; perhaps the hon. Gentleman will do that. I do not want to hear the history of why the amendments are before us. They are relevant, and they are now up for debate.

Mr. Letwin: Of course I take your guidance, Mr. Deputy Speaker, but I am offering not an explanation of why the amendments arose but an argument about why they should be accepted, which I believe is directly germane to the new clauses.

We are dealing with an industry in which compression moves extraordinarily speedily. As a result, what is imagined today—even, perhaps, by the greatest experts—about the amount of frequency, the band width, that will be used may be wholly fallacious two or three years, let alone 10 or 15 years, hence.

Indeed, there is a long history of false prediction about the crowding of use of spectrum, comparable to the long history of false predictions about population growth. The experts turn out to be no better than the rest of us at guessing about such things. The intent behind the new clauses is precisely to allow for the possibility of a huge mismatch between current occupation of the spectrum and what will turn out, perhaps even during the Minister's occupation of her post, to be efficient occupation of the spectrum.

Of course, we all hope that the hon. Lady will progress to the dizzy heights of the Cabinet, but if she remains in the DTI and retains responsibility for the sector, she may find that, even during the lifetime of the present Government, current predictions, including those made by experts in the Department, will have been falsified by technological advance.

The new clauses seek to establish an arrangement under which that would not give rise to either of two developments, both of which must be wholly antipathetic to the Minister's desires. One, which has already been much discussed tonight, is inefficient use of spectrum.

I shall illustrate how extreme such inefficiency can become. Only about 10 years ago, the Government of a not very advanced country, Fiji, thought that it would be appropriate to allocate the entire 900 MHz band—that is, the entire part of the spectrum currently occupied by GSM in the United Kingdom—to one company serving Fiji, whose population is far smaller than that of a small British city. That happened because, on the best advice then available, that Government misunderstood what would be necessary.

That could well occur in a different form in this country. It is a grossly inefficient use of a scarce resource, because other companies could use that but cannot. Secondly—a point that I think will matter to the Minister, as it does to Conservative Members—the deficiencies to which the Labour party has frequently alluded in recent weeks—that rail and water privatisation have generated

some unanticipated profits—could be brought home to roost on a scale that even the Minister might not yet have contemplated.

To be the owner, when compression has moved faster than anticipated—we must remember that we are talking about a geometric progression; it might be two, four, eight, 16 or 32 times faster than anticipated—of a large array of frequencies, which can at that time be used, but only by someone else who does not have possession of them, when a given company which has bid for them has possession of them, is an immense resource.

Mr. Boswell: Is it my hon. Friend's judgment that, despite the compression that he so eloquently describes and its rapid progress, the demand for these frequencies is probably rising faster still? In other words, in the race between the potential demand for frequencies and the technical compression which effectively makes more frequencies available, unless we use the spectrum to best effect we shall be losing, not gaining, ground.

Mr. Letwin: My hon. Friend makes a fundamental point, and it may be right. It is likely to be right. The difficulty is that none of us has the slightest idea whether it will be right. However, the new clauses establish a regime under which, if it proves to be right, as my hon. Friend and I suspect it will, the surplus profit, which would otherwise accrue to the monopolist, who would be able to exact a ludicrous monopoly rate, out of all proportion to the bid that he might have made or the administrative charge that he might be paying, would instead find himself in circumstances where there would be the possibility of that surplus profit being recouped.

I draw the Minister's attention to the kinds of quantity about which we might, in certain scenarios, be talking. Even public switched voice telephony occupies broadly 2.5 to 3 per cent. of gross domestic profit in the UK today. It is perfectly imaginable that, under certain hypotheses about convergence, about which my hon. Friend the Member for Esher and Walton (Mr. Taylor) spoke a moment ago, and under certain hypotheses about compression and demand, which my hon. Friend the Member for Daventry mentioned, we might be talking about surplus profits equivalent to about 1 per cent. of GDP—about £74 billion a year.

That would knock into a cocked hat the entirety of the surplus profits apparently generated, if one listens to Labour Members, by all the nationalised industries following their privatisations. It would still knock them into a cocked hat if one multiplied them by 10. We are talking about great quantities, a great unknown, and, accordingly, a great need for flexibility.

New clause 5 is the minimum response to that range of possible eventualities. It simply argues for a secondary market; a tradeability. That in no sense eliminates the surplus profit. It allows those who possess frequencies today later to trade out of some of them, presumably at the then market value, and, hence, to realise profit. But at least it solves the first problem of inefficient use. It means that if the proud possessor cannot immediately realise—because, for example, he cannot find the financing—capital expenditure sufficient to make use of the spectrum or the frequencies that he holds, somebody else will be able to do so by buying them.

Mr. Boswell: My hon. Friend will be familiar with the situation in relation to certain agricultural quotas. Does he agree that it would be possible to include within the mechanism a siphon whereby a proportion of the value, or a proportion of the spectrum itself, was taken off as a necessary part of, and concomitant to, the Secretary of State agreeing to such a transaction?

Mr. Letwin: My hon. Friend's mind is so speedy in its operation that he anticipates not merely the next part of my remarks, but the part after that. The solution he envisages is one which the Minister, on mature reflection, may wish to adopt. As I said, new clause 5 represents the minimum position.

12.15 am

By contrast, new clause 11 represents the opposite extreme. It allows reallocation, effectively by arbitrary fiat. The hon. Member for Broxtowe (Dr. Palmer) made the valid observation that serious issues arise from such reallocation—for example, property rights and the rights of individuals and companies that have invested. Nevertheless, the new clause would resolve the monopoly rental surplus profit problem.

The new clause would allow reallocation without compensation. That could be defended on the ground that in order to exercise that power reasonably, so that it would not be challenged in the courts through judicial review, the Minister would have to allow the retention of such parts of frequencies that were originally allocated as was necessary to continue those same actions which were originally the subject of the bid or the administrative charge.

Even then, dangers are attached to that option. However, it would represent a conscious policy by the state to recoup unused frequencies for the public good and to restore profitability—a normal return—to the level that the bidder had anticipated it would be, post the technological changes that had enabled the bidder, hypothetically, to be able to conduct exactly the business he had intended with a much smaller range of frequencies.

There are two poles. At the one pole, there is the entirely voluntary market mechanism, posing no problems of civil or property rights and solving the problem of the efficient use of the spectrum—but leaving intact what might be enormous surplus profits under certain scenarios; a vastly over-adequate reward for the original risk.

At the other pole, there is a more draconian possibility. If exercised in the true traditions of British administration, and subject to the strictures of the British legal system, it would probably result in the preservation of property rights, although it runs some risk of going too far in that respect. However, it would deprive the original holder of what might otherwise be a very excessive profit.

Between those two poles lies exactly the suggestion on which my hon. Friend the Member for Daventry, with his lightning wit, alighted. On mature reflection, we may feel that we are suffering from a lack of completeness in our range of amendments and new clauses. As my hon. Friend said, what we are putting forward tonight is a menu for ministerial consideration, but I fear that it contains only the first and last courses, and may be missing the main course.

We might have tabled a new clause that would have allowed for tradeability, but tradeability with some form of levy—which could be adjusted not necessarily merely

[Mr. Letwin]

for a normal return, but for a super-normal return to allow for original risk. That might also recoup vast sums for the Exchequer at a time when technology had moved in a way that was not anticipated.

On the issue of immediate practice, we have to consider what will be the effect of the Bill if it is passed as it stands, which I fear may well be the case. In a perfect world, it would not matter if the new clauses were not accepted, because the Government could introduce a new Bill next week with an equivalent set of provisions; but we are all aware that that is not the reality of public administration. No doubt the Minister fought long and hard to find legislative space for the Bill. The dizzying speed with which her colleagues are introducing legislation—much of which I regret—suggests that the legislative timetable may be chock-a-block for many years.

I fear that, although the House is at the disposal of the Government—I sometimes feel that it is utterly so—technology, reality and commerce are not. The speed with which the developments that I mentioned have occurred may mean that the Government cannot catch up in their legislative timetable with the pace of technological development.

Mr. Ian Taylor: I would go even further. Because of the speed of change—my hon. Friend rightly mentioned the advances in compression technology—it is impossible for Governments to anticipate developments in the very near future. All legislation should be technology neutral, and it should facilitate, rather than regulating a closely defined area of activity at any given moment, because that is always likely to block investment or to be simply irrelevant, because the technology has superseded it.

The new clauses are designed to make the Bill technology neutral, creating powers to deal with the technology however it develops. I am interested in the lucid and erudite way in which my hon. Friend is explaining the problem.

Mr. Letwin: It is precisely because of our collective ignorance—and, alas, the ignorance of any Government—that technological neutrality, and flexibility in the face of changing technology, are of the essence. If the new clauses are not accepted, it may be too long before the Minister gets the chance to introduce equivalent provisions.

If the worst happened, and the problems that I mentioned arose, it would be at the cost of some years of efficiency, perhaps to the considerable disadvantage of the economy and with long-term effects on British manufacturing and design, and the problems that the hon. Member for Broxtowe referred to might become acute.

If a company purchased a wide range of frequencies and found that it did not need them all because of advances in technology, but then began to exploit some others in an unanticipated way, it would of course have established a valuable property right in those parts that it had not originally anticipated using for that purpose, and it would be extraordinarily difficult, at least at the far end of the spectrum, for the state ever to recapture the gain.

The Minister may find herself in the bizarre position of having the Conservative Opposition accusing her at a later date of having failed to recapture for the state, in a virtually unattended House at 12.23 am, an amount vastly greater than the entire surplus profits to which Labour Members allude in relation to privatisation.

Mr. Lansley: I always hesitate to intervene on my hon. Friend, because the completeness with which he forms his argument leads me to suspect that I will simply anticipate a point to which he was about to come.

Does my hon. Friend recall a point made by the hon. Member for Broxtowe (Dr. Palmer) on Second Reading, that if administrative pricing gets the fee wrong, either it will be too high, and act as a disincentive to investment, or it will be too low, and not affect economic behaviour at all? Does my hon. Friend agree that new clause 5—to which, inter alia, he is speaking—would assist, even where administrative pricing applies, in getting the fee right at the earliest possible moment?

Mr. Letwin: My hon. Friend makes an important point. The combination of new clause 5 with new clause 16, which we shall discuss in due course, will have that effect. I must not intrude on your good will by talking about new clause 16 now, Mr. Deputy Speaker, but perhaps we should return to my hon. Friend's point—which is very just—when we debate that new clause. The problem is not merely one of inefficiency or surplus profit. There is another dimension, which makes the flexibility that would be conferred by the new clauses—or, at least, by similar provisions—all the more necessary.

If, on her return to the Department, the Minister consults widely, not just with those concerned with frequency allocation but with those with experience of the entire range of the telecommunications business and, indeed, the media business, she will hear an echo of what I am saying. We may be on the verge of a revolution in the cost structure of the telecommunications industry, to which the new clauses are directly relevant.

There is beginning to be some indication—in Italy, for example—that the fundamental cost of mobile telephony is between a quarter and a fifth of the cost of fixed telephony. That applies even under the fairly efficient arrangements currently operating in the United Kingdom. If the comparison proves to be bona fide—many of us are currently studying the matter in some detail—the entire fixed-line network, not just that of BT but those of its competitors, may well disappear within the lifetime of this Government. That is not because the network's functions will disappear, but because they will be replaced by fixed-radio access.

It is possible that, if the new clauses were accepted, the process could occur smoothly, and that as much as 1 per cent. of gross domestic product could be added to consumer surplus in the economy. As I have said, voice telephony accounts for between 2.5 and 3 per cent. of GDP. If we reduce its resource cost by more than 50 per cent., there may be a consumer surplus of roughly 1 per cent. of GDP. The new clauses would allow the transfer to take place smoothly. Without them, such a transfer might not be possible. The economic loss that might be entailed—I say "might", but I think there is a pretty strong probability—if the Minister fails to adopt similar measures could be very great.

I hope that on all these grounds—sheer efficiency, preventing abnormal profit through an unintended monopoly rent, and, most important of all, the generation

of a huge economic opportunity gain for all of us—the Minister will seriously consider whether, after all, she should opt for flexibility arrangements of this kind.

Mr. Colin Breed (South-East Cornwall): I should like to express the Liberal Democrats' views on the Bill. We are concerned primarily with spectrum reallocation, which is a matter in which we should perhaps be more involved. As the spectrum is a scarce resource, I have some sympathy for the Bill's clauses dealing with reallocation.

Three aspects of spectrum use should be controlled, the first of which is its inefficient use, or non-use. I certainly do not wish spectrum to be acquired for purely investment purposes.

Secondly, spectrum use for new purposes in new technology should be controlled. I imagine that, while this debate is going on, new technologies are not only being invented but are being introduced. Indeed, by the time debate on the Bill eventually finishes, I should not be surprised if those new technologies have become obsolete.

Finally, the way in which spectrum is used by spectrum holders should be controlled, to enable some of it to be released. Such controls might make spectrum reallocation possible, which would help in ensuring good spectrum use. Controls may also make it possible to use spectrum for the policing, safeguarding and security of spectrum holders—who may have paid exceedingly large sums for use of that spectrum. Surely there must be some safeguards for spectrum users. Spectrum reallocation to ensure its proper use would ensure also that the system is secure and is being used most efficiently. However, I do not know how successful the Minister will be in persuading the Ministry of Defence to reallocate spectrum.

12.30 am

I am absolutely opposed to new clause 5, which deals with the secondary spectrum market, because secondary markets are an entirely inappropriate way in which to consider spectrum. Milk and fishing quotas—the spectre of quota hoppers—show how secondary markets develop contrary to all expectations. Moreover, the practice of holding spectrum for investment purposes, and even the auction process itself, may encourage undesirable practices and are not the most efficient way in which to use spectrum. I certainly would not like there to be differentiation between spectrum owners and spectrum users.

We have created a system in which spectrum is acquired in auctions—not so that it will be used properly but so that it might be held for competitive advantage, or even to establish a dominant or monopoly market position, thereby preventing others from using it properly.

Secondary markets in spectrum would be a dangerous development in a very immature market, particularly because we have no real understanding of what will happen in the spectrum market. We have had all sorts of problems with milk and fishing quotas which are attributable essentially to secondary markets. Similar problems may be visited upon us in a secondary spectrum market.

The hon. Member for Esher and Walton (Mr. Taylor) briefly mentioned set-top boxes for televisions, which undoubtedly will soon be introduced. The boxes provide a good example of the need for care in that market, to ensure that domination is not established by one provider and that proper competition is maintained.

Mr. Ian Taylor: I do not wish to go back over old ground, but the hon. Gentleman mentioned the process of conditional access, which was put in the hands of Oftel to regulate. I think that those rules will provide fair and non-discriminatory access, although the market is currently taking its positions and deciding on one set-top box and compatibility. I believe that Oftel, as the regulator, is the right organisation to consider these very detailed arrangements, and I think that, on balance, we made the right judgment.

Mr. Breed: I bow to the hon. Gentleman's superior knowledge of that. The way in which the dominant operators in that marketplace operate in other fields causes me to fear that the so-called level playing field will not materialise. I hope that Oftel will indeed be able to control and manage that situation, which will have enormous repercussions for us all.

Although I am prepared to support some of the amendments in respect of reallocation, because I believe that they give us some power to ensure that such a scarce resource is used efficiently, I am signalling our complete opposition to new clause 5, as I firmly believe that the creation of a secondary market in such an immature sector is likely to have dire consequences for the Government and for the country.

Mr. Ian Bruce: Although I was the author of most of the amendments in the group that we are debating, I am not the original author. Let me tell the House why we are discussing them, why the Speaker has selected for debate 18 of the 19 that I wrote, and why we did not debate those amendments in Committee, which seems almost an age ago.

During the Bill's passage, we heard from the Minister that she had received advice from the Office of Telecommunications. There was a hint that Oftel was not quite as enthusiastic—or, at least, whole-heartedly enthusiastic—about the Bill as the Government were, and that it felt that the Bill should have gone much further on several issues.

I shall not speak about the whole gamut of utilities, because I did not produce any amendments on that subject. In tabling the amendments, I tried to ask where we had gone wrong in the pricing and efficiency of use of spectrum.

The Government came up with a Bill that was primarily a Conservative Bill—a Bill that was in the hands of the Department of Trade and Industry when the Minister and the Labour party came to power in May. The Bill deals with how the existing spare spectrum will be allocated. It also deals with the reallocation of spectrum that we assume will become available and which we assume will be reallocated, given the current licence criteria. It will become available, and the Government know that it will become available and, in time, by what method it is to be reallocated.

After the Committee, I attended a presentation organised by Pitcom—the Parliamentary Information Technology Committee—of which I have the honour of

[Mr. Ian Bruce]

being vice-chairman. It seemed to me, from the frank comments made to me by Oftel at what is generally an off-the-record briefing, that there was more to be said about the Bill. The amendments that we have tabled generally reflect what Oftel said about what it wanted to happen.

I shall take advice from my hon. Friend the Member for Esher and Walton (Mr. Taylor), who was Minister for Science and Technology in the previous Government. He has told me that he well acknowledges that other things were wanted when he was Minister, but that, in the time leading up to the general election, for manifesto purposes, the Government felt that they could make only limited recommendations. My hon. Friend has told me that any limitation of agreed Government policy just before the general election, for manifesto purposes, should not be a limitation on the present Minister.

I wrote the amendments in less than an hour, reading Oftel's clear advice to the Radiocommunications Agency and the Government. That is where the amendments spring from. I do not want to attribute any words to Oftel. After our meeting, I asked Oftel to tell me what it felt should happen, and I should like to read from the letter that I received.

Mr. Lansley: My hon. Friend raises an interesting point. Some of the issues raised by Oftel were referred to in Committee, whereas others have come up since. The Standing Committee sat about two weeks after Second Reading, but four months have elapsed since then. The Government have had an opportunity to respond, but have failed to do so. They have not tabled their own new clauses.

Mr. Bruce: That is true. I pay tribute to the Minister. I often complain about not receiving replies to letters, but the Minister is very quick to respond to them. When I received a letter from Oftel, I wrote to tell her about the additional information that was available to us—which was already available to her. She rapidly wrote back, telling me that she had read the information, and that the Government had made their decisions with that advice available and did not intend to move any further forward.

I understand that the Department of Trade and Industry has been very busy with legislation. This week has shown how the Department has become clogged up, not having parliamentary time to bring its Bills back on Report. That backlog of parliamentary business gave the Department time to deal with the issues that Oftel wanted the Government to move further on. If the Government reject the new clauses, they will have to find time in the remaining three or four years of this Parliament to do something about these important issues.

I thought it proper not to interpret what Oftel told me, but to read the relevant paragraphs from Don Cruickshank's letter of 5 December. He says:

"When we met on Tuesday at OFTEL's presentation to PITCOM, you asked me to write to you setting out OFTEL's view of the Wireless Telegraphy Bill particularly how the consumer interest should be safeguarded."

Under the heading, "The Bill", the letter says:

"OFTEL welcomes the Government's Wireless Telegraphy Bill as part of a process of reviewing the way spectrum is used. Radio makes a very significant and increasing contribution to national economic welfare".

I shall not detain the House with the details of the £13 billion involved and the 410,000 jobs. He continues:

"It is vital that methods of spectrum management are updated to meet the increasing demands of new market requirements and to allow increasing competition and the development of innovative services. The RA"—

Radio Authority—

"review, the White Paper and the current Bill are steps in that process."

That is very important—they are steps in the process.

The letter continues:

"In providing for administrative policy and auctions, the Bill paves the way to opening up access to radio spectrum and providing an additional management tool to that of regulation. OFTEL is very keen on the use of auctions as we consider they provide the best process for allocating spectrum to operators in the most economically efficient way. Where spectrum has already been allocated administrative pricing will allow a licence fee to be set which will reflect its economic value and encourage operators to use it efficiently."

The letter goes on:

"I attach a copy of Oftel's response to the recent RA consultation on administrative pricing so you can see Oftel's views on these detailed issues.

The Bill is only part of this process of overhauling the previous regime. The RA have indicated that they will go on to look at the possibility of secondary trading of spectrum".

That is very important in the context of the new clauses.

"Oftel strongly supports the use of secondary trading"—

which is not in the Bill but is in the new clauses—

"which will enable spectrum to be traded between users, encouraging them to use only what they need and to sell the remainder. This will ensure more efficient use and lead to competitive and lower prices for the consumers as the surplus holdings are used by other operators. As we discussed on Tuesday, this will become increasingly important as the fixed and mobile telephony markets merge and more operators want access to radio spectrum.

The RA will, in addition, be seeking to ensure that spectrum is not hoarded by public and private holders to the detriment of others who are seeking to use it for new, innovative services."

Again, that is not in the Bill, but it is in the new clauses.

"It is extremely important to keep up pressure here in order to provide spectrum for new operators and services."

I will not read the last paragraph; suffice it to say that it mentions putting consumers first. It is not relevant to the new clauses and I would certainly be out of order to read it. I know that a copy of the letter was sent to the Minister, so she is aware of the point.

With the letter, I received two very important documents. One was the review of utility regulation, which is also not relevant to the new clauses. Our debate could well have lasted for several days if I had gone through that document and drafted amendments that would make the proposed changes to utility regulation, but I shall not stray from the new clauses.

12.45 am

Mr. Lansley: My hon. Friend referred, if I heard him correctly, to Oftel's view that the Radiocommunications Agency will ensure that hoarding does not occur. He rightly says that one of the new clauses specifically addresses that point. The implications of Oftel's letter is that it expects that the Radiocommunications Agency will be able to achieve that. I am not clear from looking at the Bill—unless it is somehow hidden in the enabling power on regulations—how the Radiocommunications Agency will achieve that without benefit of the new clause.

Mr. Bruce: In short, it will not. The point made by Oftel is that the Radiocommunications Agency understands that the issue is important, will do further work on it and will come forward with proposals. One suspects that those proposals will be for further legislation, which the new clauses would short circuit.

There are clever people at the Radiocommunications Agency and even cleverer people in the DTI. Some solution to enable secondary trading may be found and people may be allowed to release the spectrum early, as we seek, without the benefit of the new clauses or new legislation—but I do not see how. If I did, I would not even have spent an hour drafting the new clauses, which are directly derived from a document to which I shall refer. It is very important that the House understands where Oftel is coming from. I have simply used my own thought process to try to introduce points without being out of order. I was quite amazed that Madam Speaker acknowledged that the subject of the new clauses had not been dealt with and that the new clauses were, therefore, in order.

This document is Oftel's response to the Radiocommunications Agency's proposals for implementing spectrum pricing—which the Minister had in her hands when she was considering how the Bill should be framed. She has now had many months in which to consider the new clauses and I hope that some of them might be accepted—although I spoke to her earlier this evening and she did not give me much hope. The document states:

"OFTEL supports the introduction of administrative pricing as a useful step towards more efficient, market based, spectrum management. However, consideration should also be given to increasing the supply of available spectrum".

That is at the heart of what we are trying to do in our new clauses.

Mr. Lansley: My hon. Friend makes a useful point. Given that one does not want to imperil those who have investments in or grandfather rights on existing licences, there will, of necessity, be only a limited amount of spectrum available in the first instance—unless one is able to recover some additional spectrum from some of the users who are relatively over-provided, such as those within Government or broadcasters. Does my hon. Friend agree that there would be some advantage in trying to win a little extra spectrum for allocation into administrative pricing, particularly if it enabled the secondary market to set more accurately appropriate administrative pricing for those who have current fees but who should not be disturbed?

Mr. Bruce: In asking that question, my hon. Friend sets out the case extremely well. By chiming in with this document, we shall see how Oftel suggests that that should happen. The Bill aims to improve spectrum management, but it deals with only that little bit that is currently available and another lump that is likely to become available—but we do not know for certain when. Analogue television might have to continue if digital television proves to be a complete failure. The two components must work side by side. We need the right tools. The Liberal Democrats and my hon. Friend the Member for West Dorset (Mr. Letwin) have remarked on the speed with which things change. However, I must move on, Mr. Deputy Speaker, and I shall try to limit the number of interventions—and perhaps give way only in order to wet my whistle.

Mr. Letwin: I am grateful to my hon. Friend for giving way. The interchange between him and my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) prompts some very interesting reflections. Does my hon. Friend agree that there could come a time when it will be enormously important to use administrative pricing as a signal to the secondary market, and indeed to the primary bidding market, in order to ensure that optimisation occurs at a lower point on the price curve? For example, if we want to see a wider spread of the use of a particular technology, we might want to ensure that the bidding resulted in a low rather than a high price, with tough conditions on coverage. Administrative pricing might be used to that end.

Mr. Bruce: Indeed it might. Probably the most important issue—to which new clause 5 refers—is allowing people to trade spectrum that they already own. We have seen how that becomes very popular with owners of spectrum, who find that something they are not using terribly efficiently suddenly has enormous value. They can then put their share on the market and make a profit, while releasing the spectrum for other people. If we leave only a tiny amount of spectrum for the new services, the providers will have to pay enormously high prices. If a lot of spectrum were available, the consumer would benefit. I am only halfway through my first paragraph, so I must continue. The document then states:

"However, consideration should also be given to increasing the supply of available spectrum, not just curtailing demand by"—

Mr. Deputy Speaker (Mr. Michael Lord): Order. I must remind the hon. Gentleman that although it is permissible to read from documents in the House, it should be done briefly and not at length.

Mr. Bruce: Indeed, Mr. Deputy Speaker. I think that the document is relevant, but I will take your guidance and skip through it. However, it is a pity that one cannot have a document fully put into *Hansard*, which would have been the most efficient way to do this. I am trying not to misquote Oftel, but I will paraphrase wherever I can to speed up the process. It is important to get the first paragraph down, as it concerns the principle that Oftel is dealing with.

The document continues:

"This means addressing the issue of spectrum allocation, to ensure that spectrum which is currently underutilised is made available to those who can use it most efficiently. In practice, this would mean adjusting fees to promote greater efficiency, not only in those areas and for those services where congestion already exists (even though efficiency may already be at a high level) but across all user groups in both public and private sectors."

[Mr. Bruce]

The next paragraph deals with the allocation of spectrum that had been given historically to both BT and Mercury, which is now known as Cable and Wireless Communications—it may even have changed the name again since the document was produced. A large amount of spectrum has been given to those two large companies and there is no incentive for them to use it efficiently or to migrate out of the spectrum allocated to digital broadcasting or fibre. Oftel certainly wants that facility to be made available.

On analogue broadcasting and related fixed-link services, the licences issued under the Broadcasting Act 1990 have already been subject to a market-based process through competitive bidding. Again, Oftel points out that there is no real incentive for someone buying spectrum for broadcasting to use it efficiently. Effectively, those companies have a licence to broadcast. There are ways in which to use the very same spectrum for other services, but there is nothing to encourage the BBC, Channel 5 or whoever to use it efficiently.

The document continues:

"Oftel believes there should be a greater loading of the fees for analogue TV fixed links to reflect the fact that these are susceptible to interference (and therefore sterilise a larger area)".

Often an enormous amount of frequency is taken up by that.

Mr. Jon Owen Jones (Lord Commissioner to the Treasury): Which clause does this relate to?

Mr. Bruce: All the new clauses are relevant and in order. I do not believe that it is the job of the Whip on duty to advise the Deputy Speaker on what is or is not in order. We are speaking to the group of new clauses and I can assure the hon. Gentleman that they are very much in order. The way the system works gives people the tools. I could certainly talk at great length if the hon. Gentleman would like me to. I am attempting to get on and to be as brief as I can. Sedentary interventions from the Whip on duty, who thinks that he is speeding up the process, actually slow it down.

Basically, such a move to digital would be in line with using digital instead of analogue signals wherever possible. Certainly, mobile telephones, instead of having an analogue basis, are now digital. That is a more efficient way in which to use the available spectrum.

The steps taken by the Radiocommunications Agency to recover spectrum allocations that are inconsistent with the market allocation are important. BT currently enjoys 30 per cent. of all the available telecommunications spectrum below 30 GHz—my hon. Friend the Member for West Dorset was right to say gigahertz, not megahertz—and 50 per cent. of the fixed-link spectrum below 38 GHz. The agency points out that a useful element of the spectrum has been allocated to BT. Cable and Wireless Communications was also given the most efficient part of the spectrum for utilisation.

Mr. Lansley *rose—*

Mr. Boswell *rose—*

Mr. Bruce: This is a complicated point, and I must finish it before I give way to either of my hon. Friends. New smaller users cannot use that particular lump of the spectrum. The new clauses would allow the Government to say, "We'll take out some of that spectrum so that it can be reallocated to new entrants, but we can give other parts of the spectrum, perhaps in less efficient areas, to BT or Cable and Wireless, which could utilise them because they have a wide range of users."

1 am

Mr. Boswell: I am most grateful to my hon. Friend for giving way. Does he have at the back of his mind the example of airline spots, which is not identical but closely cognate? For example, at Heathrow, British Airways has a preponderant allocation of the total available slots—some people argue that that system should be relaxed.

Mr. Bruce: Yes, it is historically the case that the person who arrives first bags the best area. We are all committed to encouraging competition, and Oftel is saying that competition will work better if the best areas—the Heathrows—are spread more evenly among the many operators rather than the few.

Mr. Lansley: I am grateful to my hon. Friend for giving way. I was hoping to intervene when he was rightly making his point about the switch from analogue to digital. Does he agree that the commercial imperatives that are pushing firms in the mobile telephone sector rapidly from analogue to digital are not reflected in the broadcasting sector? Is it not perverse, therefore, to implement an additional mechanism to push mobile telephones and their operators from analogue to digital when the Government do not seem to want to use the mechanism of pricing spectrum to push broadcasters from analogue to digital?

Mr. Bruce: That is a problem which all Governments face. We have heard about the influence of the Department of heritage, or whatever it is now called—we used to call it the Ministry of fun.

Mr. Boswell: The Department for Culture, Media and Sport.

Mr. Bruce: I thank my hon. Friend—it is good to have a prompt available.

The idea behind making people bid for a broadcasting licence was to ensure that they acted efficiently, but broadcasters are given a massive allocation of the spectrum, which could be available for other uses. The public and the Department for Culture, Media and Sport say that we must ensure that people can continue to use their analogue television sets for 20-odd years. I understand that, as Members of Parliament, we shall all receive letters when pressure is put on broadcasters to give up their spectrum.

The new clauses would provide for a pricing mechanism that could make the broadcaster say, "If we can get rid of the analogue as quickly as possible, we can make millions by transferring it to another operator." They might then spend those millions of pounds on subsidising set-top boxes for their consumers, for example. We should allow the market to help them to do what they want, and the consumer—who is barely mentioned in the Bill—to afford the new technology.

Mr. Ian Taylor: My hon. Friend makes a point that I made earlier, but I intervene to say that I think—I am sure

that the Minister will leap to the Dispatch Box to confirm whether I am right—that the Government have announced the date on which the analogue spectrum for mobile telephony will be switched off; it will be some time after 2000. I wish that such a pugnacious approach had been applied to digital television as well.

Mr. Bruce: I see that the Minister does not want to intervene, but I am sure that, if she knows the date, she will want to tell us it when she winds up the debate.

In the previous Parliament, I introduced a private Member's Bill on telecommunications fraud. At the time, the Bill was intended to help combat fraud on analogue telephones. As promoter of that Bill, I thought it essential to switch from analogue to digital because people who wanted to hack into an analogue telephone would hack into mine as we might upset their nice little business.

I was talking about the exclusive and special arrangements that BT and Cable and Wireless, the two operators within the duopoly, had. No other operator has exclusive rights to that spectrum. Clearly, that is not compatible with the competitive multi-operator environment that now exists. Our new clauses allow the Minister to take that issue on board and to deal with it.

BT and Cable and Wireless also have access to spectrum for other services, especially fixed access and carrier markets. They have almost a monopoly there. They do not even want to switch their own services into those areas of the spectrum. Those services could be more efficiently run there. We are trying to say, "Look BT, you have got all of this." If it can sit on it and not worry, and is not even given an incentive to do anything about it, we shall not get the sort of spectrum management that the Minister has introduced in the Bill.

On the national channels for fixed links, the consultation document issued by the Radiocommunications Agency states:

"It is not possible to allocate national channels to new operators other than in the 38 GHz band, which is limited to short range links of up to 6 km. The reason for this is that most of the available spectrum is already allocated on a national exclusive basis to either BT or Cable and Wireless."

That is the important issue. Spectrum should be available to other players. We should be able to open up this part of the market. Without our new clauses, there will be a continuing imbalance in a free market.

We hope that regulation will decrease in the future as the free market exists. The strange thing is that often, to get a free market, one has to introduce a lot regulations at the beginning to build up a framework within which people can compete.

Oftel talks about Government use of spectrum. It encourages the Government to free up their own spectrum and to use it to advantage. It is possible that the incentive for the Chancellor to get out and free up the spectrum—to go to the MOD and all sorts of people—could be in the Bill. Our new clauses provide more flexibility to allow that to happen.

Oftel certainly welcomed the suggested review of the licensing procedure and the increased transparency. We talked in the debate on an earlier set of amendments about helping that process on. Oftel questions whether those services for which simple pre-packaged licences were proposed should be licensed at all. I shall not go into that paragraph of Oftel's response to the consultation document. It is very useful, but it is not directly germane to the new clauses. It is a good point to say that the less regulation that we have on things that do not require licences the better. That allows short-range spectrum not to be completely controlled. We can just let people get on with it.

On the pricing principles, Oftel

"supports a competition based approach to diversity in the market. If prices are correctly set to reflect the supply of and demand for scarce spectrum, it may be that large differentials between different operators' charges result, depending upon the attractiveness of the spectrum concerned."

We discussed in Committee how the Government would deal with those issues, but there is no mechanism within the Bill to ensure that the Government, Oftel and the Radiocommunications Agency can deal with those sort of pricing principles. That is what is contained in our new clauses.

In the absence of efficient prices determined by trading and auctions, it is important that administratively set prices approximate as closely as possible to those that would emerge from a freely operating market. The new clauses deal directly with that.

I shall not deal with paragraph 13 of the document, which I did not understand when I read it so it did not give rise to any new clauses.

In paragraph 14, Oftel states that the methodology for setting administrative prices should take account of alternative uses for the spectrum in question, rather than just the cost of a hypothetical alternative technology for a given use. That will not necessarily produce the most accurate and sensible way to use spectrum.

That approach might have an impact on prices for mobile and personal communications network use, and might allow prices to take account of the different propagation characteristics of different mobile frequency bands. A band of mobile telephony could be put up for auction, and that would create a particular price. The Minister may later allocate other spectrum for mobile telephony. If the previous band was worth £10 million, it might be assumed that the next band was worth the same amount. However, even if the two band widths were the same, they may not be equally efficient for delivering the service, and the pricing should reflect that. Our new clauses would help the Radiocommunications Agency with a more sensible and sensitive approach to pricing.

The next paragraph of Oftel's response deals with enforcement, which does not link directly to the new clauses. I simply mention it so that no one will think that I am trying to hide something that we should discuss.

I have gone through a complex set of amendments as speedily as I could. As we are modernising the procedures of the House, we should have a procedure that allows us to read the full document into the record. That would have saved time, and would have saved the Deputy Chief Whip from yet another visit to the Chamber. It is good to see him so cheerful at this time of night. I am sure that he is extremely interested in the subject, and that is why he is here.

I urge the Minister to accept some, all or at least one, of the new clauses, which would help the Government to manage the spectrum as they wish to do.

Mrs. Roche: I shall take the new clauses in the spirit in which I hope they were intended—as probing new clauses. I must disappoint the hon. Member for Daventry (Mr. Boswell) as I cannot accept any of them, but I shall try to explain why they are unnecessary.

First, the Secretary of State can already do all that the Opposition seek to empower her to do. Secondly, we believe that the powers in the Bill will bring about efficient spectrum use more effectively than regulatory intervention by the Radiocommunications Agency, which some of the new clauses seek, although of course the agency has an extremely important role to play.

With reference to new clause 2, the Secretary of State, acting through the Radiocommunications Agency, already has inherent power to allocate the various parts of the electromagnetic spectrum to a particular service, as she thinks fit. The power is subject only to certain constraints. The new clause is therefore unnecessary.

Mr. Letwin: Will the Minister give way?

1.15 am

Mrs. Roche: No, I shall not. The hon. Gentleman took a considerable time and I want to develop my argument because there are common points about the new clauses that I should like to make.

The Secretary of State possesses all the legal means necessary to reallocate the spectrum between services and to assign licences to individual licensees. There is confusion among Opposition Members. On a close reading of the new clauses, one sees confusion between assignment and the allocation of spectrum.

I fully share the concern of the hon. Members who have tabled new clauses that the spectrum should be used efficiently, but as I explained in Committee and on Second Reading, that is precisely what the Bill is all about. The powers in the Bill enable the Secretary of State to charge for licences on the basis of the economic value of the spectrum. That will permit the Radiocommunications Agency to reassign spectrum to other users.

Mr. Lansley: Will the Minister give way?

Mrs. Roche: No.

While I am not unsympathetic to the spirit of the new clause, I believe that it is unnecessary. I therefore invite the hon. Member for Daventry to withdraw it.

Mr. Ian Bruce: On a point of order, Mr. Deputy Speaker. The whole House knows that this business has been put on by the business managers—the Whips in charge of the Bill—and it seems extraordinary to my hon. Friends that the Minister, who always responds fully and takes interventions, should not be doing that on orders from the Whips.

Mr. Deputy Speaker: That is not a point of order. It is for hon. Members to decide whether they take interventions.

Mrs. Roche: Thank you, Mr. Deputy Speaker.

I accept that there may be circumstances in which it would be desirable, for spectrum management reasons, for a particular service to be moved to a different part of the spectrum. There has been a great deal of discussion about this. For example, existing users of part of the spectrum may need to be moved to provide spectrum for a new scheme. Users may also need to be moved to comply with an international agreement allocating spectrum for a new service. That is well known. However, section 1(4) of the Wireless Telegraphy Act 1949 provides the necessary power to revoke or vary a licence if this cannot be achieved through agreement. There is therefore no need for an express statutory power to permit this kind of exercise.

Mr. Lansley: I am grateful to the Minister, who allows me to make a point I fear I may not otherwise get a chance to make. I take her point about hoarding, which we have discussed previously. The industry has clearly not been satisfied by what was said in Committee. I note from *The Guardian* of 5 February that the managing director of One2One said that he was concerned that some investors would buy spectrum purely to sell it on to other telecommunications companies when they were hit by capacity constraints. The Minister has not assuaged industry concerns entirely. Will that weigh in the balance in terms of adopting at least one of the new clauses on offer?

Mrs. Roche: The hon. Gentleman knows that we have consulted industry all the way through the Bill. From the consultation, we know that, broadly speaking, industry is supportive of what is proposed.

New clauses 4 and 5 raise important issues of the secondary trading of spectrum rights. I shall go as far as to say—at nearly 1.20 am—that I see attractions in what hon. Members have said about new clauses 4 and 5. I certainly agree that secondary trading has the potential to offer considerable advantages in terms of making spectrum management more flexible and allowing market forces a greater role in the process. However, at the moment, I cannot advise the House to accept the new clauses, for five main reasons.

First, despite the advantages of secondary trading, the free market in this area cannot be left to work completely unregulated. Indeed, on Second Reading, and again tonight, the hon. Member for South-East Cornwall (Mr. Breed) made that very point.

Secondly, a compulsory registration system is necessary so that if radio interference is caused, the Radiocommunications Agency will know who is responsible for using a particular assignment. Conditions must be imposed on the use to which the spectrum is put, to comply with international obligations.

Mr. Boswell *indicated assent.*

Mrs. Roche: The hon. Member for Daventry is nodding.

The new clauses fail to address these issues, so they are fatally flawed.

Thirdly—this is probably one of the most important areas—at present, no legal property right subsists in the radio spectrum. Licences issued under the Wireless Telegraphy Act 1949 are permissions to use radio

[Mrs. Roche]

equipment. They do not confer a legal property right. I understand the serious issues that Opposition Members have raised on that point and realise that this sounds a bit harsh but, as drafted, the new clauses are legally meaningless.

Fourthly, if secondary trading were introduced at the same time as we started to phase in spectrum pricing, there would be a grave risk of windfall gains and a disorderly market. The hon. Member for South Dorset (Mr. Bruce) alluded to that on Second Reading.

Mr. Ian Bruce: Will the Minister give way?

Mrs. Roche: Just on that point, as I mentioned the hon. Gentleman.

Mr. Bruce: I appreciate that the new clauses that I have drafted are thin on technical detail. We all understand that windfalls would occur, but surely if the hon. Lady believes in secondary trading she should table new clauses that claw back the windfall or redistribute the money to the benefit of consumers.

Mrs. Roche: As the hon. Gentleman will know, we are breaking new ground in this area, and we are anxious to get it right.

There was much discussion—rightly—in Committee on examples throughout the world, particularly where auctions had been used. We are anxious to learn, but it is important that we do not to rush into this. The hon. Gentleman might be interested in a couple of things that I have to say.

There are considerable legal doubts about whether the proposed system of secondary trading would be consistent with the licensing directive. Overall, it would take much more extensive legislation than the two new clauses to introduce tradeable spectrum property rights.

The hon. Member for South Dorset invited me to respond with some new clauses. I shall give him an example of what that would mean. In New Zealand, it took about 100 clauses, which gives some idea of the complexity of the issues and the problem that the Government have with these new clauses.

Mr. Letwin *rose—*

Mrs. Roche: No, I shall make some progress.

In case all this seems too negative, I repeat that I see considerable attractions in secondary trading that is properly instituted and introduced at the appropriate time. However, the new clauses do not meet the criteria that I have mentioned.

I shall deal with new clauses 6 and 9 together, because they both deal with broadcasting and are closely linked. I have every sympathy with the objective of securing the efficient use of all parts of the spectrum, but I do not believe that the new clauses would do anything to improve spectrum management. As I have already explained, the Radiocommunications Agency, on behalf of the Secretary of State, has the power to allocate spectrum between services, so the provision already exists.

New clause 11 is also unnecessary, as the Secretary of State already has unfettered powers under section 1 of the Wireless Telegraphy Act 1949 to revoke or vary licences and reassign spectrum. The powers are clearly defined in that Act.

In so far as the stated objective of promoting a free market in spectrum is meaningful, it could already be pursued under the 1949 Act without any amendment to that Act. The new clause is unclear and unnecessary.

I have no quarrel with the intention behind new clause 12, but it is unnecessary as it does no more than restate the current position. The Secretary of State, acting through the Radiocommunications Agency, already has inherent powers to allocate spectrum to specific services—again, subject to international agreements—and has power under section 1 of the Wireless Telegraphy Act 1949 to assign spectrum to individual licensees.

As the hon. Member for Daventry said, new clause 15 deals with exemptions from licensing for low-power devices. I understand the intention behind it, but it is not necessary because the appropriate power is already specified in section 1(1) of the 1949 Act. The Government of that day had great foresight in the areas that we are discussing. The power in that Act is to make regulations exempting specific radio equipment from licensing—a power that has been used extensively. I hope that that gives the hon. Gentleman some reassurance.

New clause 19 deals with the Radiocommunications Agency's enforcement powers. Section 1 of the 1949 Act requires the use of the radio spectrum to be licensed unless an exemption has been made. That Act already gives the Secretary of State enforcement powers and stipulates the penalties that the courts may impose. Enforcement is carried out by the authorised officers of the agency, who are subject to the Criminal Procedure and Investigations Act 1996.

The powers already exist and hon. Members will know that the Radiocommunications Agency pursues a vigorous and effective enforcement policy. There is no need to provide a power for the Secretary of State to make regulations to prescribe enforcement actions against those who use the spectrum without authorisation or operate in breach of licence conditions as the 1949 Act already makes adequate provision to that effect. The new clause is therefore unnecessary, although I understand why the hon. Gentleman raised the issue.

As for new clause 20, I fully agree that priority should be given to using the radio spectrum for services that are not technically feasible by any other means, such as those for which mobility is required. However, it is difficult to see what effect the new clause would have, as the idea of encouraging the transfer of services by regulation—again, I use the word used in the new clause—is rather vague.

In any event, the new clause is unnecessary. The whole purpose of clause 2 is to allow the Secretary of State to set fees which take into account a wide range of economic and other factors, and which will therefore reflect the economic value of the spectrum to users. Administrative pricing should ensure that economic pressure is brought to bear on operators to consider whether they are using spectrum in the most effective way.

We have had a full and effective debate. I hope that I have persuaded Opposition Members to withdraw the new clause, but if not, I urge my right hon. and hon. Friends to vote against it.

Mr. Boswell: As the Minister says, we have had a constructive debate on some extremely important issues. We are disappointed that the Minister is disinclined to accept any of our new clauses, but she has made some noises that give us some comfort. In particular, we were interested to hear her support for the principle of a secondary market. If such a great trading Bill were to be initiated—one hopes that it would be less complex than that introduced in New Zealand—Conservative Members, if not Liberal Democrats, now absent, would wish to give it a fair wind.

Having listened carefully to the Minister's assurances, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 8

REPORT OF DIRECTOR GENERAL OF TELECOMMUNICATIONS ON USE OF ELECTRO–MAGNETIC SPECTRUM

'.—The Director General of Telecommunications shall report to Parliament annually on the use of electro–magnetic spectrum as it affects the United Kingdom, and may recommend to the Secretary of State measures for more efficient use of the spectrum.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

1.30 am

Mr. Boswell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: New clause 13—*Report of Director General of Telecommunications: adverse effects on competition*—

'. The Director General of Telecommunications shall report to Parliament whenever he believes that the allocation of electro–magnetic spectrum has had an adverse effect on competition, and, when such a report is made, the Secretary of State may re–allocate the electro–magnetic spectrum as he sees fit to encourage competition.'.

New clause 14—*Radiocommunications Agency*—

'. It shall be a duty of the Radiocommunications Agency to oversee the management and regulation of the electro–magnetic spectrum, to ensure the effective operation of plans for the efficient use of the spectrum and to make recommendations to the Secretary of State on the most efficient use of available capacity.'.

Amendment No. 4, in clause 2, page 2, line 38, at end insert—

'(d) a report from the Director–General of Telecommunications as to the likely effects on consumers and other users.'.

Amendment No. 11, in page 2, line 38, at end insert—

'(2A) In exercising his powers under section 1 and in his consideration of matters specified in subsection (2) of this section, the Secretary of State shall have regard to the views expressed by the Director General of Telecommunications; and he shall not make any regulations under section 1 unless he has previously received an opinion from the Director General of Telecommunications on the implications of the proposal for competition and consumer benefits.'.

Mr. Boswell: This is a somewhat more manageable group of new clauses and amendments or, to use more modern phraseology, a rather more focused group, which centres on Conservative Members' concern for consumers' interests. They are very much informed by the contribution of Oftel, and that of my hon. Friend the Member for South Dorset (Mr. Bruce) in reading some aspects of that report, on which he is a greater expert than I am, into the record.

The Minister has shown some encouraging signs of response to the Opposition's position, and it is important that the interests of the consumer and user of radiocommunication services should be built into our consideration and, more particularly, the operation of the spectrum allocation in practice.

My hon. Friend the Member for South Cambridgeshire (Mr. Lansley), who restrained himself during our previous debate, mentioned earlier his concern that the Radiocommunications Agency, which is essentially a technical body with great expertise in that area, might not be by itself the most appropriate vehicle for representing that consumer interest. Our position on the new clauses and amendments is that there should be an Oftel input. That is written across the group.

An analogy could be drawn with the relationship between the Radiocommunications Agency, where the technical experts look at the frequencies and the parts of the spectrum from the point of view of their technical compatibility, and the Radio Authority, which issues licences for broadcasting services with regard to other factors, including the entirely welcome growth of community radio. We may have some reservations about the exact way in which that may be done in future, but it is broadly along the right lines and has been positive for the commercial radio industry.

New clause 8 provides a consumer input into what might become an annual version, albeit perhaps a rather shorter one, of tonight's debate. We could have a debate every year on the annual report. We could ask questions about it and see where we were going. It would not merely be a report in the narrow, historic and archival sense; it would enable the Director General of Telecommunications to recommend to the Secretary of State measures to achieve a more efficient use of the spectrum. We envisage a rolling process of review, assessment and update.

As my hon. Friend the Member for West Dorset (Mr. Letwin) said in his very powerful contribution on the previous group of amendments, we realise how fast technology is moving. Therefore, it will be necessary annually to analyse the position—partly the demand side and partly the supply side, such as the new availability of compression. It is terribly important that that process has a consumer input, and that would meet the Oftel case for involvement.

Many aspects of telecommunications services have an Oftel input, almost by definition. It is important to bear that in mind, given the success—I think I can reasonably claim—of the previous Government, the inclination of the present Government not to reverse at least the basis of that thinking and the structure of regulation in the industry. Of course, the consideration is not specifically about licensing; it is about the policy issues that have arisen, in the director general's opinion, during the year.

The House will appreciate that new clause 13 is closely related to that matter. However, rather than having a technical efficiency test, it has a rather different one—

[Mr. Boswell]

whether the allocation of the spectrum has had an adverse effect on competition. In other words, to take the hypothetical case mentioned by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), there might be a problem with someone hoarding a series of licences and unfairly occupying an attractive part of the spectrum. That could be deemed to be anti-competitive, which would generate an adverse comment from the director general. In turn, that could lead the Secretary of State to reallocate the spectrum as she thought fit.

I envisage that process of report and decision making strengthening the Secretary of State's position, not least in administrative law. If the Secretary of State were disposed to make the reallocation, it would not be easy for her to establish the grounds under which it would be made. If there had been a separate report from Oftel, that would provide a much stronger basis for her decision. That would be principled, and a good way of going forward.

New clause 14 imposes a duty on the Radiocommunications Agency, and invites it to oversee the management and regulation of the electromagnetic spectrum. Indeed, that is essentially its remit. The new clause is worded to ensure the effective operation of plans for the efficient use of the spectrum and to make recommendations to the Secretary of State on the most efficient use of available capacity. That, again, would underpin her position in administrative decisions, whether on pricing or on reallocation of spectrum, because there would be some principled basis on which she could proceed, rather than it being done arbitrarily. That would help to safeguard her position.

The important point about the three new clauses is that, in different ways, they provide a means of running past both the House and public debate—as well as providing advice to the Secretary of State—some important and sensitive issues relating to the operation of the Bill's objectives.

Amendment No. 4 relates to clause 2, which lists some issues to which the Secretary of State should have regard when exercising

"powers under section 1 to prescribe sums payable in respect of wireless telegraphy licences".

The list is pretty comprehensive, but the amendment would provide for the fact that, if there is to be a pricing structure, and the Secretary of State is to make decisions to modify the existing practice, that is likely to affect consumers.

The effects could be direct—for example, how much people would pay for their radio services. They could also be more oblique—if services were no longer available, were priced out of the market or suddenly became increasingly attractive. One of the most attractive features of the radio regime to which I referred is that it has brought in many operators with quite small catchment areas.

The arrangement may not be ideal, but it is certainly a step forward. Oftel could rightly comment on such matters. The overall track record is of a great deal of market liberalisation and some world leadership in the allocation of scarce resources.

Amendment No. 11 would require the Secretary of State to take Oftel seriously. The regulatory process would allow matters to be discussed in the House, so we could look at them and see how they shake out.

The amendments come from slightly different directions, and taken together they send an important signal—from the Opposition and, I hope, from the Government—that the consumer should come first. The new clauses and amendments would provide a suite of measures to ensure that our objective—I hope that it is shared by the Government—can be delivered.

We hope that the Minister will consider whether our proposals are the best way of building the consumer element explicitly into the Bill and whether there are alternatives or, at least, give us the assurances that we, and the consumers that we claim to represent, would want.

Mr. Lansley: New clause 13 and amendment No. 111 concern two important aspects of the Bill that were debated in Committee but were in a sense remitted to a later stage.

As the Minister will recall, it was said in Committee that, if the Minister did not feel able to accept the amendments that had been tabled—their objective was that the duty to pursue consumer benefits should be included in the Bill—the Government should consider, and perhaps table, amendments on Report. Although four months have intervened, the Government clearly have not seen fit to table an amendment in such terms, but it is very desirable for us to achieve a related but different objective by means of the intervention of the Director General of Telecommunications.

1.45 am

Although the Minister was careful to reflect accurately in Committee the representations made to her by the director general, it should be said that the director general has been quite clear about the advice that he would give. Let me pre-empt my hon. Friend the Member for South Dorset (Mr. Bruce), and quote from the letter that the director general sent to my hon. Friend. The director general takes the view that

"An unambiguous primary statutory duty to promote the interests of consumers would ensure their welfare underpinned all regulatory decisions."

I well understand why the director general takes that view. Under the Telecommunications Act 1984, he has an obligation to ensure that there is a statutory duty to promote the interests of consumers. On the basis of what is now approaching 14 years' experience of promoting competition and consumer benefits in the telecommunications industry, he rightly sees no reason why he should not, and every reason why he should, impress on the Government the view that the Bill should provide for a similar duty. That is clearly not the route that the Government wish to take, but, if they object, there could be a valuable proxy in the form of the intervention of the director general in the way provided for by amendment No. 11.

Under clause 3, consumer benefits might readily be assumed to be realised in the economic utilisation of the spectrum arising from the auction process, because—in theory, at least—those who are buying will do so on the basis of their best estimates of the economic value that can be derived, and on the assumption that that will be achieved by provision for consumer benefit.

The amendment is therefore not designed to have an impact on clause 3. It is designed to add to clause 2 the provision that the matters that the Secretary of State must take into account in exercising powers under section 1—as it will become—will be circumscribed, in that the powers can be exercised only when the director general has expressed a view on, in particular, the competition and consumer benefits. Until he has expressed such a view, regulations under section 1 should not be made. That will bite on the issue of licences where auctions do not apply.

The point was not responded to in Committee. The Minister may have had a chance to reflect on it since then, and may wish to answer now, but in Committee the Government asserted that all the matters to be taken into account under clause 2 would also, of necessity, be taken into account in issuing licences under clause 3 where auctions applied. It is a matter not just of selling to the highest bidder but one of taking other matters into account.

The Government's clear intention in the Bill was to ensure that the matters specified in clause 2 were dealt with in clause 3. However, curiously—as Ministers have been told—clause 1(5) is designed specifically not to include in clause 3 the regulatory power of clause 1. Moreover, the duty that amendment No. 11 would impose on the Secretary of State to consider the opinion of the Director General of Telecommunications should not be read as implying that an opinion from the Director General of Telecommunications must be received on competition and consumer benefit before, for example, a licence is sold at auction.

It might be useful if the Minister were to tell us whether she has had an opportunity since our debates in Standing Committee to reconsider whether our construction of the Bill was accurate. The question—which is perhaps best dealt with in debate on the next group of amendments—arises of how, despite Ministers' assertions, those important matters to be considered are dealt with in clause 3.

The debate in Standing Committee on consumer benefits was important. Although the Director General of Telecommunications is not the final arbiter of consumer benefit—in all markets, the consumer is the final arbiter on that matter—that person is a good proxy as the final arbiter.

As Members on both sides of the Committee felt that it was desirable that consumers should be the ultimate beneficiaries of the process, I was surprised at the length to which Ministers went to specify in the Bill provisions that they themselves regarded as something of a proxy in delivering benefits to consumers, and at the fact that they would not make that clear. In Standing Committee, the Minister said, for example:

"Consumers are important, but why should they be singled out above all other interests, such as operators and manufacturers?"—[*Official Report, Standing Committee A*, 13 November 1997; c. 120.]

That is a very strange approach.

If I were to talk to operators and manufacturers, I do not think that they would say, "We think we should be treated on an equal basis with consumers; we all have interests as stakeholders in this industry. The Government should not put consumer interest above the interests of mobile telephone operators or of fixed-link radio operators." I think that they would say, "Yes, you should put consumer interest first, because we think that that is the primary interest. If we in industry do not serve consumers first and provide them with benefits, there is no purpose in being in industry or in utilising spectrum for commercial purposes."

If—as I have always found to be true—industry is prepared to put consumers first, it is extraordinary that Ministers should themselves be unwilling to put them first, as can readily be done. The possibility open to Ministers is to use the Director General of Telecommunications, who has proved to be a tried and tested pursuer of consumer benefit.

In the past few days, we have been reminded—by the strictures of the retiring Director General of Telecommunications to mobile telephone operators on their charges for fixed-link calls to mobile telephones—of the vigour with which the director general pursues consumer interest. It would be very difficult to dispute that the current director general, or his successor, is anything but a useful and valuable proxy in establishing consumer benefit.

The second value of new clause 13 and amendment No. 11—the point was well made by my hon. Friend the Member for Daventry (Mr. Boswell), so I shall not elaborate—is that, by taking that route, we diversify the sources of advice to the Secretary of State on the utilisation of spectrum, not only for technological purposes but in relation to the development of compression techniques and other uses which are not necessarily in the commercial arena.

The advice of the Director General of Telecommunications will enable the Secretary of State to link decisions taken on the allocation and use of spectrum to an economic analysis—with which the Director General of Telecommunications is increasingly concerned, because of the pricing control mechanisms applied in the telecommunications industry generally—and to an analysis of the convergence of different technologies of broadcasting, telecommunications and radio telephony.

I take the point made by my hon. Friend the Member for Esher and Walton (Mr. Taylor) that, as those technologies converge, legislation should not become too tied to technology. If we include the Director General of Telecommunications explicitly as a source of advice to the Secretary of State on issuing licences, the Secretary of State will be better equipped to take decisions, having benefited from an intimate understanding by the appropriate regulatory body of the convergence of communication industries and of telecommunications services. That will improve decision making.

We need not elaborate the advantages that the Radiocommunications Agency brings to these questions. Notwithstanding those advantages, the agency would not necessarily assert that its specific expertise on telecommunications industries generally, or its economic analysis, was superior to that of the Office of Telecommunications. I believe that the Radiocommunications Agency would acknowledge that the Office of Telecommunications can add value to decisions taken in this context.

I single out for the Minister, from the valuable group of new clauses and amendments before us, new clause 13 and amendment No. 11 as measures that would especially serve to improve the Bill. They would help the Secretary of State to take decisions, and they would provide

[Mr. Lansley]

reassurance. The latter aspect has been strongly emphasised tonight by Conservative Members, and it was emphasised in Committee by Liberal Democrat Members, who are not now present.

The benefits of explicitly providing for the consumer interest were very much to the fore in our deliberations in Committee. The Minister has an excellent opportunity to respond positively to the debate in Committee by amendment on Report.

Mr. Ian Bruce: I am grateful to be called to speak at this early hour, and I do not intend to make a long speech on this group of amendments.

Mr. Ivor Caplin (Hove): Hear, hear.

Mr. Bruce: I am grateful to the hon. Gentleman, who has just come into the Chamber.

Mr. Caplin: I have come in specially.

Mr. Bruce: I am pleased to hear that he came in specially. I am even more grateful because, obviously, all this will make the newspaper headlines.

I shall be brief. An aspect to which we drew attention by tabling the new clauses and amendments was that we felt that there was ambiguity as to which regulator did what. In Committee, I made a detailed speech about the large number of regulators. I said that, in every Bill of this nature, one regulator seems to be asked to do everything, even though it is not quite appropriate, and I said that it was difficult to choose the appropriate regulator for the purpose.

In these new clauses and amendments, we have tried to express our preferences in terms of who does what—the Office of Telecommunications or the Radiocommunications Agency. One factor is the consumer interest, which we touched on earlier. I always rely on the Director General of Telecommunications—or the two that we have had—to give us an honest answer. When he is leaving his job, no one can suggest that his comments are directed at trying to play himself in for another five years. Mr. Cruickshank's valedictory message was that the legislation should be consumer-oriented. I also think that, as well as a convergence of technology, we must ensure a convergence of regulators.

What I am saying is Labour party policy. Before the general election, Labour came to certain conclusions about reducing the number of regulators.

Mr. Clive Betts (Sheffield, Attercliffe): Can the hon. Gentleman take a little more time?

2 am

Mr. Bruce: The Whip would like me to spend a long time explaining that the Radiocommunications Agency is one agency, the Telecommunications Agency is another and they are both in new clauses 8, 13 and 14 and the amendments. I can go into more detail if the hon. Gentleman would like, but I would rather sit down in a couple of minutes. I hope that he will contain himself a little longer.

We must try to bring the agencies together, to ensure that we have the most appropriate agency in the short term. We have tried to draw up helpful new clauses and amendments to ensure that. In the longer term—not too long, I hope—we must try to bring the agencies together.

I should like to give a plug to a report by EURIM—I must spell that for *Hansard*, because I am always sent a note otherwise: E-U-R-I-M. It stands for the European Informatics Market group—I seem to be the only person who knows that. The report concluded that, instead of some 15 agencies dealing with the issues, there should be just one. That is a radical proposal, because it would require the removal of 14 director generals of other agencies. I understand the difficulties of the proposal, but I should like to flag it up in my short contribution.

We cannot look at legislation in isolation. We cannot simply say, "This is a radiocommunication; this is a telecommunication; this is broadcasting; this is satellite." They are all electromagnetic signals. They are all caught in some ways by the relevant legislation. It would be logical to bring them all together as soon as possible. That would help us to use electromagnetic spectrum in the most efficient way.

I promised to make a short speech. I hope that we can rely on the Minister to spend a bit more time telling us either that she will accept the new clauses and amendments or how she will work towards the issues that they deal with in the near future.

Mrs. Roche: I have listened carefully to the debate. It is right to have a discussion about consumers, but I hope to convince Conservative Members that the new clauses and amendments are not necessary.

New clauses 8 and 13 deal with reports by the Director General of Telecommunications. Section 55 of the Telecommunications Act 1984 requires the director general to report annually to the Secretary of State with a general survey of developments during the year, on matters falling within his functions. The Secretary of State is then required to lay the report before Parliament. Therefore, that is already laid down in the Act.

The director general also has a specific duty under section 51 to advise on licensing under the Wireless Telegraphy Act where that involves telecommunications, and to give advice to the Secretary of State on spectrum management issues. I consider, and the director general agrees, that new clause 8 is completely unnecessary, as it merely duplicates the effect of existing provisions.

New clause 13 also requires the director general to report to Parliament if he believes that the allocation of spectrum has had an anti-competitive effect, and empowers the Secretary of State to act to reallocate the spectrum, to encourage competition. The director general already has a general duty under section 3(2)(a) of the Telecommunications Act to maintain and promote effective competition in telecommunications and, under section 49, to consider any matter that relates to telecommunications services. The director general therefore already has an obligation to report to Parliament on developments in spectrum management that adversely impinge on competition.

I understand completely where the hon. Member for Daventry (Mr. Boswell) is coming from; I understand his concerns, but the legislation is already in place to enable the director general to do just what the new clause would require. I consider, and the director general agrees, that the first leg of the new clause is completely unnecessary, as it merely duplicates the effect of existing provisions.

The second leg of the new clause is also unnecessary. The Secretary of State already has inherent power to allocate and reallocate spectrum and has wide discretion in the granting of licences. She may already pursue the promotion of competition in the exercise of spectrum management power. I hope that that provides some reassurance for the hon. Member for Daventry.

Amendments Nos. 4 and 11 also refer to reports from the Director General of Telecommunications. In supporting them, Conservative Members raised important issues about consumers. I emphasise, as I did in Committee, when we had a lengthy debate on a similar amendment, that the Government attach considerable importance to consumer interests both generally and in the context of spectrum pricing.

Ms Linda Perham (Ilford, North): As my hon. Friend knows, I represent a constituency where there are many licensed taxi drivers. Is she aware of how much members of the National Federation of Taxicab Associations appreciate the open, fair and constructive way in which the Government have consulted consumers and how much they appreciate the reassurances that have been given?

Mrs. Roche: I thank my hon. Friend very much for that important intervention. The Government are extremely grateful for the continuing contact that we have had with the federation and the contribution that it has made.

Mr. Lansley: Will the hon. Lady give way?

Mrs. Roche: No, I want to make some progress.

The House will no doubt agree that effective spectrum management and the promotion of innovation and competition are powerful forces acting on the consumer's behalf. Effective spectrum management enables more service providers to access the spectrum. That promotes competition and innovation, which increase consumer choice and drive prices down. It is no coincidence that competition and innovation are listed in clause 2(2) as matters to which my right hon. Friend the President of the Board of Trade is required to have particular regard. In addition, clause 2 requires the Secretary of State to have regard to economic benefit. That includes benefits for consumers. There can be no doubt, therefore, that clause 2 already provides for consumers' interest to be taken into account and will work to the benefit of consumers.

As part of the consultation process, my right hon. Friend the Secretary of State and I would welcome the views of the Director General of Telecommunications on any aspects of proposed licence fees. We regard that as very important. When we seek that consultation, it will include the effects on consumers and other users. We shall give them the most serious consideration.

It is appropriate to take this opportunity to pay tribute to the distinguished record of the present director general in promoting consumers' interests. Don Cruickshank has done an excellent job, and I am sure that all hon. Members wish to express their warm appreciation of his great contribution. That contribution is also recognised internationally—the director general is held in extremely high regard. However, there is no need to amend the Bill as proposed, as it already effectively requires that the director general's views be taken into account.

Because we place such weight on consumers' views, we consulted bodies representative of consumers at an earlier stage of the Bill. The National Consumer Council advised:

"we are not supporting or opposing any amendments to it".

The Consumers Association said that it was

"not aware of anything contained therein that we would object to".

We have also consulted, and listened to, other groups. There was mention in Committee of the views of the Joint Radio Company of the energy companies. I am pleased to say that the chairman of the JRC wrote to me afterwards, and said:

"I am writing to express our appreciation for the extent to which the Government expressed its commitment to issues of importance to the utilities during the Committee stage of the Wireless Telegraphy Bill . . . The debate showed a very full and comprehensive understanding of our concerns and we are grateful for the assurances given."

The Telecommunications Advisory Council of the water industry also wrote confirming that it has been

"fully supportive of the spectrum pricing process".

We are very grateful for those comments. I hope that I have provided the assurances on those points that Conservative Members were seeking.

Amendment No. 11 suffers from the serious defect that it would place an implicit duty on the director general to submit observations on the implications of all fee proposals for all consumers. If the director general decided, for whatever reason, not to express views, the Secretary of State would be prevented from making the regulations, even if they involved fee reductions. It is not acceptable that the Secretary of State should be subordinate to the director general in the way that amendment No. 11 would provide. I am sure that Opposition Members did not intend that to occur. It would place the director general in a very difficult position, and I do not believe that it is appropriate.

In summary, amendments Nos. 4 and 11 could distort the operation of spectrum pricing. As to new clause 14, I note the interest on the part of Opposition Members to put the spectrum management duties of the agency on a statutory basis. However, I cannot help but observe that the Conservative Government established the agency in 1990 under the next steps programme. The agency's aims and objectives are set out in its framework document, which is agreed by Ministers. It specifies that its mission is to facilitate access to radio spectrum of the appropriate quality, for the widest range of services, and so promote the creation of wealth, competition, quality and choice. Therefore, there is no need to have further statutory powers to define the agency's duties—and indeed to do so in the way that the new clause seeks would unnecessarily restrict the future range of operations.

[Mrs. Roche]

I hope that I have answered the points raised by Opposition Members, and I invite them not to press the proposed new clauses and amendments.

Mr. Boswell: In the light of the Minister's assurances, and adding, solely as a point of substance, that we echo her warm praise for Don Cruickshank's record, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 10

DIFFERENTIAL LEVELS OF FEES

'. The Secretary of State may impose higher fees for those technologies which make inefficient use of the electro-magnetic spectrum than those which use the spectrum efficiently.'.—*[Mr. Boswell.]*

Brought up, and read the First time.

Mr. Boswell: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael J. Martin): With this, it will be convenient to discuss the following: New clause 16—*Allocation of licences other than under section 3*—

'.—When allocating licences other than by the procedures set out in section 3 (Bidding for licences), the Secretary of State shall have regard to the level of bids received in any similar circumstances when setting the fee to be charged.'.

New clause 17—*Administrative pricing*—

'.—When setting the level of administrative pricing for a particular section of the electro-magnetic spectrum, the Secretary of State shall have regard to the fee that might be levied if that section of the spectrum was used for a different purpose.'.

New clause 18—*Pricing for different parts of the electro-magnetic spectrum*—

'.—When setting prices for the use of different parts of the electro-magnetic spectrum for the same purpose, the Secretary of State shall take into account the variations in cost to the operators of using different parts of the electro-magnetic spectrum.'.

Amendment No. 2, in clause 1, page 1, line 15, at end insert—

'(2A) The sums prescribed or determined under subsection (2) shall not in total exceed by more than twenty-five per cent. the sums charged for licences in the financial year in which this Act is passed.'.

Amendment No. 12, in clause 2, page 2, line 38, at end insert—

'(d) the relative investment required to provide a service utilising the respective parts of the electro-magnetic spectrum.'.

Amendment No. 14, in clause 3, page 2, line 45, after 'regard', insert 'both'.

Amendment No. 15, in page 2, line 46, after 'spectrum', insert

'and the securing of investment in development of telecommunication services.'.

Amendment No. 16, in page 3, line 18, leave out

'as a cash sum'.

Amendment No. 17, in page 3, line 22, leave out

'as the amount of a single payment or'.

Amendment No. 18, in page 3, line 23, at end insert

'subject to a limitation that the payment which may be bid shall not exceed 5 per cent. of the income wholly or partly attributable to the holding of that licence'.

Amendment No. 7, in page 4, line 10, at end insert—

'(9) The sums payable to the Secretary of State under this section shall not exceed £1,000 million.'.

Amendment No. 10, in clause 10, page 6, line 3, at end insert

'except as provided in subsection (3) below.

(3) Section 3 of this Act shall not come into effect until Community legislation is passed setting for all Member States rules for bidding for wireless telegraphy licences.'.

2.15 am

Mr. Boswell: Although the new clauses are set out at the beginning of the group, those in my name and the names of my hon. Friends essentially rehearse matters to which the Minister has already replied concerning the flexibility of pricing. I do not intend to reopen those issues at this hour. The group contains a number of amendments tabled by my hon. Friends, and it is for them, rather than me, to comment on any matters that they want to raise.

Briefly, I shall return to the points of substance that stand in my name. These are matters of great import and I am not sure that I would necessarily and realistically expect the Minister to accept them as they stand, but they send out an important signal about the costs of the operation. The hon. Lady will recall from debates on Second Reading and in Committee that there is a real doubt—perhaps I should say a suspicion—on the Conservative Benches that the mechanism offers the potential for a significant revenue-raising operation. We tabled the amendments in that spirit and to give some flesh to the assurances that the hon. Lady has already floated in Committee.

To deal with them briefly, amendment No. 2 prescribes that the total uplift in income should not

"exceed by more than twenty-five per cent. the sums charged for licences in the financial year in which this Act is passed."

That might be a reasonable extra accrual of revenue. Indeed, at an earlier hour my hon. Friend the Member for South Dorset (Mr. Bruce) was metaphorically licking his lips at the almost boundless revenue-raising possibilities that he envisaged from that source. We will not hold that against him, but we want a practical limit. An alternative way would be found through amendment No. 7, which imposes a limit on the total return to the process of £1 billion. I invite the Minister to comment on those amendments.

Equally, amendment No. 18, on the bidding process, would restrict the cash sum payment to 5 per cent. of the estimated income from the issue of the licence. That would curtail any attempt to buy licences regardless of cost, perhaps to close them down or put competitors out.

Finally, to make the point, amendment No. 10 suggests that commencement of the Act might be deferred until the Community rules on spectrum allocation are clear. That echoes a point that the Minister made earlier, which is that we clearly cannot conduct our operations purely in a vacuum and it is important that we are sensitive to that, that we have some awareness of what is going on in other countries, learn from their experience and share it.

There is also a practical point. I think that I reversed my anecdote. It should have been that the car radios set off all the garage doors in Kent—I cannot remember which way it went, but it does not really matter. The point is that, if two radio systems adjoin each other, they will inevitably impact. Therefore, I am convinced that it is important for the Government to take serious account of what is going on in the near continent.

Ministers should have regard to the fears that have been expressed that this is a major fund-raising exercise. Next week, the Chancellor will open his Budget. I doubt whether he will be talking explicitly about this, but we would deprecate any attempt to raise incalculably large sums through the back door in a way that had not been covenanted, has not been flagged by Ministers and would amount to a substantial breach of faith. I hope that the Minister will give us assurances, which we can then test against the way in which these measures and the pricing formula pan out in practice.

Mr. Letwin: I intend to be enormously brief. I want to amplify the point made by my hon. Friend the Member for Daventry (Mr. Boswell) on new clause 16, with a slight nod towards new clause 17. I hope that, not only in her closing remarks this morning, but, more important, in her subsequent considerations in the Department, the Minister will take account of the intention behind the new clauses.

It is extraordinarily important that no future holders of her office should disjoin the administrative prices that are set for some parts of the spectrum and the bid prices that are established in the open market. That is not to say—my hon. Friends have been careful in phrasing new clause 16—that there may be no difference, but we tabled the new clause to ensure that any Minister responsible for administrative pricing refers back to the relevant information from the bid prices.

Any decision that is made about a particular part of the spectrum without regard to the bid prices could distort the entire market. I am sure that the Minister will assure us that it would be her usual practice to refer to the bid prices—the main intention behind new clause 16 is to ensure that she puts that on the record, so that we have a clear understanding of how Ministers will deal with administrative pricing.

Mr. Lansley: I welcome what the hon. Member for Ilford, North (Ms Perham) said about radio taxis, which reminded me—this may amuse the hon. Member for Cambridge (Mrs. Campbell), who has been very patient during our proceedings—that Camtax, which operates in both her constituency and mine, has radio licence No. 1 for these purposes. I do not know whether she knew that, but it is another distinction which falls on our constituencies.

New clause 18 would enjoin the Secretary of State to

"take into account the variations in cost to the operators"

when setting administrative pricing. An example of what I hope the Minister would take into account is the difference in the infrastructure costs of delivering services between operators at 900 MHz and those at 1.8 GHz. The propagation characteristics of the two affect the costs incurred in providing a service. It would be wrong for administrative pricing not to reflect the infrastructure costs of providing a service at that higher frequency, which would necessitate the construction of more telecommunications masts.

Amendments Nos. 14 and 15 are linked. They would enjoin the Secretary of State to take into account

"the securing of investment in development of telecommunications services".

I hope that the value of that is self-evident, but I shall relate the amendments to a specific issue on which I would welcome the Minister's reassurance.

In our previous debates, Ministers said that they had no intention of applying spectrum pricing to the fixed-link radio operators operating at 10 GHz. The issue is an important one for them. Such operators have an onerous roll-out obligation, which involves the acquisition of additional spectrum in order to meet the obligations that they have taken on. Having done that under one regime, operators have a sense of jeopardy about moving to a different regime.

To pursue the issue of Ministers' present and future intentions, will the Minister confirm either that the Government will not impose spectrum pricing while the 10 GHz operating companies meet their current roll-out obligations, which means not before 2003, or that, in the event that the Government impose spectrum pricing before 2003, Ministers will accept that that will cancel or, perhaps by agreement, mitigate companies' roll-out obligations?

Mr. Ian Bruce: There has been quite a long time between the Committee and Report stages of the Bill. I emphasise my hon. Friend's point about commitments from the Government Front Bench about funding. Although we are only a few days away from the Budget, I wonder whether we can have a better steer from the Minister about exactly how much she is now expecting. Has there been any change in her expectation?

Mr. Lansley: I am grateful to my hon. Friend, not least because he takes me directly to the third set of points that I want to make, which relate specifically to amendments Nos. 16, 17 and 18. To save time, I shall not explain why those three amendments are linked. There are two questions. The first is slightly tangential. We have not really found out anything much, even since the Committee proceedings four months ago, about what Ministers expect to be the broad quantum of increases in charges to operators by way of administrative pricing.

Many of us would be hard put to know the orders of magnitude. Will the cost of licences increase by perhaps 20 or 30 per cent? One might say that that is a significant increase. Are we talking about much greater increases? It would be helpful if the Minister would say what orders of magnitude of increases—

Mr. Ian Bruce: Or decreases.

Mr. Lansley: Of course. The purpose of administrative pricing is not necessarily to raise money but more efficiently to utilise the spectrum, which, in certain circumstances, may mean reducing fees to promote active use of the spectrum.

Mr. Bruce: I do not want to delay the proceedings, and I know that I do not really need to remind the Minister of

[Mr. Bruce]

this, but I recollect that, in Committee, we talked about fishermen's and other licences. The new regulations will give the Minister the opportunity to make adjustments. Pleasure craft pay far less than fishermen, and fishermen get very upset about that, especially as their radios are a safety mechanism.

Mr. Lansley: I agree with my hon. Friend. He will forgive me if, being quite so landlocked as we are in Cambridgeshire, I do not know as much about the fishing industry as he does. It would be helpful if the Minister would tell us both the quantum of the increases that are contemplated under administrative pricing and why Ministers feel that relatively large increases in some cases might be justified by reference to the benefits in the utilisation of spectrum. Some operators, including some of the mobile phone operators, have considerable commercial pressures to utilise spectrum as efficiently as they can. It does not necessarily follow that paying much larger fees will change their behaviour. One wonders whether the increases in fees that they might have to pay are objectively justified by reference to the economic utilisation of spectrum allocated to them.

2.30 am

The benefits of amendment No. 18 may not be immediately obvious to hon. Members. An auction where people can bid whatever they like, which maximises income, might seem the most obvious course. By extension, to stipulate no more than 5 per cent. of the income attributable to the holding of the licence might simply restrict the Government's revenue and might therefore seem undesirable. However, Ministers should actively contemplate the amendment, as it has specific benefits.

The first benefit, which is related to amendments Nos. 16 and 17 as well, is that instead of a cash sum being payable up front, periodic payments are implied. The income to Government is specifically related to the roll-out of investment and the undertaking of the economic activity in question. The Government become, in that sense, a risk sharer. That reminds me of the time when, in the Department of Trade and Industry, we were engaged in launch aid for aerospace activity. If the Government are to be involved in commercial decision taking, it is good that they should be a risk participant.

The second benefit is that people who are making bids to the Secretary of State will have to specify not just what they are willing to pay, but how that is to be raised by economic use of the spectrum. That means that one will see, from those who are making bids, how the utilisation of the spectrum will generate income. The heart of the purpose of the Bill will be disclosed in the bidding process, whereas, otherwise, many of those who are making bids may meet the stated requirements that the Secretary of State may stipulate by regulation, but rest the burden of their case simply on the amount that is to be raised. That may lead us into a situation where the less valuable economic utilisation is the highest bidder, but comes to grief.

Ministers may not warm to the third benefit of amendment No. 18. It sets a limit on the amount that is to be raised in the tax, in relation to the income stream to which it is to be applied. Conservative Members, and perhaps Labour Members to a lesser extent, hold the view that, if we must have taxes, as we do, the taxes applied at a relatively low percentage rate in relation to the income stream to which they are applied will have less damaging economic effects than those that rise to a relatively high percentage level.

The sum of £1.5 billion, which is the maximum figure referred to in the explanatory and financial memorandum to the Bill to be raised through auctions, may be 5 per cent. of the income stream attributable to those licences, or it may be 10, 15 or 20 per cent. I have no way of knowing. All I know is that about £2.7 billion of turnover is attributable to the mobile phone operators. If that is any guide, £1.5 billion by way of revenue on the auction seems to be an extremely high sum, and therefore potentially a very high percentage sum in relation to the income stream to which it is to be applied.

I endorse all that was said by my hon. Friends, especially by my hon. Friend the Member for Esher and Walton (Mr. Taylor), who had responsibility for these matters, about the fact that the first-mover advantages of telecommunications liberalisation, mobile telephony and so on in British industry have been tremendously important in wider economic terms. The last thing we should do by way of auctions of spectrum is to leave that important section of British industry in a position where it is effectively taxed to a relatively higher proportionate level on its income stream, and therefore on its investment and its opportunity to exploit economically the spectrum it has bought.

If the Minister can assure us that the £1 billion or £1.5 billion about which she is speaking will be less than 5 per cent. of the income stream—a figure which I picked because it was a modest percentage—I would be happy not to press my amendment. However, we need some sign from the Minister of what tax level she is contemplating by way of the auction pricing mechanism.

Mrs. Roche: The amendments and new clauses in this group concern the operation of spectrum pricing in the form of administrative pricing or auctions. New clause 10 would allow higher fees to be set for less spectrum-efficient technologies. I understand the underlying thought behind it, but clause 2(2)(c)(i) already obliges the Secretary of State, in setting fees, to have regard in particular to the desirability of promoting the efficient use of the radio spectrum.

I am grateful to hon. Members for explaining the purpose of new clause 16. I do not believe that it would serve a useful purpose. I would point out, however, that among the matters the Secretary of State is required to take into account, are

"the demand and likely future demand for the use of the part of the electro-magnetic spectrum to be used under licences of that description".

To the limited extent that the experience of auctions is likely to be relevant to decisions on administrative pricing, the Secretary of State will take into account the lessons to be learnt. In the light of this assurance, I hope that the hon. Member for Daventry (Mr. Boswell) will be willing to withdraw the amendment.

I do not believe that new clause 17 would improve the operation of administrative pricing under clause 2, which requires the Secretary of State to have regard to factors

such as spectrum efficiency, economic benefits, innovation and competition. The new clause refers to the fee that might be levied if the section of the spectrum was used for a different purpose, but it leaves completely undefined the nature of the different purpose. Much spectrum may have more than one alternative use. How the fee would be assessed is left open. Moreover, the new clause could lead to some substantial increases in fees, especially for fixed links occupying spectrum around 2 GHz that could be used for mobile communications.

New clause 18 also concerns the setting of administrative prices. I have sympathy with the underlying proposition that spectrum pricing should take into account differences in the intrinsic value of different parts of the spectrum and should not distort competition, but it is not necessary to amend the Bill to achieve this.

It is axiomatic in spectrum pricing that fees should reflect the value of the spectrum. Clause 2(2)(c) already requires the Secretary of State to have regard to the desirability of promoting the efficient use of the spectrum, any economic benefits arising from the use of wireless telegraphy and, most important in this context, competition in telecommunications. I hope that I have convinced the hon. Member for Daventry that it is not necessary.

Amendment No. 2 would undermine the effective operation of spectrum pricing. We have given repeated assurances during the passage of the Bill that spectrum pricing will be used for the purposes of spectrum management, not revenue raising.

As the hon. Member for Daventry knows, we have continued to work closely with the industry since the consultation document was published. One of the most significant issues that we addressed was the fees to be paid by cellular and personal communications network operators whose fees under the present cost-based regime are much less than those of other mobile communications users.

I am pleased to tell the House that my officials have held a series of meetings with each of the four main mobile telecommunications operators to consider how the new fee arrangements might best be introduced. There has been an open and transparent consultation process with the operators and I am grateful for the contributions that they have made and their helpful and constructive participation.

We agreed with the operators that the increase in the forthcoming regulations would be the first step in phasing in the higher fees over a period of at least three years. As a first step towards the new fees, we agreed with the four operators to apply a single percentage increase of 120 per cent. to the fees that cellular and PCN operators would have paid under the current regulations. The new fees will take account of changes in the spectrum assigned to them and the original escalator applied to PCN operators' fees.

The other change that we propose to make in the first regulations is to introduce reduced fees for users of on-site private business radio systems. These are typically used in industrial applications or in high street stores. There are some 22,000 on-site services that currently pay on the same basis as systems that cover a wide area. At present the minimum fee is £140, increasing progressively with the number of mobiles used, irrespective of the number of sites, so that, for example, a licensee with 26 to 60 mobiles would currently pay £500.

I am pleased to announce that we propose to introduce in July a flat fee of £125 for each on-site system, irrespective of the number of mobiles used. The majority of users will therefore benefit from a significant reduction, although a few users with multiple sites and only a few mobiles may pay slightly more than under the current regulations. We intend most users to benefit from a further reduction in 1999, although those in areas of heavy congestion, and users with multiple frequency assignments at a single location, may face an increase.

We intend to undertake further consultation on the proposals for the new regulations prior to the statutory consultation under clause 6. Subject to the passage of the Bill, the new regulations will represent an important step forward in levelling the playing field between the various categories of radio users. It is important that we continue that process.

The hon. Member for South Dorset (Mr. Bruce) mentioned the important issue of fisheries. I have considerable sympathy with the view and have concluded that we do not need to wait for the introduction of new powers to rectify the situation. Therefore, last week, I laid before Parliament amending regulations to introduce a number of helpful changes to the current regime. As a result, from 1 April, up to 10,000 commercial vessel owners will benefit from a reduction of 45 per cent. in the ships radio licence fees that they now pay.

I am grateful to the hon. Gentleman for his approval; I was slightly disappointed that his hon. Friends prayed against the order. I am rather confused about that, as the hon. Gentleman raised the issue, which found favour with me.

Mr. Ian Bruce: I thank the Minister for announcing the reduction. I am sure that my fishermen will be pleased. My hon. Friends may have prayed against the order so that it would come to the Floor of the House, or at least into a Committee, so that we could congratulate her and, perhaps, press her a bit further.

Mrs. Roche: I congratulate the hon. Gentleman on his ingenuity and look forward to the congratulations. I hope that I have succeeded in my attempt to persuade hon. Members of our good faith, as shown by our actions, and I remind them that the Bill contains vital safeguards against excessive fees.

Amendment No. 12 is similar to new clause 18. For exactly the reasons that I have already outlined, I advise the House not to proceed with it.

Amendments Nos. 14 and 15 concern auctions. I ask the House not to proceed with them as they would not serve a useful purpose. Hon. Members have explained them by saying that the requirement for substantial cash payments for licences would weaken licensees' financial position and ability to roll out services. I cannot accept that idea. Businesses must be the best judges of what they can afford to pay for a licence. In deciding whether to bid in an auction and determining the level of their bids, they will naturally undertake their own financial projections. They will need to balance the capital cost of setting up and rolling out a service against the expected revenue from the provision of that service. Such calculations are an essential part of the business world, and will be well understood.

2.45 am

I must also ask the House to reject amendments Nos. 16, 17 and 18 which, as Opposition Members may intend, would emasculate the auction provisions. Perhaps I shall give hon. Members the benefit of the doubt and trust that they did not intend their amendments to have that effect, but that is what would happen. The amendments would eliminate the possibility of the most common kind of auction, in which bids are expressed as a simple cash sum, but leave open the possibility of the so-called royalty auction in which a bidder undertakes to pay a proportion of anticipated revenue.

I can see no merit in the amendments. The straightforward cash auction has been favoured in the great majority of wireless telegraphy auctions throughout the world. I accept that in some circumstances the royalty auction may have value, but the precise level of payment appropriate under a royalty auction depends on the circumstances of each individual case and to seek to specify a maximum level of payment in the Bill, as amendment No. 18 proposes, is pointless and would deprive the Secretary of State of the flexibility that will be crucial in considering which auction designs might be appropriate for the wide range of potential auction candidates.

Amendment No. 7 suffers from similar defects, and I find it hard to see the logic behind it. It would serve no useful purpose. A properly designed auction will achieve a price that balances supply and demand and, as I hope Opposition Members will agree, it would be wrong to put an artificial ceiling on that process.

It must also be borne in mind that amendment No. 7 would apply to all future auctions held on the basis of the power in clause 3. The financial ceiling would be reached sooner or later and the amendment would then rule out any further auction in the absence of amending legislation. The amendment is both unnecessary and unworkable, and I invite the House to reject it.

As for amendment No. 10, the arguments in favour of auctions as a method of assigning licences should be well understood by Opposition Members. After all, it was their own party's White Paper that proclaimed the importance of using the method.

Legislating at Community level on such a detailed technical matter as auction procedures would be unwise and inconsistent with the principles of subsidiarity. The licensing directive already provides a sufficient Community framework for auctions, and I urge the House not to proceed with the amendment.

Finally, I was asked about radio fixed access. Those services are relatively new entrants to the telecommunications market and we recognise their pioneering work in increasing competition and choice in telecommunications. To avoid disrupting their business plans, and in the interests of promoting competition, we do not at present intend to increase their spectrum fees.

I hope that I have now convinced Opposition Members not to press their new clauses and amendments.

Mr. Boswell: I do not accept every line of argument that the Minister has deployed, but in view of the helpful assurances that she has been able to offer us, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Order for Third Reading read.

2.50 am

Mrs. Roche: I beg to move, That the Bill be now read the Third time.

The House will be relieved to know that I do not intend to detain it for any great time. I feel the presence of the Deputy Chief Whip beside me and I know how anxious hon. Members are for this important Bill to complete its passage through the House.

It is impressive how far radiocommunications have come since the first wireless messages were sent around the world 100 years ago. We all know about the great contribution that radio makes to our economic and social life.

The radio spectrum is a finite resource and, unless we can continue to create spectrum headroom for future growth, we will not realise the full economic benefits and competitiveness gains from this dynamic and successful sector of the economy. The importance of the Bill is that it will provide new tools to manage the spectrum resource more effectively.

The Bill is important. It was introduced in the other place and I gladly acknowledge their Lordships' contribution and commitment to its development. The Bill is about Britain's economic well being and it will provide wealth, jobs and economic opportunities for the British people. I commend it to the House.

2.51 am

Mr. Boswell: I recall, as I was growing up, an elderly friend of our family—a Cornishman—who, as a very little boy, used to meet Mr. Marconi on the beach. As a result of that connection, he went to work for Marconi in Chelmsford for his whole life.

Despite the huge technical changes that have taken place in the radio industry, there is a certain stability in the legislative framework. We legislated in 1904 and in 1949. We are legislating again now, and it is important that we get it right.

Our debates have helped to test the Government's intentions, for which they are particularly welcome. To the Minister's thanks to all those who have participated—I add my thanks to the Minister for some of the explanations that she has been able to give us—I add my personal thanks to my colleagues, many of great expertise, who have participated in and adorned the discussions and helped to get assurances on the record.

I also single out, although she is not now with us, the contribution of my hon. Friend the Member for Chesham and Amersham (Mrs. Gillan), who has sat through almost all our deliberations this evening and has supported me in my first excursion into wireless telegraphy at the Dispatch Box.

Inevitably, there are areas of unfinished business in the Bill. One is the way in which, in practice, the pricing structure of the licences will develop and, related to that, how the management of the spectrum will develop. We have had assurances on those points tonight; we shall need to test them in the event.

Secondly, we heard the Minister's interesting forward look on the possibility of further legislation, possibly on secondary pricing, for example. We welcome that in principle and hope that she will bring it forward in this Parliament. We should like to be part of the process of taking that matter forward.

For tonight, the Minister has given assurances and, in the light of those and the earlier discussions that we have had, I shall not seek to divide the House on Third Reading.

2.54 am

Mr. Ian Bruce: Earlier, I was asked whether I had anything left in my carafe. It is half full or half empty, depending on whether one is an optimist or a pessimist.

I want to set hon. Members' minds at rest by saying that I rise only to congratulate the Minister on the way she has brought this Bill to its conclusion. It is interesting that a Minister can, despite being pressed in all sorts of different directions, keep her cool and continue to be charming at almost 3 o'clock in the morning. She has shown that despite the blandishments of the Whips around her, we were able to complete our business in sensible time.

I remind the House that the full Report stage and Third Reading of a major Bill which has major implications, have been completed in four and a half hours. That is four and a half hours at a very late hour not because of Back Benchers and not because of the Opposition, but because the Whips decided to put on a major Bill after other business. I am not, therefore, in any way apologetic. I never go to bed before 3 am anyway, so this is an ideal time for me.

I thank the Minister for her contribution to my fishermen. They will be very pleased at the reduction that is coming, even before the Bill reaches the statute book. I congratulate her on what I think is the first Bill that she has taken through all its stages to the statute book.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with an amendment.

NORTHERN IRELAND GRAND COMMITTEE

Ordered,

That—

(1) the matter of the Northern Ireland economy, being a matter relating exclusively to Northern Ireland, be referred to the Northern Ireland Grand Committee for its consideration; and

(2) at the sitting on Thursday 26th March—

(i) the Committee shall consider, pursuant to Standing Order No. 114 (Northern Ireland Grand Committee (legislative proposals and other matters relating exclusively to Northern Ireland)), the matter referred to under paragraph (1) above; and

(ii) at the completion of those proceedings a motion for the adjournment of the committee may be made by a Minister of the Crown, pursuant to Standing Order No. 116 (1)(*h*) (Northern Ireland Grand Committee (sittings)).—*[Mr. Betts.]*

Empty Homes (Taxation)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

2.56 am

Mr. Jonathan Shaw (Chatham and Aylesford): The purpose of this debate is to make a contribution to the very welcome Government White Paper that my right hon. Friend the Deputy Prime Minister published recently, "Planning the Communities of the Future". When publishing the White Paper, he announced that the Government would increase the target for new homes built on previously developed land to 60 per cent. I and many others applaud that. However, much of the headline debate has focused on green-field and brown-field issues. It is vital that part of the debate includes how we make best use of empty properties and bring them back into use. There are 767,000 empty homes in England, the great bulk of which are in the private sector.

Existing but idle stock could make a significant contribution to the 4.4 million houses that will be required, according to current estimates. I want to discuss how we can unlock and recycle homes that are derelict and in need of refurbishment. To achieve that, we need changes in the application of value added tax to housing. There is an overwhelming case for harmonisation of VAT on new build and refurbishment of empty properties.

The Environmental Audit Committee, of which I am privileged to be a member, took evidence recently— *[Interruption.]*

Mr. Deputy Speaker (Mr. Michael Lord): Order. I do not know who is responsible for that pager, but Madam Speaker takes a very serious view of this matter.

The Economic Secretary to the Treasury (Mrs. Helen Liddell): I am sorry, Mr. Deputy Speaker.

Mr. Shaw: The Committee considered whether VAT should be harmonised between new build and empty homes. One of the witnesses who gave evidence was the Financial Secretary who, I regret, is not able to be here this evening. In the Committee, she reiterated the Government's commitment to sustainable development. Maximising the use of empty homes is the perfect example of sustainable development. It fulfils the three criteria: social, economic and environmental.

The pre-Budget report contains a commitment to taxing environmental bads and encouraging environmental goods. Most environmental groups are convinced that the use of empty homes would make a significant contribution to housing the nation, save the existing fabric of the buildings and reduce the toxic emissions associated with the manufacture and transportation of materials.

The current VAT system penalises those repairing or converting empty homes, as the full levy is charged, yet it encourages builders to attack green-field sites, as such development is zero-rated. When confronting the nation's massive housing problem, the previous Tory Government argued in Europe that, under article 17, the conversion of barns should be exempt from VAT, because there was a clearly defined social reason. Goodness knows how they managed to get away with that: in the same year,

[Mr. Shaw]

1994, local councils received 120,000 families as homeless, and only one of those families was rehoused in a converted barn.

My proposal is not new. There has been VAT exemption for social housing since 1977. It was agreed by the previous Labour Government that local authorities building new properties and refurbishing empty ones should be exempt, but in those days, local authorities were the main social housing provider and since then, the provision of social housing has expanded to housing associations and private enterprise, neither of which can benefit from VAT relief.

Housing associations have done a tremendous job in tackling the regeneration and refurbishment of our towns, cities and villages but, because of the full VAT, the homes, which are in the main provided for people on low incomes, have been more expensive to rent or buy. For low-income families or those wanting to move from welfare to work, high rents can often prove a barrier or a disincentive.

Some good work has been done. Local authorities have developed many empty homes strategies. In partnership with housing associations and private owners, they have devised many excellent initiatives and brought properties back into use. I was responsible for introducing an empty properties strategy in Rochester city council, and last year, I was proud to open the 100th empty home that, with grant aid and partnership, had been brought back into use—a decent home for a young family. Without the burden of VAT, we could have helped a further 15 families.

More can be done. VAT harmonisation would focus the energy and talents of our construction industry. At present, there is nothing to encourage investment in empty property refurbishment and every incentive to continue building on green-field sites.

Among the 767,000 empty homes in England are 230,000 that have been in disrepair for a year or more. The Empty Homes Agency, which has done so much good work, calculates that there are a further 250,000 potential homes in empty residential buildings, all of which, if put into repair, would attract VAT. Those homes represent £18 billion of assets, yet they remain idle.

What is the bottom line? As my right hon. Friend the Chancellor puts the finishing touches to the Budget, perhaps he can consider what the change would cost. Between 1994 and 1997, 90,000 such homes were brought back into use, but at a high cost to tenants, first-time buyers and Department of Social Security budgets.

My proposal would cause an annual loss in VAT collection of around £125 million. Set against that, there would be an increased collection of VAT at 5 per cent. on new build. If our targets for new housing of about 176,000 homes a year, and for renovated properties of about 70,000 a year, were met, at least £200 million would go to the Treasury. There would be no loss to the Treasury.

House builders might oppose a modest levy of 5 per cent., and their representative organisations have no doubt lobbied Treasury Ministers, but I ask my hon. Friend the Economic Secretary to consider the observations of the Royal Institution of Chartered Surveyors. It reported that such a levy would not be a barrier to new housing provision.

Let us consider the value of arable land, at £3,000 an acre. That can increase to £400,000 if residential use is granted. It may just be possible to conceive that, within that profit margin, there is room to accommodate 5 per cent. The proposal meets the EC VAT law test. I am not arguing for zero-rating. I think that we have met the revenue test, and we have certainly met the environmental test. What, then, of collection? What of the administration and the red tape? How will that work?

Harmonisation is not problematic. It would rely on the issuing of exemption certificates in respect of homes that have been empty for a long time—for a year or more. All English councils already record such details as part of their council tax activity; this would ensure that the exemption would be properly applied.

Exemption certificates would not lead to the creation of tax loopholes in regard to refurbishment. They would not mean that everyone purchasing do-it-yourself materials—which contribute some £4 billion to expenditure—would be exempt; exemption certificates would not embrace such materials.

I ask the Government to explore my proposal. I know that the Local Government Association and Government regional offices would be anxious to help to devise a system that would create a simple exemption mechanism.

In directing the energies and skills of our builders—both large and small—to securing the best value for those investing in a sustainable resource, we must bear in mind that harmonisation of VAT on new build and refurbishment of empty properties creates a win-win situation. I think all hon. Members will find it odd, as I do, that a regime that seeks to allow member states to adjust VAT for clearly defined social reasons has not been harnessed to reflect our need to house the nation. The current arrangements offer little by way of sustainability. It is currently more economic to demolish homes and build new homes on the same site than to preserve and refurbish the existing ones. We are contriving to create a constructive vandalism that leads to the needless production of raw materials and emissions.

We are getting better at recycling metals, paper and other precious materials that we used to waste. Surely we can see the sense of recycling resources of more substance—wasted homes.

The proposals to harmonise VAT for the repair of empty properties have not come only from Labour Members but from Opposition Members—and, moreover, from the Chartered Institute of Housing, the Civic Trust, the Campaign for the Preservation of Rural England and the Empty Homes Agency. As I said earlier, the Environmental Audit Select Committee, of which I am a member, has made similar recommendations.

I appreciate that, given the hour, the fact that I am a new Member and the fact that this is my first Adjournment debate, it is unlikely that my hon. Friend the Minister will disclose the Chancellor's decisions tonight, but I ask the Government to consider the issue seriously. I have tried to set out how harmonisation of VAT on new build and empty homes meets our sustainable development objectives. I believe that my proposal passes the test in relation to EC law, and there is certainly no loss to the Revenue; indeed, I think that there will be a net gain. It is workable, through the allocation of exemption certificates.

I ask my hon. Friend the Minister to evaluate my proposal—if not now, at a later stage. I think that there is considerable consensus in favour of it, and I ask my hon. Friend not to put it in the tray marked "Too Difficult".

3.8 am

The Economic Secretary to the Treasury (Mrs. Helen Liddell): I thank my hon. Friend the Member for Chatham and Aylesford (Mr. Shaw) for his speech, which was all the more impressive given that he is a new Member and this was his first Adjournment debate. He must be very pleased with the amount of work that he has put in and in the ultimate product. I regret to say that my hon. Friend the Financial Secretary to the Treasury is indisposed, but she joins me in congratulating him on securing this debate. She and I agree that we should make the best possible use of our empty stock of homes. However, as I shall explain, using the value added tax system to achieve that objective is by no means as simple as it may first appear.

Before I clarify some of the important and very perceptive points made by my hon. Friend, it may be helpful if I explain the background to our zero and reduced rates. After infraction proceedings by the Commission against the United Kingdom, the European Court of Justice ruled, in 1988, that the scope of our zero rates was too wide. The court said that zero rates should apply only when there was a benefit to the final consumer, and that, in construction, they should apply only for clearly defined social reasons. The ECJ ruling resulted in changes for commercial property, but that is not the issue in this debate.

The United Kingdom took the view on domestic construction, which the Commission accepted, that to implement the United Kingdom's social policy, we were right to zero-rate the new construction of dwellings, residential accommodation and certain charity buildings.

Another important point is that construction of buildings for residential use has always been VAT-free, since the inception of VAT in 1973, whether built by local authorities, by housing associations or by private enterprise. The ECJ decision confirmed that practice. The United Kingdom was able to show that zero rating was for the benefit of the final consumer, and that it fell within the social reasons requirement of the second directive because it implemented social policy in housing matters.

Those buildings continue to be zero-rated under the arrangements provided by the sixth VAT directive. The arrangements permit member states to retain rates that were in existence in January 1991 and that fall below the minimum otherwise permitted by the directive. The directive also permits us to move away from the zero rate to a reduced rate of 5 per cent. or more. Theoretically, the United Kingdom could apply a reduced rate to the construction of all buildings that are currently zero-rated.

Hon. Members should be aware that we have agreed with our European partners that, once we have given up a zero rate, we will never reintroduce it. Similarly, we cannot introduce any new zero rates.

It may be useful to correct another misconception. The zero rating of barn conversions, which was introduced in 1994 by the previous Government, was not negotiated in Europe, as it was a relatively minor and legal change to an existing zero rate to include dwellings created for the first time from buildings used previously for commercial or non-residential purposes. It is important to make the distinction that it applied not only to barn conversions but to conversions using redundant factories, warehouses and hospitals.

More important in the context of my hon. Friend's comments, help was also targeted specifically at housing associations. A special rule allows them to convert old non-residential buildings into housing VAT-free, without having to comply with the condition applying to all other conversions that the property is sold.

My hon. Friend suggests harmonisation of VAT rates for new construction and renovation. I should mention the limitations on that matter. Repairs and renovations to all buildings are, and always have been, taxed at the standard rate. Goods and services that are currently standard-rated are not covered by the arrangements provided by the sixth directive. The relevant law is contained in annexe H of the sixth VAT directive, which lists goods and services to which reduced rates may be applied. Category 9 on the list is the

"supply, construction, renovation and alteration of housing provided as part of a social policy."

The last few words are especially important. A general reduced rate for all housing is not permitted. It is permitted only for

"housing provided as part of a social policy".

We understand that phrase to mean housing provided for the less well-off, as part of a Government's social policy, such as local authority housing and housing provided by housing associations. Housing in general cannot be said to be provided as part of a Government's social policy. It is important to recognise the difference between the ECJ judgment in 1988, which accepted that zero rating of housing was for social reasons because it implemented social policy, and the requirement that annexe H is restricted to what we call social housing.

I should add that there have been several views over the years about the meaning of the words in category 9 of the annexe. We did think that, in theory, we could have a general reduced rate. In the context of introducing a reduced rate for the installation of energy-saving materials, we sought the view of the Commission. Its view is that a reduced rate provided under this category could be applied only narrowly, and should be specifically targeted to benefit the less well-off. After taking legal advice, we are now clear that it applies to social housing only.

My hon. Friend the Member for Chatham and Aylesford forcefully argued that there was a strong case for a reduced rate for renovation because it would encourage the regeneration of Britain's many empty homes. However, many empty homes are in private ownership and therefore would not qualify for a reduced rate. Any change in law would have to be negotiated in Europe. It would take a long time, and the chances of success would be low.

The House will realise from what I have said that a reduced rate is not the universal panacea that some people claim it to be. Furthermore, the European Commission recently examined the operation of the reduced rates and reported that reduced rates were a very imprecise tool for policy making, and should not be used as a substitute for direct subsidies.

[Mrs. Helen Liddell]

That is very much in line with the Government's thinking on the application of reduced rates. In general, we believe that widespread use of reduced VAT rates is likely to result in unnecessary complication of the tax, to the detriment of business and the integrity of the tax. We do, however, believe that in some circumstances a reduced rate, such as the reduced rate for domestic fuel and power, may be a useful tool to tackle specific problems. The reduced rate for certain installations of energy-saving materials is another case in point.

My hon. Friend asks: what will it cost? Obviously there is a revenue issue. A recent estimate of the cost of reducing VAT to 5 per cent. for all house renovations was £1.1 billion. Even combined with a reduced rate on new construction, there would still be a very substantial loss to the Exchequer, which would have to be made up by increased taxation elsewhere.

It would be very easy to rush headlong into introducing measures that sound like good ideas. Let us be clear in our mind about the consequences of introducing a harmonised reduced VAT rate for housing. VAT might then become chargeable on new social housing. Only renovations permitted under annexe H would enjoy a reduced rate from the current full VAT rate of 17.5 per cent. It is important to reiterate that work on all other existing housing will continue to be rated at 17.5 per cent. That will create new borderline difficulties between different types of housing, which will become subject to different VAT rates.

I fully understand, and am sympathetic to, the views of my hon. Friend, but I am not yet convinced that using the VAT system to address the issue of regeneration of empty properties is the right course of action. Furthermore, there is little hard evidence at the moment to support claims that a reduced rate would generate more jobs, lower consumer prices or counteract environmental effects to any real extent. VAT, even at a reduced rate, on new housing would be very unpopular with house buyers.

We should explore other options for achieving the objective of reducing the cost of renovating properties. The possible results of hasty changes are too uncertain. We do not want to risk leaving a legacy of VAT on new houses without fully considering all the options and all the likely pitfalls.

I assure hon. Members that the Government will continue to explore all possible means of addressing the issue. It will not be filed away where my hon. Friend suggested, although I am sure that he agrees that it is a difficult issue. I thank him for giving us an opportunity to explore the issues and congratulate him again on securing this important Adjournment debate.

Question put and agreed to.

Adjourned accordingly at nineteen minutes past Three o'clock.

House of Commons

Thursday 12 March 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Windfall Levy

1. **Mr. Heppell:** What estimate he has made of the number of women who will benefit as a result of the windfall levy. [32493]

The Chancellor of the Exchequer (Mr. Gordon Brown): It is estimated that 500,000 women will benefit from the child care initiative that is partially financed from the windfall levy. In addition, every young woman unemployed for more than six months will, from April, be offered the chance of work and training. Soon, lone parents with school-age children will be offered advice, help and information about work. Others with school-age children will also benefit from the £1.3 million invested from the windfall tax in the new schools capital programme.

Mr. Heppell: I thank my right hon. Friend for his response. Does he agree that the level of child care available in the past 18 years has restricted employment opportunities for many women? Will he guarantee that, when he considers Treasury policy decisions, he will take the needs of women into account—as he has done with child care policy—so that they are part of the main stream and not an afterthought, as they have been for the past 18 years?

Mr. Brown: That is exactly the Government's position. We will take into account the needs of women in every area of economic policy. Our child care policy has three aims. We want to make child care accessible, which is why we have announced an initiative of £300 million for 1 million after-school places to help young children. We also want high-quality child care, which is why we have announced with the windfall levy an initiative to train child carers that will cost £100 million. To make child care more accessible, we increased and improved the child care disregard in our first Budget. For the first time, this country has a national child care strategy.

Mr. Gibb: If the Chancellor of the Exchequer claims that increasing the cost of employment through a minimum wage will not reduce the number of jobs, how can he claim that reducing the cost of employment will increase the number of jobs?

Mr. Brown: I am grateful that the hon. Gentleman has raised the minimum wage, because the Conservative Government, by abolishing the wages councils, penalised hundreds of thousands of women. The hon. Gentleman should consider the experience of America, which not only has a minimum wage but has been able to raise it without any adverse effect on jobs. It is the Conservative party that wants us to return to the dark ages.

Mrs. Anne Campbell: Many women in my constituency and throughout the United Kingdom will welcome the moves that my right hon. Friend has made, especially to increase the amount of out-of-school child care. Will he also ensure good-quality and affordable child care for under-fives? Many women with young children would like to go back to work but are unable to do so, because of the high cost of good quality child care.

Mr. Brown: I agree entirely with my hon. Friend. From April, for the first time, new money will be available for the child care initiative that my right hon. Friend the Secretary of State for Education and Employment is launching. My hon. Friend rightly emphasises the importance that we attach to high quality child care. We want a new generation of young people and others to become properly trained child carers in registered facilities so that we can guarantee to every mother—indeed, every parent—that their children will be safe in the new provision of child care.

Domestic Savings

2. **Mr. Lansley:** What estimate he has made of the domestic savings ratio in *(a)* 1997 and *(b)* 1998. [32494]

The Chief Secretary to the Treasury (Mr. Alistair Darling): The pre-Budget report gave the latest projections. The Government's policy is to encourage savings for investment in the future and that means, among other things, creating the conditions of economic stability and low inflation. That is what we are doing.

Mr. Lansley: I thank the Chief Secretary for his reply. If his policy is to encourage savings, his tax on savings will do the reverse and contribute to a reduction in personal savings in 1998 compared with 1997. Will he see the error of his ways and abolish the tax on savings above £50,000 and thereby contribute to an increase in savings instead of a diminution?

Mr. Darling: The hon. Gentleman should bear two things in mind. First, during the 1980s, when the Government he supported were in power, the savings ratio dropped dramatically, and was negative for a number of years. This Government are determined to encourage savings, which is why we are putting in place the long-term economic stability that is an essential precondition of giving people the confidence they need to save. The Government are introducing measures that will help people to save in future.

Mr. Winnick: Will not one group of people have a great deal of money to save—those who have benefited

substantially from the privatisation of the railways carried out by the previous Government? Bearing in mind how much the taxpayer has lost—billions of pounds—would it not be fair to apply a windfall tax to those who have benefited in such a way? The sooner that windfall tax is introduced, the fairer it will be for the country as a whole.

Mr. Darling: My hon. Friend is right in the sense that the way in which the Conservative Government sold off many of the former nationalised industries at knock-down prices, enabling many people to benefit in a way that could not have been imagined, was scandalous. We introduced the windfall tax on the privatised utilities, the nature and scope of which was made clear at the time. The windfall tax that we imposed has been widely supported, not least because the money has been taken away from those who obtained gains without earning them and is now being applied to the new deal, which is giving new hope to thousands of people throughout the country.

Mr. Fallon: Why did the Chief Secretary originally tell the *Investors Chronicle* that a Labour Government would not tamper with existing PEPs and TESSAs? Will he apologise for breaking that promise, or will he consider attaching to next week's Budget bundle a series of numbered apologies for each of the new taxes and broken promises since 1 May?

Mr. Darling: I am surprised that the hon. Gentleman cannot bring himself to mention 22 tax rises, which of course he knows all about. Our manifesto was clear and we have kept to it. I say to the hon. Gentleman and to the right hon. Member for Hitchin and Harpenden (Mr. Lilley), who I now discover misquoted me on Monday, that they should be careful about taking words out of context.

Monetary and Economic Policy

3. **Mr. Boswell:** When he last met the Governor of the Bank of England to discuss the interaction of monetary and economic policy. [32495]

Mr. Darling: My right hon. Friend the Chancellor has many meetings with the Governor to discuss a range of matters.

Mr. Boswell: Now that the minutes of the Monetary Policy Committee have revealed that its members are split equally between the inflation nutters and the doves and that we might as well have stayed with the Gordon and Eddie show, will the Minister tell the House whether his sympathies would have been with them if they had increased interest rates for the sixth time since the general election, thereby paving the way for tax reductions in the Budget, or whether he is relieved that they have kept rates as they are to give him a measure of cover for the tax increases that we expect?

Mr. Darling: First, the fact that the Monetary Policy Committee's proceedings are open and published shows the value of allowing a range of people to consider the inflationary pressures on the economy and to come to a considered view. Secondly, long-term interest rates are now the lowest they have been for 33 years. The last time they were this low, I was in primary school and Harold Wilson was in No. 10.

Mr. Sheldon *rose—*

Hon. Members: And where was the right hon. Gentleman?

Mr. Nicholas Winterton: He was there, on the Treasury Bench.

Mr. Sheldon: I am looking forward.

As the euro is to be widely used by companies in this country, not least those in the retail trade, will my right hon. Friend consider whether it would be advantageous to shadow it at some stage? If he agrees that we should, how would he suggest doing it?

Mr. Darling: I do not think that it would be appropriate to do that, but my right hon. Friend is right in the sense that this country has to prepare for the introduction of economic and monetary union in Europe. It also has to prepare itself for the possibility that we shall join that currency at some point, perhaps at the beginning of the next Parliament. He will know that the Government are putting in hand the necessary preparations so that this country can make that choice—preparations that were never made by the previous Government, because they were so hopelessly split on the issue.

Mr. Wigley: The Minister will have noticed that as, in the past two days, there was further talk of a higher interest rate, the pound strengthened again against other currencies. Does he accept that the pound is far too strong, causing chaos for manufacturing industry and for agriculture? Is it an objective of the Government to get the pound down to a saner parity?

Mr. Darling: The latest predictions are that exports are expected to continue to rise, but let me make an important point. Industry—even people who are worried about what is happening to the exchange rate—accepts the fact that it is necessary for the Government to ensure that we get long-term stability. The last thing anyone wants is a return to the boom and bust or the high levels of inflation that we experienced in the past.

I believe that the right hon. Gentleman is aware that other factors, apart from interest rate rises, have led to the appreciation of sterling. I repeat that it was necessary for the Bank of England to take the appropriate steps to counter inflationary pressures because the previous Government had ignored the warning signals in the months leading to the general election. That will not—indeed, cannot—happen under the new, more open and transparent procedures that we have set up, which will benefit industry and the whole country.

Mr. MacShane: I invite my right hon. Friend to cast his mind back to 12 months ago, when interest rates, inflation and sterling were bobbing up and down like a yo-yo, as they had done in the previous five years. No business man could plan more than six months ahead because of the Tories' irresponsible stewardship of the economy. May I invite my right hon. Friend, despite the

difficulties that the level of sterling is causing exporters, to maintain the new policy of having a Monetary Policy Committee and to take every measure to ensure stability? Every business leader I meet welcomes the new policy, and wants no return to the instability of the Tory years.

Mr. Darling: My hon. Friend is right, in that every business wants stability more than anything else. Many business leaders said to us when we were in opposition—and say to us now that we are in government—that if the Government do nothing else but deliver stability and low inflation, that will benefit their business. Of course, we have also done other things to help business. For example, we introduced the current rate of corporation tax—the lowest ever.

Mr. Lilley: In their pre-Budget discussions with the Governor of the Bank of England, have the Chief Secretary or the Chancellor discussed any plans to raise taxes that were not included in the Labour party manifesto before the most recent general election? Does the Chief Secretary recall the speech made by the Chancellor before the election, in which he said:

"At the general election we will spell out clearly our tax plans so that the British people know what we intend to do"—

no confusion, no deceits—and that

"Apart from the windfall tax our plans do not require any extra taxes"?

Has he honoured those pledges?

Mr. Darling: The right hon. Gentleman is ill placed to criticise us on the subject of election promises, because people will remember very well that the prospectus on which the Conservatives fought the 1992 general election was abandoned in every subsequent year. [HON. MEMBERS: "Answer."] The answer is that we made an explicit promise not to increase the top and basic rates of income tax, that we kept that promise in my right hon. Friend's first Budget last year, and that we shall keep that promise for the rest of this Parliament—as we told the British people.

Mr. Lilley: Does the right hon. Gentleman realise that his answer tacitly recognised that he betrayed the pledges that he made to the British people? When did he, or the Chancellor, spell out clearly to people with pensions that they proposed a £5 billion tax on their pension funds? When did he spell out to students that they planned a tax on higher education? When did he spell out to rural motorists that they planned three increases in motor taxation in 16 months? And when did he plan to spell out clearly to home owners that they intended to impose the biggest ever council tax increases?

Mr. Darling: The right hon. Gentleman should be a little more careful, because the Government in which he served introduced the fuel escalator and cut mortgage tax relief when they said they would not. The right hon. Gentleman will also remember that, just before the general election, he proposed pension changes that would have resulted in a huge increase in expenditure for ordinary people. We have kept every promise that we made in our election manifesto. That is the clear difference between the Labour party and the Conservative Opposition.

Third World Debt

4. **Mr. Purchase:** What plans he has to reduce the debt burden of the poorest countries. [32496]

18. **Mr. Timms:** What discussions he has had with Church leaders about the problems of highly indebted developing countries. [32510]

Mr. Gordon Brown: Since my Mauritius mandate statement to Commonwealth Finance Ministers last September, I have held a number of meetings with religious leaders, including the Archbishop of Canterbury, Cardinal Hume, the Moderator of the Church of Scotland and many others. The United Kingdom firmly supports debt relief for the poorest, most indebted countries and is seeking an early solution to many of the problems experienced by them—which includes finding a solution to the debt problems of Mozambique. The Government take their responsibilities in international debt reduction seriously.

Mr. Purchase: That is a very welcome statement that illustrates the clear difference between the approach of Labour, with its proper ethical policies, and the policies of the Conservatives, which have contributed considerably to the problems experienced by developing countries. I am sure that the Chancellor will recognise that it is equally important that we persist with policies that support continued and sustainable development. We must recognise that, historically, inappropriate technology has been applied in developing countries for the purpose of extracting profit, especially in agriculture. Cash cropping has drained many such economies. We must have world policies—to which I know my right hon. Friend will contribute and on which he will lead the charge—to avoid the continuing problem of mounting debt in those countries.

Madam Speaker: I did not hear a question. I remind the hon. Gentleman to ask a question in future.

Mr. Brown: I agree with my hon. Friend's comments. The Government established the Department for International Development, the first act of which was to make a shift in the budget towards poverty relief for Africa. The Government have introduced export credits conditional on not selling arms and taken a millennium initiative to ensure that countries are in the process of debt relief by 2000. The Government will work with other countries to ensure that there is effective debt reduction, particularly in Africa.

Mr. Timms: I am pleased to hear from my right hon. Friend that the Government are supporting the campaign, which has been backed by Church leaders and others, for a millennium-linked initiative on debt under the banner of the Jubilee 2000 campaign. Can my right hon. Friend tell the House what support he has gathered from other Governments for the welcome lead that he has taken on this issue?

Mr. Brown: I am pleased to say that, at the Commonwealth Finance Ministers conference last year, all countries in the Commonwealth supported our initiative. The G7 statement, issued only a few weeks ago

following discussions in London, expressed support for the idea that countries should be in the process of debt reduction by 2000.

I am grateful to religious leaders and to the Churches, not just in Britain but worldwide, for leading the campaign for action on this great moral issue by the millennium. I urge all right hon. and hon. Members to work with the Churches in their areas to ensure that there is strong public opinion in favour of action, which is already making a difference internationally and will help us to secure the necessary debt reductions.

Mr. Edward Davey: As more than 95 per cent. of debt owed by third-world countries to the United Kingdom is export credit debt, what plans does the Chancellor have to reduce it? Since 1 May, the Government have issued a military export licence to a company selling arms to Mozambique. How can the Government claim to support education, health and economic development in Mozambique when they encourage such exports?

Mr. Brown: The hon. Gentleman will be pleased to know that, at the September Commonwealth Finance Ministers conference, we made it very clear—via a statement from me and my right hon. Friends the Secretary of State for International Development and the President of the Board of Trade—that future export credits to the highly indebted countries will be conditional on exports not being arms. We have managed to secure that very big change in policy over the past few months. Bilaterally, about £1.2 billion in debt has been waived in the past 25 years. Britain has taken an important initiative over many years on that issue.

I hope that the Conservative Opposition will support the Churches in their efforts, instead of standing apart from them. We need international support for our efforts and we are seeking to gain it. Mozambique is the latest country that should be securing debt reduction—20 per cent. of its money is going in interest payments and only 4 per cent. is going on education and health—and I believe that we can make progress there in the next few weeks. As my hon. Friend may know, Britain has already put down its share of money to secure that debt reduction in the next few weeks.

Petrol Duty

5. **Mr. Amess:** What representations he has received on the use of petrol duty rates as a mechanism for achieving environmental objectives. [32497]

The Financial Secretary to the Treasury (Dawn Primarolo): The Chancellor has received a number of representations which will be taken into account in reaching decisions for his Budget on 17 March.

Mr. Amess: Will the hon. Lady clarify the Government's policy on duty on fuel, as the Government seem to be giving different messages to different audiences? Is it the Government's intention to continue to increase duty on fuel to meet environmental concerns and reduce the number of people who drive cars, or are they the motorist's friend and the friend of the oil industry—although that was certainly not the case three weeks ago when I attended the annual oil industry dinner?

Dawn Primarolo: I am sure that that meeting was not in Basildon, which is only a short drive from Southend—which I understand the hon. Gentleman did at some speed.

The Government have a clear commitment to reduce CO_2 emissions, which are directly linked to fuel consumption. I remind the hon. Gentleman that it was the previous Government who introduced the escalator at 5 per cent.

Mr. Pike: My hon. Friend will recall that the changeover to lead-free petrol was greatly assisted by increasing the differential and reducing the price of that fuel. Is there not a case, on environmental grounds, for encouraging vehicles powered by liquid petroleum gas by reducing duty on that fuel?

Dawn Primarolo: As my hon. Friend will know, there is considerable discussion about clean fuels, building on the excellent record of the previous Government in favouring unleaded fuels over leaded ones. Mechanisms are already in place to assist the shift, especially to clean diesel, to deal with particulate emissions. The Government are constantly reviewing the development of clean fuels—an item that needs consideration in the interests of environmental protection.

Mr. Malcolm Bruce: Does the Financial Secretary agree that it might be more acceptable to motorists, especially those in rural areas who are suffering from the escalating increase in petrol, if there were some compensating reduction in, for example, vehicle excise duty on fuel-efficient cars, as proposed by the Liberal Democrats? Will she confirm that she promised last July that the Government would produce a Green Book to be published alongside the Red Book at the time of the Budget? Is that still the Government's intention? Will it be published with the Red Book on Budget day?

Mr. Skinner: The Liberals have a policy for emptying toilets and wiping their backsides.

Dawn Primarolo: But is it a green policy?

The hon. Gentleman asks about rural motorists. As he will know, my right hon. Friend the Deputy Prime Minister is working on the transport White Paper which will examine transport as a whole and the development of an integrated transport strategy in particular—something the previous Government did not have when, for example, they deregulated the buses and removed millions of bus routes from rural communities.

With regard to green policies in the Budget, it has been made clear in the House that the Government will include statements on their environmental policies.

Mr. Heathcoat-Amory: The Chancellor of the Exchequer has already announced his intention of increasing the duty on fuel by at least 27p per gallon in next week's Budget. Does the Minister agree that that will be the third such increase in 16 months? The Government have a policy of tax early, tax often. Does the hon. Lady agree also that this scale of increase raises the price of transport for everyone and imposes an especially heavy burden on the rural motorist, for whom a car is a necessity and not a luxury? Does the hon. Lady agree that these increases are being imposed not for environmental reasons but simply to raise more revenue? Will she and her colleagues have a rethink before next Tuesday's Budget?

Dawn Primarolo: That is rich, coming from the right hon. Gentleman, who was a member of the Government

who introduced the 5 per cent. fuel escalator. Unlike the Conservative Government, the Labour Government are committed to reaching our CO_2 targets. We shall abide by the international agreement arising from Kyoto. The 5 per cent. escalator donates 2½ tonnes towards that target for the year 2010.

Mr. Geraint Davies: Is my hon. Friend aware that there are 1 million cars, vans and trucks powered by liquid petroleum gas in Italy, and only 2,000 in Britain? Will she and her colleagues continue positively to examine fiscal measures to encourage the use of more environmentally sensitive fuels?

Dawn Primarolo: I was not aware of the situation in Italy. I assure my hon. Friend that we shall continue to examine these important matters.

Tax and Expenditure

6. **Mr. Brady:** If he will make a statement on the distribution of the tax burden and public expenditure between different income groups. [32498]

Mr. Darling: An annual article is published by the Office for National Statistics in "Economic Trends" which describes the effects of taxes and benefits on household income. The last one was published in March 1997.

Mr. Brady: I look forward to reading that interesting article and future editions of the publication. Does the Minister understand that the Labour party won last year's general election only because it persuaded the electorate that a Labour Government would not increase taxes on middle England? Does he accept that abolishing PEPs and TESSAs, or putting tax on child benefit, would be an increase in tax on middle England? Will he now rule out any such taxes?

Mr. Darling: The hon. Gentleman should recall that we won in middle England and everywhere else as well. The hon. Gentleman would understand why we won and the Conservative party lost if he read the annual report to which I referred, which shows that inequality increased throughout the 1980s.

Mr. Brady: That is not true. Everyone was better off.

Mr. Darling: It most certainly is true. The rate at which inequality increased in the United Kingdom in the 1980s was faster than in any other industrialised country except New Zealand.

The Labour Government are beginning to reverse that trend. We have reduced value added tax on fuel, for example, and that has helped poor people especially. We have introduced the new deal, which will help many young people and the long-term unemployed. It will give them hope and give them a job—something the previous Government would never have done. Our spending review will ensure that Government help and spending are focused so as to ensure that the people who lost during the Tory years gain during the term of this Labour Government.

Mr. Davidson: My right hon. Friend, like me, comes from middle Scotland. Does he agree that, if the Government reduced tax in some directions, that would be immensely popular electorally? I think especially of introducing a policy of free beer for all the workers. If he were to cut duty on beer, would he ensure that the brewers and licensees were obliged to introduce lined glasses to ensure that the full measure was pulled for those who purchased drink? Of course, if the beer were free, people would not be so worried about lined glasses.

Mr. Darling: I am glad to hear that my hon. Friend now agrees that Glasgow is middle Scotland. I am sure that my right hon. Friend the Chancellor of the Exchequer will have heard his plea on behalf of beer drinkers. My hon. Friend will appreciate that he might have to wait a little longer before he receives a fuller answer to his question.

Mr. Nicholas Winterton: May I tell the Chief Secretary that the Labour party did not quite win in Macclesfield? There is quite a lot of countryside in Macclesfield, and the countryside is an important part of the environment. Does the Chief Secretary accept that if he continues with his intention dramatically to increase the duty and tax on hydrocarbon oils—[HON. MEMBERS: "It is the wrong question."] No, it is not the wrong question.

Madam Speaker: The hon. Gentleman is entirely in order. I know what he is getting at.

Mr. Winterton: I am immensely grateful, Madam Speaker.

Is the Chief Secretary aware that he is discriminating against people who live in the countryside, many of whom are on low incomes, and that the policy of increasing the tax burden on fuel will depopulate the countryside and make the position of farmers even more difficult—and perhaps close village pubs as well? Will he review the Government's discrimination against rural communities?

Mr. Darling: I agree that the Labour party did not win Macclesfield, although many people believe that the Conservatives did not win it, either. I am pleased to see the hon. Gentleman back in his place, and hope that he keeps up his good work in the Conservative party.

I shall make a number of points on the countryside. The first point, which the hon. Gentleman will not forget, I am sure, is that it was the Government he supported—or supported most of the time—who introduced the 5 per cent. fuel escalator. I do not remember many Conservative Members saying anything about it at the time. During their 18 years in power, the Conservatives did much to undermine the strength of rural communities: I am thinking of school closures, the threatened closure of post offices and the deregulation of buses, which had a devastating effect on public transport. I remind the hon. Gentleman—he knows this full well—that the tax burden increased during the previous Parliament, despite the promises on which the party that he sometimes supported fought the election.

Public Sector Borrowing Requirement

7. **Dr. Gibson:** What plans he has to restructure the public sector borrowing requirement in relation to European monetary policy. [32499]

The Economic Secretary to the Treasury (Mrs. Helen Liddell): The Government have no plans

to restructure the public sector borrowing requirement in relation to European monetary policy. The Government's deficit reduction plan is in Britain's interest whether or not we participate in economic and monetary union.

Dr. Gibson: I thank the Minister for that answer, but does she accept that many of my constituents consider it wrong that investment in Norwich City airport suffers and is curtailed as a result of the local government capital control legislation, whereas Stansted is not disadvantaged? Does she think it is time to review that, and that the European budgetary union conventions are a way forward?

Mrs. Liddell: I congratulate my hon. Friend on the concern that he has consistently expressed about his local airport. I am happy to write to him on the specific matter relating to Norwich City airport.

However, any borrowing has to be paid for at some time, and the previous Government allowed public expenditure to get out of control. We now spend more on paying our debts than on our education system. When the Chancellor introduced his Budget last July, he made it plain that we will seek to reduce our deficit, with a view to moving into surplus in the medium term.

Sir Michael Spicer: Never mind European monetary policy; does the hon. Lady agree that it is the Government's duty to apply policies that are in the interests of this country? Having established that the overriding objective of the Bank of England is 2.5 per cent. inflation, will she confirm that the PSBR, fiscal policy and all other economic policies will comply with that overriding policy?

Mrs. Liddell: Fiscal policy is the responsibility of the Government, as the hon. Gentleman should realise. It is interesting that he says, "Never mind European monetary policy." He should take into account the fact that the Labour Government have taken measures since we were elected last May to improve this country's finances. Indeed, as my right hon. Friend the Chief Secretary pointed out, the moves that we made in relation to the Monetary Policy Committee have resulted in the lowest long-term interest rates for 33 years, and, if I may say so, I was still in primary school 33 years ago as well.

Exchange Rates

9. **Mr. Mitchell:** If he will seek to achieve a more competitive exchange rate level. [32501]

Mrs. Liddell: The Government want a stable and competitive pound over the medium term, consistent with the objective of price stability. The only sure path to long-term exchange rate stability is through sound macro-economic policies.

Mr. Mitchell: Yet is it not obvious to everyone, except four blind academics and ex-academics on the Monetary Policy Committee who have no contact with the real world, that the pound is substantially overvalued as a result of high short-term interest rates here, the deliberate depreciation of the deutschmark and the devaluation of Asian currencies? Does my hon. Friend agree that a 25 per cent. loss of competitiveness for manufacturing, which provides 60 per cent. of our exports is, over a short term, not stability but instability that will lead to depression and deflation later this year?

Mrs. Liddell: As I told my hon. Friend on 17 February when I wrote to him on the matter, more jobs are lost as a consequence of instability. I in no way minimise the concern of British exporters over the strength of the pound, but the strength of the pound is a consequence of a variety of different factors. I return to the point that I have made previously to my hon. Friends—that it is important that Britain has economic stability so that companies can develop policies that make them truly competitive across the board.

Mr. Ian Taylor: One of the factors that will influence the exchange rate is the fiscal management of the UK economy. Does the Minister accept that one of the key factors is how credible our entry into the European monetary union will be at some point in the future? Will she urge the Chancellor, in his Budget next week, to set out a much clearer timetable, with an unequivocal commitment to entering monetary union, to allow the markets to prepare—and British industry to prepare so that it does not lose competitive advantage to a currency that will be used in 80 per cent. of our EU home market?

Mrs. Liddell: That is an interesting question from the hon. Gentleman. I see that he is not wearing his European presidency tie today, which is perhaps unfortunate. My right hon. Friend the Chancellor made perfectly clear the five key tests that should be applied to ensure that if we decide to enter a single currency, we do so when that would be in Britain's best interests. The Government's present priority is to ensure that British industry prepares for 1 January 1999, because it looks as though there will be a euro zone and, because of the laxness of the Conservative Government who made the single currency the subject that dare not speak its name, we now have a job to do to ensure that British companies do not lose competitive advantage.

Mr. Skinner: Does my hon. Friend agree that, during the past 18 years, Britain lost 40 per cent. of its manufacturing base, and that hardly any of that could be attributed to the high pound? Most of it was due to the fact that the Tory Government deliberately set about reducing the manufacturing base by closing down the shipyards, the pits and the steel industry. It is nonsense for those industrialists to say that they cannot make the profits they want, first, because they are paying the workers too much—and they are against the minimum wage—and, secondly, because of the high pound.

Most manufacturers, but not all, also benefit from buying cheap imports as a result of the value of the pound. Hardly any British manufacturer does not gather in imports. It is all about swings and roundabouts. The simplistic argument of my hon. Friend the Member for Great Grimsby (Mr. Mitchell) and some Conservative Members that devaluing the pound will solve everything, or words to that effect, is the biggest load of nonsense ever.

Mrs. Liddell: Needless to say, I agree with my hon. Friend. The attitude of Conservative Members the other night to the national minimum wage, to which my

hon. Friend refers, was interesting. The Government's policies are about stability and allowing companies, families and households to plan for the long term in a way that was denied to them during 18 years of Conservative government.

Value Added Tax (Continence Products)

10. **Mr. Burstow:** What plans he has to compensate the national health service for the additional costs arising from the removal of VAT zero rating for home delivered continence products. [32502]

Dawn Primarolo: The NHS is already fully funded for its VAT costs.

Mr. Burstow: Will the Minister explain why a written answer that I received recently from the Department of Health clearly stated that the cost of additional VAT being imposed by the Government on the health service is £9 million a year? In a press release before the general election, the Labour party rightly criticised the imposition of VAT on continence products. Why are the Government now only too willing to impose such a tax and, as a consequence, cause great difficulty to the NHS and to elderly and disabled people?

Dawn Primarolo: The hon. Gentleman simply has it wrong. There was no imposition of VAT on the national health service. The NHS is fully funded for its VAT costs. Since the general election, the Government have given the NHS an additional £1.5 billion. The hon. Gentleman is referring to an order that closed an avoidance mechanism being used by private hospitals, which took considerable resources out of the Exchequer. No patient will suffer extra VAT costs as a result of that order, because there are none. Incontinence pads are being treated as part of the provision of health care, so there is no extra burden on the NHS. Some hospitals were using an avoidance mechanism and were therefore being funded twice by the Exchequer. That mechanism was removed.

Value Added Tax (Fuel)

11. **Ms Stuart:** What representations he has received from pensioners' organisations on his reduction in VAT on fuel. [32503]

The Paymaster General (Mr. Geoffrey Robinson): We said in our election manifesto that we would reduce VAT on domestic fuel to 5 per cent. My right hon. Friend the Chancellor introduced that measure in his July Budget. It is another example of the Labour Government fulfilling their promises.

Ms Stuart: I welcome my right hon. Friend's action to reduce VAT to the lowest level possible, from which some 18,000 pensioners have benefited in my constituency alone. Does my hon. Friend agree that pensioners are the most vulnerable group and the greatest victims of the previous Administration's imposition of VAT on fuel?

Mr. Robinson: My hon. Friend is correct on all those points, and the measure will have been welcomed by pensioners in her constituency as it was by pensioners throughout the country. It is worth bearing in mind the fact that, when the Conservative party was in Government, it introduced VAT on fuel. Together with the Liberal Democrats, we prevented them from increasing VAT to 17.5 per cent. and, in line with our manifesto commitment, we reduced it to 5 per cent. Pensioner households spend approximately 50 per cent. more of their income on fuel than ordinary households and they therefore benefit most from the measure—*[Interruption.]*

Madam Speaker: Order. The hon. Member for Teignbridge (Mr. Nicholls) is disrupting the proceedings.

Mr. Evans: Is the Minister aware that Age Concern backed my private Member's Bill on the wind chill factor, which would have given extra support to the poorest pensioners on income support in the coldest parts of the country? Will the Minister ensure that his Department makes provision for next year—it is now too late for this year—and backs my Bill so that those pensioners get the support that they deserve? Originally, it was not my Bill but that of a Labour Member, who tried to push the Bill through the House before the general election. Is it not a case of telling pensioners one thing before the general election and letting them down badly afterwards?

Mr. Robinson: The whole House will welcome the hon. Gentleman's belated concern in these matters. He will remember voting for VAT on fuel when his party was in government. This Government have introduced winter fuel payments of £20 for ordinary pensioners and £50 for pensioners on income support. That goes further than the recommendations to which the hon. Gentleman refers. Taken together, the measures that we have introduced—on the abolition of the gas levy, the reduction in VAT and the winter fuel payments—mean that pensioners are £100 better off on average, and £130 better off where they are on income support.

Duty Free

12. **Mr. Gordon Prentice:** What the reasons are for proceeding with the abolition of duty free within the European Union in 1999 in advance of harmonisation or equalisation of taxation rates in member states. [32504]

Dawn Primarolo: The Council of Finance Ministers decided unanimously in 1991 to abolish duty-free sales for travellers within the European Union because it saw them as an anomaly within the concept of a single market. However, because of the effects of immediate abolition, and to give operators time to adjust, the Council decided to allow duty-free sales to continue after 1 January 1993, until 30 June 1999. The harmonisation of duties and taxes was not a factor in that decision.

Mr. Prentice: Will not millions of holidaymakers be mystified that duty free is to be abolished in July 1999, given the huge differences in duty within the member states and the fact that proceeding with the abolition could cost 100,000 jobs across the European Union? In this country, 30 million people use duty-free shops annually. I urge my hon. Friend not to be neutral, but to use the presidency of the European Union to argue forcefully for

the measure to be postponed until there is full harmonisation of duty across the EU, which I suspect will not happen for many years.

Dawn Primarolo: As my hon. Friend knows, the Government do not object to a study into the impact of the abolition of duties being undertaken, particularly if it examines the nature of the successor regime. Any postponement requires unanimity, however, and there is no suggestion that unanimity of action exists among the 15 member states.

Mr. Wilkinson: Might not Her Majesty's Government at least try to secure a postponement, now that they hold the presidency of the European Union and, supposedly, have such great influence over their EU counterparts? Do they take pride in the fact that the measure will cost hundreds of jobs in a number of companies in air transport, shipping and retailing that are already experiencing extreme competitive pressures. How will the British travelling public benefit from abolition of duty-free sales? Surely it will lead to increased fares.

Dawn Primarolo: I take no pride in the decisions that the Conservative Government made, or their commitment on the phasing out of duty-free. The Government will not stand in the way of a study being conducted into the likely impact on jobs of abolition, but there is no unanimity on the matter at the moment. The hon. Gentleman should direct himself to the question why Conservative Ministers agreed to abolition in the first place.

Individual Savings Account

13. **Mr. Laurence Robertson:** What he estimates will be the cost to holders of personal equity plans to transfer them to ISAs. [32505]

Mr. Darling: The costs will depend on the final shape of the scheme.

Mr. Robertson: I thank the Chief Secretary for that illuminating reply. Other policyholders will be affected if costs are passed on to them. The uncertainty about extra charges that may be levied if people transfer from PEPs to ISAs is preventing them from investing in PEPs in the first place. That uncertainty is causing many problems: should people invest and expect a second charge for their policies, or are they expected to depend on blind trust?

Mr. Darling: I shall be more illuminating. If the hon. Gentleman sticks around a little longer, he might receive the answer he wants.

Economic Cycle

14. **Mr. Alan W. Williams:** What assessment he has made of the correlation between the boom and bust phases in the economic cycle and the value of the pound, and the time lag involved. [32506]

Mr. Darling: There is no simple relationship between the economic cycle and the exchange rate. The Government's policies are designed to end the cycle of boom and bust, and to create conditions for sustained growth and high employment.

Mr. Williams: My hon. Friend and the Treasury team keep telling us of the importance of stability in bringing about an end to boom and bust cycles, but such stability will be impossible given the current high exchange rates, because manufacturing industry is being crippled by the high value of the pound. Does he agree that part of the Treasury's job is to create an economic climate in which interest rates could fall to 3 per cent., like those of our European partners, and the pound could fall in value to DM2.60 or DM2.70, so that in five years it would be possible to join the single currency?

Mr. Darling: I understand my hon. Friend's point, but as I told the House earlier, the most important thing for the Government is to ensure that we have the right economic conditions for a stable economic platform on which to build and so that we will achieve low inflation. That is what manufacturing industry—and everyone in the country—wants. As I said earlier, there are already encouraging signs that, because of our reforms—not just the measures in my right hon. Friend's Budget last year but as a result of a general feeling of confidence in the Government's commitment to stability and the reforms that we have made to the Bank of England—long-term rates are now falling. I repeat—they are the lowest they have been for 33 years. I believe that the path on which the Government have embarked is the right path, and the only path in the long-term interests of this country.

Dr. Cable: Does the right hon. Gentleman accept that it was concern about economic stability that led 11 countries to prepare themselves for first-wave entry into EMU? Does he welcome the fact that as many as 11 countries are now ready? Will he tell us what economic policy decisions those 11 countries will be party to as members of the euro X committee to which Britain will not be a party?

Mr. Darling: The hon. Gentleman is aware that the decision about who will join EMU will be made during April and May. As my right hon. Friends the Chancellor and the Prime Minister have made clear, we want to ensure that if monetary union goes ahead, it is a success, because that must be in the interests of the whole of Europe and this country. Whether we are in or out, what happens in EMU will affect us. As my right hon. Friend the Chancellor made clear, we are beginning to put in place the necessary steps to ensure that this country can make a genuine and real choice about whether we join at the appropriate time.

Sir Peter Tapsell: Has the right hon. Gentleman noted that, even after two centuries of theorising and libraries packed with books on economics, Governments still have remarkably little influence on the trade cycle? The one thing that does seem to be indicated by history is that, if one gets into difficulties, it is easier to get out of them with a floating currency rather than a fixed currency.

Mr. Darling: I remember sitting more or less where the hon. Gentleman is sitting some years ago listening to

a 45-minute speech from him on that very point. I am well aware of the hon. Gentleman's views, and I note them with great interest.

Dr. Lynne Jones: Does my right hon. Friend agree that raising interest rates is not the only way to deal with inflationary pressures in the economy? Will he assure the House that other methods will be sought in the forthcoming Budget?

Mr. Darling: All sorts of pressures lead to inflation, including wages and general economic conditions. I shall repeat an important point; it is in the interests of this country—every single one of us, whether in industry or not—to ensure that we have low inflation and that we get away from the damaging cycle of boom and bust that has bedevilled this country for most years since the war. We are determined to avoid that, and everything we do will be geared towards that end.

Tax Equalisation

15. **Rev. Martin Smyth:** What steps he has taken to achieve equalisation of taxes in the European Union. [32507]

Dawn Primarolo: This Government have taken no steps towards equalising direct tax rates in the EU. The Government believe that fair tax competition is positive and helps to maintain Europe's external competitiveness. The UK has already persuaded other member states of this and the benefits of fair tax competition are explicitly recognised in the code of conduct agreed by ECOFIN on 1 December 1997.

There is already a significant degree of harmonisation or approximation of indirect taxes. The last Government were responsible for much of this: they agreed minimum rates for VAT and excise duties.

Rev. Martin Smyth: Early-day motion 949 deals with the increase in tobacco taxes. Does the Minister accept that that is having an adverse effect on our people and on their jobs without helping people's health? Also, about £1 billion a year is being lost to the Treasury through smuggling.

Dawn Primarolo: As the hon. Gentleman will be aware, the report produced by the European Union on excise duties, particularly with regard to tobacco, is now considerably overdue. The Government are pressing hard to obtain publication of the report. As the hon. Gentleman will know, the Government take very seriously the problems of smoking and smuggling.

Mr. Townend: I am grateful to have the opportunity to ask the hon. Lady a question, as she does not have the courtesy to sign her replies to me.

The House knows of my lifelong experience in the drinks industry. I was interested when the hon. Lady talked about a level playing field. Does she accept that smuggling into this country is growing dramatically and that the big danger is not only that the Government are losing revenue, but that organised crime is progressively taking over the smuggling? We have had recent incidents at Dover in which firearms have been used. Does she agree that the only way to solve the problem is to have more harmonisation, and will the Government start to move towards that in this year's Budget?

Dawn Primarolo: I find it incredible that Conservative Members who supported a Government who for 18 years did nothing about smuggling now try to saddle this Government with solving the problem immediately. As the hon. Gentleman well knows, we take smuggling and excise fraud seriously. It was this Government who set up with the industry the review on tobacco and alcohol smuggling and fraud. The report before us will inform the Chancellor's judgments in his Budget next week.

Business of the House

3.30 pm

Mrs. Gillian Shephard (South-West Norfolk): May I ask the Leader of the House to make a statement on the business for next week?

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): The business for next week is as follows:

MONDAY 16 MARCH—Second Reading of the Teaching and Higher Education Bill *[Lords]*.

Remaining stages of the Nuclear Explosions (Prohibition and Inspections) Bill *[Lords]*.

TUESDAY 17 MARCH—My right hon. Friend the Chancellor of the Exchequer will open his Budget statement.

WEDNESDAY 18 MARCH—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Continuation of the Budget debate.

THURSDAY 19 MARCH—Continuation of the Budget debate.

FRIDAY 20 MARCH—Private Members' Bills.

The provisional business for the following week is as follows:

MONDAY 23 MARCH—Conclusion of the Budget debate.

TUESDAY 24 MARCH—Conclusion of remaining stages of the School Standards and Framework Bill.

WEDNESDAY 25 MARCH—Until 12.30 pm, debate on the second to fifth reports from the Select Committee on Health on children's health, followed by a debate on the third report from the Select Committee on Environment, Transport and Regional Affairs on the proposed strategic rail authority and railway regulation, followed by debates on the motion for the Adjournment of the House.

Progress on remaining stages of the Government of Wales Bill (First Day).

THURSDAY 26 MARCH—Conclusion of remaining stages of the Government of Wales Bill (Second Day).

FRIDAY 27 MARCH—Private Members' Bills.

The House will also wish to know that on Wednesday 25 March there will be a debate on bananas in European Standing Committee A, and a debate on aid to shipbuilding in European Standing Committee B.

Details of the relevant documents will be given in the *Official Report*.

[*Wednesday 25 March:*

European Standing Committee A—Relevant European Community Document: 5357/98, Bananas. Relevant European Legislation Committee Report: HC 155-xvi (1997–98).

European Standing Committee B—Relevant European Community Documents: 11165/97 and 11167/97, Aid to Shipbuilding. Relevant European Legislation Committee Report: HC 155-ix (1997–98).]

Mrs. Shephard: I thank the Leader of the House for giving the House two weeks' business, as is becoming her habit and practice.

I wonder whether the right hon. Lady is able to give the House any information about the possible dates for the Easter recess. I understand, because she explained them last week, that there are problems in knowing exactly how the pattern of legislation will pan out, but, as I pointed out two weeks ago, *The House Magazine* printed a start date for the recess and she discreetly neither confirmed nor denied it on the day. It is possible that she may be able to tell us something today.

Once again, I make my weekly request for a debate in Government time on the national health service. The right hon. Lady has announced for Wednesday 25 March a debate on the second to fifth reports of the Health Committee on children's health. That is extremely welcome, but I must remind her and the House that the Government have not provided time for a single debate on the national health service since 1 May. It is no good the right hon. Lady stating in the Government's defence that there have been seven statements on the national health service since 1 May—we know that, but, because there have been so many statements, and because the Government have introduced so many changes to the national health service, it is time for a debate on those and wider issues relating to the national health service. I do not understand the Government's reluctance in that respect.

May we have an early debate on the Government's policy on human rights in China? Yesterday, in Prime Minister's Question Time, it was clear that the Prime Minister had a rather shaky grasp of the issues. It might be helpful if we could have a debate led by the Foreign Secretary on those and other features of the Government's ethical approach to foreign policy.

I congratulate the right hon. Lady on her chairmanship of the Modernisation Committee and on the third and fourth reports that came out earlier this week. The reports are welcome, as they propose sensible reforms to make the proceedings of the House more comprehensible and effective. Has the right hon. Lady detected any misgivings among hon. Members about the proposals? If she has, what reassurances has she been able to provide?

Mrs. Taylor: The right hon. Lady asked me about the Easter recess. Early in January, I gave an indication of when I expected the Easter recess to be. I cannot yet confirm the precise dates, but I expect that the Easter recess will be the week of Easter Monday and that the House will return on the following Monday, but I am not yet in a position to confirm that. I hope also, in the not too distant future, to give some indication in respect of the Whitsun recess, but that is rather more difficult, as we have to consider the progress of business.

The right hon. Lady asked me again for a debate on health. I stress that there is no reluctance on our part to have such a debate. Indeed, we would be happy to discuss the extra £1.5 billion that we have found for the health service. We have a very heavy legislative programme and, at the moment, there are no slots available. I should point out, however, that, in the past 10 days, the Opposition chose the topics of four debates, and on all those occasions they avoided discussing health matters, so perhaps it is they who are running scared.

As for human rights issues in China, my right hon. Friend the Prime Minister pointed out yesterday that we believe that the European Union's policy of dialogue with

China, supported by practical assistance, is more likely to bring about real improvement in respect of the rights of ordinary people. We should like to find more time for foreign affairs debates, but that will not be possible in the near future.

I thank the right hon. Lady for her remarks about the Modernisation Committee. I also thank all members of the Committee for the consensus that we were able to develop in respect of the changes that we recommend to the House. The reactions to our reports so far—of course, it is early days—have been entirely positive, and I am very pleased indeed with the way in which they have been received by hon. Members.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Will my right hon. Friend find time to look at the questions—and their answers—that I asked my right hon. Friend the Secretary of State for Social Security about a major problem with the computer system in her Department? Will she find time very soon for the House to debate a number of problems that are arising in the public sector in respect of massive computer systems that are probably not capable of performing the tasks that are being asked of them? It would be very dangerous if the House were to continue to pour money into machinery that was not capable of working efficiently and which would leave many important functions of government in considerable disarray if they failed.

Mrs. Taylor: I shall look at the questions tabled by my hon. Friend. I am aware of the possible difficulties in that particular area, not least because it was a massive IT project involving a great number of systems, and I understand that it was always expected that early plans would need to be tested and reviewed as the programme moved forward. That is what is happening. Obviously, we have to be careful that the systems we introduce work. If my hon. Friend has specific points she wishes to raise, I am afraid that I cannot find time for a debate, but it is questions to the relevant Department a week on Monday.

Mr. Matthew Taylor (Truro and St. Austell): Following our representations, has the Leader of the House had any success in getting earlier answers to ministerial letters and parliamentary questions?

On the subject of railways and the takeover of Great Western Trains, what has happened to the right hon. Lady's assurances given last week in response to representations on that subject from my hon. Friend the Member for North Cornwall (Mr. Tyler)? Is it not time that there was a statement from Ministers on the shenanigans within rail companies and the huge profits being made by individuals at taxpayers' expense?

Finally, will the right hon. Lady comment on the fact that, with a statutory instrument today on Scottish water charges, the Government appear to have decided to follow the precedent set by the previous Conservative Government of subsidising water charges in Scotland, but refusing to do so for areas in England such as the south-west, which has water charges that are 40 per cent. higher than those in Scotland, yet we are told that there is no taxpayers' money available? Is it not time that Ministers explained that in the House?

Mrs. Taylor: On the hon. Gentleman's last point, if he wishes to have an SI discussed, he knows the procedure and the discussions that can go on through the usual channels.

We alluded to rail problems last week, and I think that everyone is very concerned about what is happening in some parts of the rail industry. I announced that there would be a debate that includes rail regulation a week on Wednesday, when the hon. Gentleman may be fortunate enough to catch your eye, Madam Speaker.

Ministerial correspondence has been raised by several hon. Members, including some of the hon. Gentleman's colleagues. I have been looking at the issue in some detail. The picture is an extremely mixed one, with some Departments performing better since the general election than previously and others having difficulties because of the huge increase in the number of letters received; we have clear evidence to back that up. That is not to say that I do not think that things can be improved: I am writing to all Cabinet colleagues on that matter to seek improvements, and the Cabinet Office is also taking it up at official level.

Mr. Dennis Skinner (Bolsover): Is my right hon. Friend aware that tomorrow may well be the last day for debate on the private Member's Bill to abolish fox hunting? Is she aware that, on our side this week, many hon. Members got excited about the prospect of sitting all night to get the National Minimum Wage Bill through? They would quite happily not call for Government time, but sit after 10 o'clock for, say, two or three nights to complete the Bill and frustrate the wishes of that minority opposite. Then we could send the Bill to the House of Lords, and if those hereditary peers—the fox hunters and the Tories—turned up in large numbers to thwart the Bill's progress, that would give us a perfect excuse to get rid of the lot of them.

Mrs. Taylor: I will be here again tomorrow, as will many of my colleagues, to vote on that Bill. The responsibility for the Bill's fate rests with the Conservative Members who seem determined to flout the overwhelming will of the House and the British people. I know that that causes a great deal of concern, and I hope that those who are worried about the issue will make their views known to Conservative Members.

Mr. Patrick McLoughlin (West Derbyshire): Will the Leader of the House find time for a debate on the provision of local justice? Is she aware that, in my constituency, people are concerned about the threat hanging over the magistrates courts in Ashbourne, Bakewell and Matlock? We see this as yet another attack on the countryside, depriving rural areas of services—something the Government allege they are not trying to do. However, we see the proposed closure of these courts as another service being taken from the countryside.

Mrs. Taylor: That is not a new issue, and I do not recall the hon. Gentleman protesting about these matters when his party was in government. If he has specific points he wishes to raise, questions to the Parliamentary Secretary to the Lord Chancellor's Department take place on, I think, Tuesday. [HON. MEMBERS: "Monday."] It says Tuesday here. He will be able to raise these issues, but I will pass his concerns on to the Minister.

Mr. Dennis Canavan (Falkirk, West): May we have a statement next week from the Secretary of State for Scotland about the funding for the millennium link to

[Mr. Dennis Canavan]

reunite the Forth and Clyde canal and the Union canal? Is my right hon. Friend aware that there is still a shortfall of about £7.8 million, and, unless sufficient funding is found by next Friday, the project may have to be abandoned, which would mean the loss of a great opportunity to create 4,000 permanent jobs and 1,500 construction jobs, plus an annual injection of £55 million into the economy of central Scotland?

Mrs. Taylor: My hon. Friend has made a strong point, and I am sure that he will wish to pursue it further with Ministers. There will not be time for a debate, but perhaps he can raise the matter at Question Time on Tuesday.

Mr. Eric Forth (Bromley and Chislehurst): May we have an early debate on the allegations that are made concerning Secretaries of State and conflicts of interest in terms of their constituencies, families or whatever? Does the Leader of the House think it is somewhat bizarre for a Secretary of State to instruct a permanent secretary to conduct an investigation into such matters? Does she believe that to expect an impartial inquiry under those conditions is somewhat optimistic? Does she agree that some sort of independent review mechanism would be preferable in getting to the bottom of the allegations?

Mrs. Taylor: I am surprised that a former Minister should cast doubt on the independence of a permanent secretary.

Ms Beverley Hughes (Stretford and Urmston): Is my right hon. Friend aware of the recent comments by Steven Norris, the former Tory Minister, that the previous Government should be ashamed of their record on state education? Is she further aware of the report of the Audit Commission today, which outlines just how much all schools—including those in well-off areas—have been failed by the previous Government's policies? Will she arrange for an urgent debate so that the House can assess how far state education was undermined by the previous Government?

Mrs. Taylor: My hon. Friend makes a strong point. We welcome the Audit Commission's work, which has highlighted the need to focus on the differences in standards produced by LEAs, even if they are working in similar circumstances. I cannot promise a debate on that specific point, but she will be aware that education matters will be debated in the House in the near future, and there may be opportunities to discuss the report.

Mr. John Wilkinson (Ruislip–Northwood): Is the Leader of the House aware that the erstwhile leader of her party, the Euro Transport Commissioner Mr. Kinnock, is seeking to sue Her Majesty's Government if they pursue bilateral negotiations with the United States—as is their sovereign right—over air service agreements across the north Atlantic? In view of that, can the Minister for Transport come to the House at the earliest possible date to make a statement, or, preferably, can we have a proper debate on civil air transport, which could take in the proposed abolition of duty free shopping and the reduction in capital allowances for airliners?

Mrs. Taylor: I do not think that there will be an opportunity for such a debate in the near future. If the hon. Gentleman wants to pursue specific points, it is tabling day for questions to that Department on Tuesday.

Mr. Gerald Bermingham (St. Helens, South): Has my right hon. Friend, like me, read in the newspapers today that the protector of the Camelot interest in the lottery has not only been dismissed for not doing his job, but will be compensated for not doing his job? To make matters worse—and this is a bit rich—the money will come from the lottery's good causes fund. Can she ensure that someone will come to the House to explain what on earth is going on? Has not the time come for a debate on whether it is time that someone else ran the lottery?

Mrs. Taylor: I do not think that my hon. Friend is technically correct—I do not think that the man was dismissed; I think that he resigned to ensure that there was full confidence in the lottery. If my hon. Friend wants to raise the issue, he must either apply for an Adjournment debate or try to be called at Question Time on Monday.

Mr. Edward Leigh (Gainsborough): Will the Leader of the House consider a debate on greater public access to the Palace of Westminster? In view of the justified public expenditure on its magnificent refurbishments, will she consider putting the Lord Chancellor's apartment on the line of route, so that, in the manner of aristocrats welcoming American tourists to their homes, the Lord Chancellor—one of our greatest ornaments—could give tea to visiting Americans?

Mrs. Taylor: I understand that plans to allow access to the Lord Chancellor's apartment are complete and will be implemented—there will be access. Shortly after becoming Leader of the House, I made inquiries about whether we could increase public access to the whole building at weekends and in the recess. Work is now under way to examine the feasibility of that idea.

Mr. Gerry Sutcliffe (Bradford, South): As the Government have delivered on devolution for Scotland and Wales and are developing a strong regional policy, will my right hon. Friend consider the prospects for allowing our debates to have regional dimensions? I understand that time has been given to regional debates in the past.

Mrs. Taylor: My hon. Friend raises an important point. Many hon. Members, representing different parts of the country, might find such debates extremely valuable. However, he will be aware of the pressure on time, so I do not think that he would give such debates priority over our legislative programme. Nevertheless, I shall bear his request in mind when time permits.

Mr. Donald Gorrie (Edinburgh, West): Will the Leader of the House consider inviting to her excellent Modernisation Committee the people who run the radio programme "Just a Minute", so that they could suggest better ways in which to enforce the rules of no deviation

and no repetition? The Committee could then, perhaps produce better rules to strengthen your position, Madam Speaker and that of your colleagues.

Mrs. Taylor: The Modernisation Committee has not suggested a rewriting of Standing Orders along the lines of the rules of "Just a Minute". I recommend that the hon. Gentleman reads the Committee's report—I believe that hon. Members will agree that it suggests ways forward.

Mr. Gordon Prentice (Pendle): May I return to the subject that was raised by my hon. Friend the Member for Bolsover (Mr. Skinner)? Does my right hon. Friend recall telling me that time would not be the enemy of the fox hunting Bill if hon. Members—I think that she had in mind Conservative Members—behaved themselves? After last Friday, is not it as plain as a pikestaff that Conservative Members want to torpedo the Bill? I urge my right hon. Friend to ensure that the relevant Minister makes a statement to the House next week, saying, I hope, that time will be made available in this Parliament to ban blood sports.

Mrs. Taylor: I think that I will be in danger of repetition if I remind my hon. Friend of what I said on Monday—that time is not the enemy. As I said earlier, the responsibility for the fate of the Bill rests with those Conservative Members who seem determined to flout the overwhelming will of the House. It is not the case that, if the Government gave extra time, that would be the end of any problems associated with the Bill. I think that most people understand exactly what is happening.

Mr. Nicholas Winterton (Macclesfield): The Leader of the House is being very agreeable today. Bearing in mind her long-standing interest in education, will she arrange for a Minister from the Department for Education and Employment to make a statement on the decision that has been made by several county council local education authorities to abolish free school transport for 16 to 18-year-olds in full-time secondary education? While I accept that, once secondary education is completed, people or their families should start to pay, that decision is a dramatic change and is causing grave anxiety to people in my constituency's rural villages and to the All Hallows Catholic high school in Macclesfield, which does a wonderful job providing excellent education to youngsters from a wide area of east Cheshire.

Mrs. Taylor: The hon. Gentleman is an experienced Member of the House, and if he cannot weave that issue into one of the debates on the education Bills before the House, I will be surprised. He knows that, if that is not possible, his best option is to apply for an Adjournment debate.

Caroline Flint (Don Valley): Will my right hon. Friend consider finding time for a debate on the regeneration of the former RAF Finningley site in my constituency? The site has already benefited from considerable public investment and has one of the longest runways in Britain. As it is in an area formerly dominated by the coal mining industry, it is seen by businesses and communities as key to the development of jobs and industries in South Yorkshire. I would welcome time for a debate on the subject.

Mrs. Taylor: My hon. Friend knows that I have said on several occasions today that the Government's legislative programme is heavy and it is difficult to find time to debate all the issues that we want to, so I cannot give the assurance she wants. I understand that the Ministry of Defence is considering the bids that have been received for her local RAF station and is closely consulting other Government Departments, because it recognises the local sensitivity of the issue. I assure her that transport, planning and all other issues will be fully taken into account before a decision is made.

Mr. David Rendel (Newbury): The incredibly damning report produced by the Public Accounts Committee on the Child Support Agency includes the sentence:

> "Unless firm action is taken, the work of the Child Support Agency will continue to bring unnecessary hardship and suffering to thousands of our fellow citizens."

Will the Leader of the House ensure that time is made available for a debate, so that the Government can explain whether they intend to take such firm action to get rid of the ghastly traumas being suffered, not only by the parents but by the children involved?

Mrs. Taylor: We made it clear when the Conservatives introduced the child support legislation that—while we supported it in principle—we had grave concerns about the detail. It is clear to everybody in the House that the previous Government's Child Support Agency scheme is failing to deliver what was hoped. We have had two debates on the issue so far, and my right hon. and hon. Friends have listened carefully to the issues that have been raised. We aim to produce by the summer a consultation document containing our proposals for improvement; it is important that as many hon. Members as possible are involved in the consultation, because we all have examples of problems caused by the CSA.

Mr. Paul Flynn (Newport, West): When can we debate the dire consequences of the previous Government's pension policy and, in particular, the comment made by the then Prime Minister, Margaret Thatcher, almost exactly eight years ago, on 15 March 1990, when she told me that she "totally rejected"—her words—my premise that 1 million people could be mis-sold personal pensions? Now we know the awful truth—that up to £6 billion and possibly £10 billion has to be found to compensate those millions of people who face poverty in their retirement years. Is not the lesson from that awful experience that we can never trust the pensions market to the private firms again and that pensions must be based on the state earnings-related pension scheme—a good-value state scheme, with a great record?

Mrs. Taylor: I am sure that my hon. Friend will welcome the robust action that my hon. Friend the Economic Secretary to the Treasury has taken to deal with the problem. It is true that the Conservative Government created the problem, the Conservative Government ignored the problem and the Conservative party has never apologised for it. Owing to Government pressure, particularly the action of my hon. Friend the Economic Secretary, two thirds of the priority cases have now been resolved; previously, hardly any had been resolved. It is clearly a difficult, on-going problem, and my hon. Friend is perfectly right to lay the blame at the door of the

[Mrs. Taylor]

previous Conservative Government. However, even though it is tempting to have a debate, I am afraid that we cannot find time in the near future.

Mr. Nicholas Soames (Mid–Sussex): Does the right hon. Lady accept that, while we understand that the Government's bad management of their own programme has led to a legislative backlog, that is no reason to deny the House of Commons the chance to debate the major issues of the day? Does she agree that Britain has a major interest in events in Kosovo, where a large number of women, children and old men were murdered on the direct orders of the war criminal Milosevic, and in the former Yugoslavia, where more that 8,000 British service men of all arms are stationed? Those events need to be debated in the House so that hon. Members have a chance to put their views to the Foreign Secretary, not least to see whether Milosevic should be indicted as a war criminal. Will the right hon. Lady see what she can do to fit such a debate into the Government's programme?

Mrs. Taylor: First, there is no legislative backlog; we are very much on target, although some days have been taken up, by agreement, with Bills that Conservative Members wanted to debate on the Floor of the House.

The hon. Gentleman will be aware that an important statement on Kosovo was made on Tuesday—unusually, it was made on an Opposition day because of the importance of the subject. It will not be possible in the very near future to find Government time for a debate, but it may be possible for the hon. Gentleman or others to secure an Adjournment debate, which has often happened on similar issues.

Mr. Rhodri Morgan (Cardiff, West): Does the Leader of the House agree that it is high time that we had a debate on the way in which the Opposition Front-Bench team uses the research assistance provided to it out of public funds? In business questions a fortnight ago, the shadow Leader of the House claimed that I had criticised my right hon. Friend the Secretary of State for Health for allegedly packing NHS trusts with political appointments, when I had said no such thing. Does my right hon. Friend agree that there seems to be a problem, in that either the shadow Front-Bench team research assistants cannot read newspaper articles with words of more than one syllable or the shadow Front-Bench team cannot?

Mrs. Taylor: I am glad that my hon. Friend has had the chance, without a debate, to set the record straight. On occasions, we need a full session geared into the weekly programme so that we can set the record straight about some of the allegations made by Conservative Members.

Mr. Andrew Robathan (Blaby): Eight weeks ago today, at Treasury questions, a Minister quoted pension return figures that I considered erroneous. I tabled a question, but I have not yet received a substantive answer. If the figures exist, I should have thought that it would be easy to provide an answer. Will the right hon. Lady find time next week for a debate on the length of time that Ministers take to respond to questions and on their inefficiency in doing so, so that I can raise the question of those figures, which I believe to be erroneous?

Mrs. Taylor: I am surprised that the hon. Gentleman did not have an opportunity to raise that matter in the debate on pensions that the Conservatives organised the other day. There are many opportunities to question Treasury Ministers—indeed, there were opportunities today.

Mr. John McDonnell (Hayes and Harlington): Given that the subject of human rights was raised in the Chamber today, may we have an early debate on the calibre of candidates chosen by the Conservative party to stand in local government elections? It has come to the attention of my constituents that my Tory predecessor, the racist Terry Dicks, has been selected in Runnymede to stand for local government. Hon. Members will recall that that creature went on a paid trip to Baghdad, at Saddam Hussein's expense, returned to the House and tried to justify Iraq's statement that the Kurds were not gassed in Halaji. He then supported the hanging of the *Observer* journalist Fazal Barzoft by Saddam Hussein. I would welcome an early debate to expose that character, who has yet again been selected by the Tory party.

Mr. John M. Taylor (Solihull): On a point of order, Madam Speaker. Is it in order for the hon. Gentleman to refer to my former colleague Terry Dicks as a racist? It sounds to me a most unparliamentary word to use.

Madam Speaker: Members are responsible for the comments that they make. The hon. Member for Hayes and Harlington (Mr. McDonnell) referred to an individual who is not a Member of the House. I do believe that, when we make comments on anyone, whether they are a Member or whether they are outside, we should be very careful in what we say, and that we should be able to say those words outside this House and substantiate them. I cautioned Members on these matters only yesterday.

Mrs. Taylor: There is no ministerial responsibility for Conservative candidates in local elections.

Mr. Nick Gibb (Bognor Regis and Littlehampton): As everyone knows, the decision making on the site of the new Welsh assembly has been a complete shambles, and the Secretary of State for Wales is even dithering about when and how to make the announcement. Will the Leader of the House arrange for the Secretary of State for Wales, when he finally reaches a decision, instead of making that announcement in a written answer or in a press conference outside the House, to come to the House to make a statement, so that all Back Benchers have an opportunity to question him?

Mrs. Taylor: I am sure that my right hon. Friend will keep the House informed. The manner in which he does so must be for his judgment.

Mr. Christopher Leslie (Shipley): May I echo the call by my hon. Friend the Member for Newport, West (Mr. Flynn) for us to hold a debate very soon about the way in which the Tories ripped off so many pensioners? I should like to refer specifically to the National Audit Office report published yesterday, which showed that when the water companies were privatised, all the choice, best bits of the pension funds went to private firms, and they left the taxpayer with a bill of £400 million to prop up the ailing pensions for workers in the previously nationalised water service.

Mrs. Taylor: I am tempted to arrange a debate on that matter, because the National Audit Office report shows

the ridiculous, outrageous waste of taxpayers' money by the previous, Conservative Government in their rush, driven by dogma, to sell off the water industry. However, as I have said on other occasions, although there is much for which we would want to expose the previous Government, we cannot always find time to debate all those issues.

Mr. Nigel Evans (Ribble Valley): Has the Leader of the House seen early-day motion 914 signed by many hon. Members on both sides of the House?

[*That this House is concerned about the unwelcome proposals to change BBC networked parliamentary programmes and views with great concern the proposals to cut back political coverage in the regions; greatly values the contribution to informed political debate by the BBC's regional weekly political programmes; urges the Corporation to retain and enhance these as a vital link between honourable Members and their constituents; and further urges the BBC to retain its regional reporting presence at Westminster.*]

I believe that the BBC would be wrong to implement its proposals to cut regional political programmes, especially the political reviews that usually take place at the weekend, which are an important link between Members of Parliament at Westminster and their regions, showing what we do in the House and the importance of that work to the regions.

Although I support the BBC's plans for 24-hour news programming, it would be a mistake if that sucked away money that would usually be spent on political programmes for the regions. A debate in the House might show how much backing regional political programmes have from hon. Members.

Mrs. Taylor: The hon. Gentleman has raised an issue of concern to hon. Members on both sides of the Chamber. He knows that the chairman of the BBC has been in the House today to discuss those issues and the broadcasting of such programmes as "Today in Parliament" with hon. Members who have an interest.

I understand that my hon. Friends are always pleased to see the hon. Gentleman on his own regional television programme, and I am sure that his comments will be noted by those in the BBC.

Dr. Desmond Turner (Brighton, Kemptown): May I draw my right hon. Friend's attention to the recently published report of the Select Committee on the Environment, Transport and Regional Affairs entitled "Sewage Treatment and Disposal"? I agree that that is not the most obviously sexy topic, but it is of extreme interest to those who, like me, represent coastal constituencies, where sewage disposal is a matter of great public concern and an important public health issue. Therefore, it would be very helpful if we could debate the report at the earliest possible opportunity. Can the Leader of the House offer any assistance in that regard?

Mrs. Taylor: For the reasons I gave earlier, I do not think that I can hold out the prospect of an early debate in Government time. My hon. Friend will be aware that two Select Committee reports will be debated a week on Wednesday. The reports are chosen by the Liaison Committee, so perhaps my hon. Friend would like to make representations to that Committee about the topics for future debates in that slot.

Mr. Mike Hancock (Portsmouth, South): I should be grateful if the Leader of the House would prevail on her Cabinet colleague the Secretary of State for Health to hold an early debate in the House on nurse training, particularly in Portsmouth and south-east Hampshire. If the Leader of the House is not prepared to allow such a debate, I ask that the Secretary of State be prompted to investigate the way in which nurse training in Portsmouth and south-east Hampshire has been conducted and how it will be dealt with in future.

Mrs. Taylor: I cannot promise a debate, but I will ensure that my right hon. Friend is made aware of the hon. Gentleman's interest in the matter.

Mr. Derek Twigg (Halton): I am sure that the Leader of the House welcomes the fact that our right hon. Friend the Home Secretary met representatives of the Hillsborough families last Saturday and has agreed to a further meeting. However, my right hon. Friend will be aware of the keen interest in Merseyside and beyond about when a debate will take place on Lord Justice Stuart-Smith's scrutiny of evidence report. It is obviously important that that should occur as soon as possible. Is she in a position today to confirm that a debate will take place, and say when that might be?

Mrs. Taylor: That important topic has been raised several times during business questions. I have explained to my hon. Friends and others the difficulty of providing time for an early debate. I hope that, in the not too distant future, I shall be able to give an idea of what may be possible. However, I do not wish to hold out the prospect of an early debate on this matter, for the reasons that I gave earlier.

Mr. Tom Brake (Carshalton and Wallington): Can the Leader of the House say when the Modernisation Committee will consider private Members' Bills, particularly the Road Traffic Reduction (United Kingdom Targets) Bill? What should happen when two Opposition Front-Bench spokesmen cannot agree their party line on an issue, leading one Conservative Member to ask, "At what point does a short speech become a long bore"?

Madam Speaker: Order. I do not think that that is a question for the Leader of the House to answer. We are discussing next week's business.

Mr. Jonathan Sayeed (Mid–Bedfordshire): Following the question asked by my hon. Friend the Member for Blaby (Mr. Robathan), will the Leader of the House talk to Ministers about the time it takes to provide answers to written questions and about the quality of the answers provided? I tabled a question to the Chancellor of the Exchequer more than a month ago, and I have just collected yesterday's *Hansard* in order to confirm the inadequacy of that delayed response. I put down a written question because it concerned a technical matter that was better suited to a civil service reply than an oral answer.

[Mr. Jonathan Sayeed]

It deserved a proper response. If the Leader of the House looks at column *208* of yesterday's *Hansard*, she will see the inadequacy of the Chancellor's answer.

Mrs. Taylor: I cannot, and do not intend to, have a debate on that matter. I do not know whether the hon. Gentleman was present when I said earlier that I would be writing to my colleagues about the difficulties experienced with delays in answering letters from Members. Variations on that complaint, including points about questions, have been drawn to people's attention. I have made it clear that I take that issue seriously—as I have during business questions on other occasions—and I explained earlier what I shall do about it.

Mr. Patrick McLoughlin (West Derbyshire): On a point of order, Madam Speaker. During business questions, the hon. Member for Hayes and Harlington (Mr. McDonnell)—who has now left the Chamber—referred to my former hon. Friend Mr. Terry Dicks. Unfortunately, I have not been able to notify the hon. Gentleman of my point of order, but I think it right to put the matter on the record very quickly. The hon. Gentleman has paid Terry Dicks some £15,000 in damages and £52,000 in costs. Therefore, it appears that this afternoon we have witnessed a personal vendetta, using the protection of parliamentary procedure. I hope that you will examine this matter, Madam Speaker, and perhaps study the accusations that were made.

Madam Speaker: The point of order gives me an opportunity once again to deplore the personal attacks that are unfortunately being made with increasing frequency, not only on hon. Members but on individuals outside the House. I remind everyone here that one of our most cherished privileges is the freedom of speech, but that privilege, as I said only this week, has to be tempered with responsibility. Personal attacks enhance neither the quality of our debate nor the reputation of the House. Hon. Members should always bear in mind "Erskine May" which states:

"Good temper and moderation are the characteristics of parliamentary language."

I think that those words are as appropriate today as they were when they were written.

Although the House is not full, I hope that those responsible will see that my words are brought to the attention of every hon. Member.

Mr. Dennis Skinner (Bolsover): Further to that point of order, Madam Speaker. The problem arises on both sides of the House. For example, last week, the shadow Chancellor said that I had £356,000 in a pension fund. I went to the Fees Office the following morning to ask whether I could get hold of that money. I said that if I could get the cash, I could leave. The lady there said, "I'm awfully sorry, Mr. Skinner. If you retired today, you'd get something over £20,000." However, only the day before, the shadow Chancellor had told the House an untruth. Two newspapers printed the story, and I had to seek the services of a lawyer in order to get corrections.

I did not come to you, Madam Speaker, to whinge and whine, but it ought to be made abundantly clear that members of the Tory Front Bench are at it just as much as any Labour Back Benchers.

Madam Speaker: The words that I used were carefully chosen. They apply to all Members, whether or not they are Privy Councillors and on whichever Front Bench they might sit.

I was here when the exchange to which the hon. Member for Bolsover (Mr. Skinner) refers took place, and I read the newspaper reports afterwards. I am delighted that his pension is not what was suggested; otherwise he might have taken his cards and gone home, and we would rather have him here than in Bolsover.

Mr. Skinner: I could have taken a world cruise.

Madam Speaker: I hope you would take me with you.

Orders of the Day

European Parliamentary Elections Bill

As amended in the Committee, considered.

New clause 4

REVIEW OF ALTERNATIVE VOTING SYSTEMS

'.—(1) The Secretary of State shall establish an independent review of the advantages and disadvantages of the electoral system established under this Act, as compared to (a) an open list system and (b) the first past the post system, but excluding any consideration of party political advantage.

(2) The review shall commence no sooner than 12 months after the election date for the 1999 European Elections and shall report no later than two years after the said election date.

(3) The review shall be conducted under the auspices of a Speaker's Conference.

(4) The review shall be required to seek evidence from the public.

(5) "Independent" in subsection (1) means not subject to control by any political party.'.—*[Mr. Clappison.]*

Brought up, and read the First time.

4.16 pm

Mr. James Clappison (Hertsmere): I beg to move, That the clause be read a Second time.

Madam Speaker: With this, it will be convenient to discuss the following amendments: No. 10, in clause 1, page 2, line 1, leave out from 'cast' to end of line 2 and insert—

'in one of the following ways—

(a) for a registered party;

(b) for a candidate listed as a member of a registered party; or

(c) for an individual candidate not listed as a member of a registered party.'.

No. 9, in page 2, line 2, after 'candidate', insert

', whether or not the candidate is a member of a registered party,'.

No. 11, in page 2, line 4, after 'candidate', insert

'not listed as a member of a registered party'.

No. 12, in page 2, line 4, at end insert

', with votes for candidates listed as members of a registered party counting towards the total vote of that party.'.

No. 13, in page 2, line 16, leave out from 'filled' to end of line 18 and insert—

'as follows:

(a) a quota for each party shall be determined which is equal to the total number of votes cast for the party divided by the number of seats to be allocated, plus one;

(b) votes cast for the candidate at the top of the party list shall be compared with the number of votes cast for the registered party to which that candidate belongs;

(c) where the candidate has more votes than the quota, that candidate is elected without transferring any surplus votes;

(d) where the candidate has fewer votes than the quota, the votes for that candidate shall be added to until the quota is reached, the candidate is elected, and the number of votes cast for the party is reduced accordingly;

(e) this process continues until all seats have been allocated for each candidate in the order in which they appear on the list until the number of votes cast for the party is zero, except where there are insufficient votes in the number of votes cast for the party to bring a candidate up to the quota, in which case those votes are allocated to the next person on the list with sufficient votes;

(f) if it is not possible to bring another candidate up to the quota required for election, the candidate with the highest vote who has not been elected shall be elected;

(g) where there is one seat to be filled and two candidates have the same number of votes, the candidate placed higher on the list shall be elected.'.

Mr. Clappison: The new clause and amendment No. 9 reflect our belief that the first-past-the-post system, which we currently use for European elections, has many advantages, and is certainly far better than the system that the Government propose in the Bill. We know that we have many allies in this, and we think that we may have some of whom we were not aware earlier but who may not be prepared to reveal themselves to us. However, we know that there is a widespread feeling that the first-past-the-post system has served the House well, and that it also serves the country well for the European elections.

The more we learn about the Bill, and the more we see of the Government's approach to it, the more we think that a review will eventually be called for and that it will be beneficial. It will prove that the first-past-the-post system does indeed have significant advantages over that which the Government are putting in place, not least because of what has happened with regard to closed and open lists. These are one of the least desirable features of the Bill, although it has many undesirable features.

When the Government first unveiled their proposals last October, there was widespread criticism of their adoption of the model with closed lists, whereby electors would not have the opportunity to express a preference between individual candidates of different parties—something which happens in some other systems which use a regional list.

I shall quote one of those comments, which I think puts the matter rather well. *The Times* stated:

"This is bad for democracy and will be bad, eventually, for the parties too. The Government plans to introduce the worst possible kind of PR for the European elections. Its 'closed list' system allows voters no say over which candidate they want: they can merely vote for a party, which will then appoint its own placemen to the Parliament."

The proposal for a closed list earned few friends when it was debated on Second Reading in November. It was seen as a system whereby the Government were not prepared to allow electors to make a choice between different candidates, any more than they were prepared to allow their own party members the chance to decide the order of candidates themselves, which is something else to emerge during our consideration of the Bill.

We were not entirely surprised, given the criticism of and lack of support for the closed list system, when on Second Reading the Home Secretary indicated a willingness to listen to arguments for adopting a different system. The right hon. Gentleman chose to highlight a Belgian system. To be fair to him, he gave no guarantees at that stage; he said that he had an open mind. He put a paper on the Belgian electoral system in the Library.

[Mr. Clappison]

The Home Secretary may now regret some of his comments.

The Secretary of State for the Home Department (Mr. Jack Straw): No.

Mr. Clappison: The right hon. Gentleman says that he does not, but he will recollect that he chose to advance his consultation in a rather partisan way. If I remember correctly, he said that his was a party and a Government who were prepared to listen, including listening to the arguments. Perhaps that was not entirely wise. That seems to be so, given what has taken place since he made those remarks.

The Home Secretary might care to address the question why he chose the Belgian system out of all the systems that are available. A debate on that issue took place in part when the Bill was considered in Committee. The Home Secretary mentioned the Belgian system together with the Danish system. We would like to hear a little more from the right hon. Gentleman about why he chose the Belgian system rather than the Danish.

The Home Secretary said that he would be prepared to listen to learn how Members on both sides of the House perceived the Belgian system. I can assist him, because every Opposition Member, including probably the Liberal Democrats, thinks that the closed-list system is wretched and rotten. I would be surprised if many voices were raised in support of it on the Government Benches. When the right hon. Gentleman responds to the debate, perhaps he will tell us how many representations he received in favour of the closed list.

We apprehend that not even Labour Back Benchers had much of an appetite for a system so alien to our traditions in this country. It is a system that would deprive the electorate of the chance to vote for an individual candidate of a party.

We know that some Labour Back Benchers tabled an amendment in Committee. These were the hon. Members for Stroud (Mr. Drew) and for Enfield, Southgate (Mr. Twigg).

Mr. John Greenway (Ryedale): Where are they?

Mr. Clappison: That is a matter for them.

The hon. Members for Stroud and for Southgate tabled an amendment, and argued in favour of it.

Mr. Robert Syms (Poole): It is interesting that the little rebellion that took place on the Government Back Benches to promote an open list seems to have disappeared now that the Home Secretary has made up his mind.

Mr. Clappison: My hon. Friend makes an extremely good point. We know that some Labour Back Benchers originally wanted the Government to think again, and they tabled an amendment to enable the Government to do so. Were the Government listening to them, we wonder. How much weight did the Government give to Labour Members' representations? We suspect that the answer is, not a lot, and we take that view on some rather good grounds.

We now learn that, at more or less the same time, when Labour Back Benchers were tabling an amendment to enable the Government to think again about the closed list system and to think instead of having an open list system, the Government were not listening to them, but instead had commissioned a focus group to give them some ideas for the voting process. It is interesting that the group carried out its work at some time around 20 February, according to the documents that the Home Secretary placed in the Library, and reported on 28 February. The mechanics of how the group came about is a matter for the Home Secretary.

The Home Secretary looks perplexed. The focus group reported to him on 28 February, and carried out its field work between 20 and 23 February. We do not know why it took place at that time. We wonder whether it was a last-ditch effort by the Government to justify the course they were taking. We shall listen with interest to the Home Secretary telling us about the representations he received in favour of the closed list system.

The Government did not listen to their Back Benchers, but chose instead to listen to the focus group. I suggest that, if Labour Members—I know that several of them are deeply interested in electoral reform—want to influence their Government, it is no use tabling amendments for the Home Secretary to answer in debate. They should write to Phoenix Fieldwork Ltd., 71-73 High street, Barnet, Herts, and ask whether they can become part of a focus group. However, I advise them that they had better be careful when they make their application.

I have looked at the way in which the people in the focus group were selected—it was helpful of the Home Secretary to place this document in the Library. They were carefully screened, and, when interviewed, were asked whether they were a member of a political party, Charter 88, the Electoral Reform Society, and whether they were a local councillor, union representative or chairman of a professional organisation. The document says:

"If yes to any of the above—close interview".

There is not much chance of them being listened to in the focus group, so they had better be careful what they say when they try to participate in it.

Mr. Jonathan Sayeed (Mid–Bedfordshire): Who paid for the focus group?

Mr. Clappison: That is a good question. To be fair to the present Government, the previous Government sometimes commissioned focus groups to get responses on particular issues, but this is the first time that I have seen answers given to a focus group being cited as a reason for the Government to pursue a policy. The Home Secretary might correct me on that. The research was carried out at a late stage, and the Government were determined, apparently, to ignore their supporters.

This is a Government who set great store by the views of the focus group. The written answer that the Home Secretary placed in the Library shows that he and the Government relied on the group as a reason for continuing with the closed list system. His reply clearly shows that he was relying on its findings. He said:

"the NOP study demonstrated most people vote for parties rather than individuals."

I am not an expert on focus groups or electoral research, but, as I read the group's document, I began to doubt whether that was the view of the focus group. Time and again, it seemed that the people who were approached by Phoenix Fieldwork Ltd., who did not include anybody who might possibly have any interest in or knowledge of the subject, wanted a choice. When the systems were explained, the members of the focus group—there were only 48 at most—wanted a say over individual candidates.

There were difficulties. I read with some bemusement, in view of earlier debates, the comments of the focus group. It said:

"Voters are generally unable to appreciate the implementation of the d'Hondt divisor unless a graphic example is demonstrated to them. With a textual description voters struggle."

Many hon. Members will say, amen to that. Someone plucked off the street in the west midlands or Surrey, which is where the survey was conducted, and told about the d'Hondt divisor would think that the questioner had taken leave of his senses.

4.30 pm

Notwithstanding the difficulties the focus group evidently had, I was struck by the fact that, time and again, it was in favour of being given a choice. I do not want to be partisan about this, and I am not an expert in focus groups, so the Home Secretary will be pleased to know that I consulted Professor Ian Maclean of Oxford university. I hope the Home Secretary will not mind, but I took the step of sending him a copy of the focus group document for his views as someone learned in these matters.

I asked Professor Maclean whether he shared my surprise at the Government's conclusions, and whether he thought that the Government were right in their assertion that the NOP study demonstrated that most people vote for parties rather than individuals. He said:

"I cannot see that it demonstrated that, as it was not designed to demonstrate that one way or the other. The quoted remarks of focus group members include some on each side of that question. As it was a qualitative, not a quantitative, survey, adding up the responses on each side and taking the side which received more to be the majority would be an unsound procedure."

He went on:

"The NOP study was designed to test which of the two systems focus group members preferred. It showed that they preferred the Belgium system to the closed list system."

That left me even more perplexed. I await the Home Secretary's considered views on the matter.

I do not know which is worse—a Government who are so arrogant that they trust exclusively the views of focus groups rather than the House of Commons, or a Government who are so incompetent that they get the views of the focus group wrong. The Government do not understand their own focus group, so heaven help us.

Mr. Richard Allan (Sheffield, Hallam): Does the hon. Gentleman share my impression of the outcome of that survey, which is that a significant number of people wish to vote for a party, but that those who get involved with a system want to vote for individuals, and the Belgian system will satisfy both groups because it gives the option of party or individual?

Mr. Clappison: I hope that I will not disappoint the hon. Gentleman too much when I give him our standard health warning, which is that we think that the first-past-the-post system is the best. We said that at the beginning. From the rest of the systems, the Government have chosen the worst, without any reason or justification in logic.

The Home Secretary's logic is no better than his maths. His reason for not wanting the Belgian system is that it does not necessarily translate preferences for individual candidates into electoral success. It is somewhat strange that he should think that not necessarily translating preferences into electoral success is a defect when the system he proposes will never, by definition, translate individual preferences into electoral success, because it will be impossible to express any individual preferences. We should like to hear the Home Secretary's justification for that logic.

We would also like the Home Secretary to justify the exercise that he has been carrying out, which he described as consultation. If we strip away the NOP survey, there is precious little else in the way of justification for the course taken by the Government. The Home Secretary's written answer refers to what he describes as the "incurable weakness" of the Belgian system, which I have just described. However, he knew full well about that on Second Reading, and he told the House so. The Home Secretary looks puzzled, but I have here his comments on Second Reading. He made it abundantly clear that he was fully aware of that feature of the system.

Discussing voter preferences, the right hon. Gentleman said:

"On the other hand, that is marginally more complex than the present simple system that we propose, and it is possible for a candidate low down on a party list to receive many personal votes—perhaps more than those of his or her party colleagues—yet still not be elected, because the weight of party votes helps those higher up the list."—[*Official Report*, 25 November 1997; Vol. 301, c. 814.]

That is the self-same reason that the Home Secretary gave, in his written answer last Monday, for not adopting this system, yet he knew that all along, and told the House about it on Second Reading.

The Home Secretary has engaged in a consultation, and it seems that nobody wants the system he was consulting on. I am certainly aware of no expert opinion or surveys of public opinion in favour of it, and no such opinion has been expressed in this House. We wonder about opinion among Labour Back Benchers. Not even the Government's focus group wants the system he has prepared, so to whom has the Home Secretary been listening during the consultation period?

We appreciate the Home Secretary's good intentions, but the longer we look at this matter, the less wise we think the partisan comments about consultation were that the Home Secretary made on Second Reading. He might now wish to reconsider those comments, because the consultation has produced nothing in the way of change or additional justification for the steps that the Government are taking. Just for once, the Government should eat a little humble pie, if they can manage to do so.

I say that with some sadness, because, after the wild goose chase on which the Home Secretary has embarked, we have ended up with a system that is unique in Europe because of the power that it gives to the central party machine. The Home Secretary looks puzzled. I made the same assertion in an earlier debate and explained that no other country in the European Union uses such a system

[Mr. Clappison]

because it involves the use of a closed list system at a regional level. Having made inquiries about that, the Home Secretary will have found that no other European country has such a system.

The centralised party control that such a system gives is the feature that matters most to the Government. From beginning to end, in every conceivable way, the Government's real priority has been to put power in the hands of the party machine. We regret the fact that they have abandoned a good system that worked well—that of individual candidates and constituencies. That is alien to our traditions.

For the first time, when voters cast their votes they will be confronted with a ballot paper containing just a party name. The individuals who will represent them regionally will be back-room people chosen as party placemen. We shall have a uniquely bad system of party control. It is well worth voting for the new clause, which will give the House an opportunity to reconsider that thoroughly bad and centralised party system at a later date.

Mr. Robert Maclennan (Caithness, Sutherland and Easter Ross): The speech of the hon. Member for Hertsmere (Mr. Clappison), to which the House has just listened with interest, was not compelling in its advocacy, and was personally abusive of the Home Secretary. He suggested that the consultative exercise in which the Home Secretary engaged was a sham. That conclusion is not justified. I confess to being disappointed with the Home Secretary's conclusions on this matter, which is why I tabled amendments Nos. 10 to 13.

The system proposed in our amendments, to which the Home Secretary has undoubtedly given some thought, avoids the less attractive aspects of the system proposed in the Bill, which would prevent voters from voting for a candidate on a party list. However, the electoral system proposed in the Bill is immeasurably preferable to the current system, and the hon. Member for Hertsmere (Mr. Clappison) was speaking out of both sides of his mouth in attacking a closed list system, for we currently have a closed list system of one, with no voter choice at all. He is not in the best position to argue for the kind of changes that we have advocated.

Mr. Sayeed: Will the right hon. Gentleman explain whether he is saying that the present system, under which a local party's election candidate is chosen from a group of candidates by its paid-up members, is a one choice system?

Mr. Maclennan: I am saying exactly that. Internal party democracy may apply to the selection of a single candidate, but the electorate at large have to accept the activists' choice. Partly for that reason, we enthusiastically endorse a list system which would allow greater choice. Still greater choice would be allowed if the Government accepted an open list system, in particular the one that we advocate: the Belgian system, which is semi-open and allows choice of party or of individual.

The Home Secretary said on Second Reading on 25 November that he would consider arguments for adopting the Belgian system, and I have no doubt that he has given the matter careful attention, in good faith. Many representations, from my hon. Friends and from others, have been made about that system, but we know from the written answer given by the Under-Secretary, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), on 5 March to my hon. Friend the Member for Colchester (Mr. Russell) that no representations were made in favour of closed lists.

It is incumbent on the Government to say why they came down so heavily against the weight of those representations. Evidence in support of open lists was submitted by Charter 88 and the Electoral Reform Society, and by a number of other respected organisations. Between Second Reading and the recent announcement of the Home Secretary's decision, polls and focus group studies have been carried out to assess public attitude to the open list system.

The hon. Member for Hertsmere referred to a focus group study commissioned by the Home Secretary. The largest survey was carried out by Professor Patrick Dunleavy of the London School of Economics, who questioned 1,130 people. It concluded:

"it is likely that a clear majority of voters in the 1999 elections would prefer to see an open list."

The McDougall Trust commissioned National Opinion Polls to run eight focus groups in January, and it concluded:

"although voters claim to vote on the basis of a party, they react strongly to the removal of the right to select a candidate for themselves".

The NOP survey for the Home Office found:

"voters can react strongly to the removal of the right to select a candidate for themselves, even if they tend to vote on the basis of party".

The Home Office and McDougall Trust studies state that voters

"react strongly to the removal of the right to select a candidate for themselves".

That is important, because voter turnout is a significant consideration. Turnout at the 1994 European elections was about a third of those eligible to vote. If the finding that voters "react strongly" implies reduced voter turnout, there is a risk that turnout will be less than a third in the elections next year. It is our duty to do all we can to ensure a greater turnout, and it is our view that some voter choice in the election of candidates is one way of achieving that.

Mr. Christopher Gill (Ludlow): Is it the right hon. Gentleman's understanding, as it is mine, that the Government justify the Bill by saying that it will lead to greater voter participation than does the current system?

4.45 pm

Mr. Maclennan: The Minister will no doubt explain his thinking, but that is one of the arguments that moved my party to advocate a change of electoral system. There is a serious risk of that benefit being eroded, and the hon. Gentleman obviously agrees with me.

In a written answer, the Home Secretary stated that the Belgian system

"suffers from a fundamental and incurable weakness, in that voters' preferences for individual candidates are not necessarily translated into electoral success."—[*Official Report*, 9 March 1998; Vol. 308, c. *17-18*.]

That is true, and it was known last November, when the right hon. Gentleman agreed to consider the Belgian system. However, voters' preferences can lead to a change in the candidates who are elected. That would not happen in every case, but the system provides for voters to overturn the decision of a political party.

Other systems are available. The Home Secretary knows that we prefer the single transferable vote system, but he said on Second Reading that he would consider only the Belgian system, which allows limited voter choice. An open list system with candidates listed alphabetically or randomly would be preferable,, and would overcome what he described as a "fundamental and incurable weakness".

The Home Secretary also justifies his decision by saying that the NOP study shows that most people vote for parties rather than for individuals. Whether or not that is true, it is not supported by the work carried out by NOP, and I agree with the hon. Member for Hertsmere on this point. NOP concluded that voters can

"react strongly to the removal of the right to select a candidate for themselves, even if they tend to vote on the basis of party".

The NOP study also concluded that,

"when understood, the Belgian system is considered fairer, but ensuring it is understood is likely to be more difficult".

That is a fair point, and I want to be utterly fair to the Home Secretary in my arguments. However, Professor Dunleavy's report found that 80 per cent. of people were able to fill in the Belgian-style ballot paper immediately, and without explanation. We hope that an explanation will be provided, although the Government have not given their views on that.

The Home Secretary also says in his written answer that the system in the Bill is used by the majority of European Union citizens to elect MEPs. It is true that closed lists are used in Germany, France, Spain, Greece and Portugal, but in all those countries the regions used are far larger than in the United Kingdom, and have at least 25 Members—it is up to 99 members in Germany.

The system in the Bill provides for between four and 11 Members per region. A closed list system might be more appropriate in Germany because it would not be reasonable to expect voters to know the candidates when they are electing from 99 members. In most European countries where regions are small, as in the United Kingdom, or where national delegations are small, some form of open list is used.

The arguments in support of open lists are overwhelming, and is confirmed by the polling and focus group research. That is why I urge hon. Members to support amendments Nos. 10 to 13, to allow voters an opportunity to influence the election of candidates to represent them.

This is not the final stage of the Bill's consideration by Parliament, and I profoundly hope that the arguments we are deploying will be considered carefully by the Government, not only this afternoon but between now and the Bill's later stages. I hope that the Government will, as hitherto, approach this with an open mind. I hope that they do not firmly close the door to all the representations that have been made and seek to justify something that appears to have no parentage—an argument for closed lists—and which no one other but they appears to be prepared to support.

Mr. Sayeed: I remember the current Home Secretary during the late 1960s and early 1970s. He was a firebrand for democracy. He constantly asserted the rights of the individual, and complained about the arrogance of Government. Despite his political allegiance, then and now, I sometimes find myself in agreement with him. Let me say to him publicly what I have said to him privately; in the face of his recent personal difficulties, I believe that he has acted with considerable dignity. Anything that I say later in my speech is not said out of any personal animosity.

It is said that in the youth one can see the man. The Home Secretary's decision to opt for a closed list makes me doubt that truism. No one who has held true to their beliefs in democracy or who believes in the rights of the individual would be proposing a system so pernicious, undemocratic and contemptuous of the people. It allows the party machine, and only the party machine, to decide who is selected, the precedence of that selection, and, consequently, who is elected to represent the people of our country.

No amount of bluster, which we heard a great deal of on Second Reading, no amount of statistics, which were used a great deal in Committee, no examples from foreign lands, more of which we will probably hear today, and no bombardment of partial statistics, which we have had throughout the Bill's consideration, can deny one central point—that the closed list system reduces the individual voter to mere voting fodder. It is Tammany Hall writ large.

There is no need for a Member of the European Parliament elected under the closed list system to consider the wishes of their constituents, and there will be no need for them to attempt to inform or persuade the electorate. The only thing an MEP elected under that system need do is keep the party manager sweet. That means toeing the party line. It means that anyone who does not toe the party line will be relegated to a low place on the list, and consigned to electoral oblivion.

I must tell Labour Members—I am sorry that there are not more democrats in their places today—that anyone who contemplates rebelling or becoming a member of the awkward squad had better beware. What the Government intend to do today for European parliamentary elections may happen tomorrow for Westminster elections. Those who believe that dissent, debate, discussion and argument are essential ingredients of democracy will not be able to argue against a closed list system for Westminster elections if they have supported the closed list system for European elections.

Some of our greatest legislators were, at times, members of the awkward squad, including Wilberforce on the slave trade, Shaftesbury on philanthropic causes, Disraeli on the corn laws, Peel and Burke on Catholic emancipation, Churchill and Eden over appeasement, Macmillan on economic policy, and even Kinnock, Crossman, Bevan and Thorneycroft. Had they been subject to this form of legislation, they would never have been re-elected.

The decision to break the constituency link and divide our nation into 11 enormous regions, with the absurdity of an individual being elected to represent 5 million constituents, is bound to damage the bond between the elector and their representative. I believe that, before the general election, no one would have believed that a Government of any political persuasion would be so crass

[Mr. Sayeed]

and arrogant as to change government for the people, by the people into government by the party clone, for the party machine.

Perhaps as depressing as anything else is the craven and slovenly attitude of the fourth estate, which seems to take no notice of what is happening in this country. I remember my hon. Friend the Member for Aldridge-Brownhills (Mr. Shepherd) contemptuously saying that those in the Press Gallery were like the hallelujah chorus because of their parroting of the Government's praises. I wish that my hon. Friend was present today, because I could tell him that at least they used to use their own words. Now they seem to regurgitate the Labour party's spun doctrine.

Cannot the fourth estate understand the damage that is being done to our constitution—the one-sided settlement in Scotland, the lack of support in Wales, the decision to change the upper House without proposing anything that might be better, and now the decision on the closed list system, which is a denial of democracy? The press seem to be almost drunk on the nectar of Government patronage, and have forgotten that they have a responsibility to educate, inform and explain to the people of this country that they are losing rights that they have cherished and protections that they have enjoyed.

Mr. Richard Burden (Birmingham, Northfield): There are many views on both sides of the House about the open and closed list systems. If the hon. Gentleman is so interested in democracy, will he explain how, under the present system, in the last European election over 4 million people, accounting for about 27 per cent. of the total vote, managed to elect between them 2 per cent. of the MEPs?

Mr. Sayeed: I think that I need notice of that question to answer it properly. As I believe in giving clear answers to proper questions, I am sorry that I cannot answer the hon. Gentleman's question. What I am clear about is that the first-past-the-post system is better than the system that is being proposed.

I issue a warning to the Labour Government. They had better beware, because what is done by them may at some stage be done to them. The arrogance that they are displaying with their proposals may come back to haunt them, because they will, at some stage—I hope sooner rather than later—lose an election. This denial of democracy, contempt for people's views and arrogant assumption that any form of dissent is wrong, will be used against them by others who equally disdain democracy.

Other hon. Members have mentioned that only one third of the electorate voted in the last European election. If voters are convinced, as they will be by this measure, that they are only voting fodder, used to endorse the yes men of a party system that they dislike, that figure will fall even further. To refuse to allow every voter a choice of which individual to support is wrong. It diminishes the value of their vote and reduces their respect for parliamentary democracy. The closed list system puts the party first. Anyone who believes in the dictum, "My country first, my constituency second, my party third," must oppose this anti-democratic measure.

5 pm

Mr. Gill: I support new clause 4. As I said in an intervention on the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), my understanding is that the Government are justifying the Bill not least on the basis that it will generate greater interest and greater public participation in European elections and in the European Parliament. Of course, it has to be said that, in the three European elections since direct elections to the European Parliament began, public participation has left much to be desired. As has already been mentioned, the prospect is that participation in the forthcoming European election will be even less.

That is a serious consideration. If participation in next year's European election is less than in the previous European election—I predict that it will be, an opinion that seems to be shared by other hon. Members—there must be an opportunity to conduct a review after that election of the workings of the Bill, which will almost certainly reach the statute book because of the Government's enormous majority in this place.

After the election in 1999, there must be an opportunity to seek the public's views, not least on the erosion or destruction of the geographical link between a Member of the European Parliament and the area he represents. We need to give the public an opportunity to tell us how that has worked in practice—what the practical effects of destroying that link have been.

We also need to consult the public on the removal of an MEP who, post the election in June 1999, proves, for whatever reason, to be unsatisfactory. That person, who is elected by this arcane system, may turn out to be thoroughly unsuitable and perhaps even corrupt. The public's view should be taken about a system that effectively takes away from them the right, which they have had for hundreds of years, personally to remove an unsatisfactory representative in their Parliament.

In the light of those two features that I have mentioned—the ending of the geographical link and the Government's failure to answer the question of how the electorate get rid of an unsatisfactory MEP—after next year's election we have to be prepared to give the public an opportunity to comment on how the MEPs perform under the new system. As my hon. Friend the Member for Hertsmere (Mr. Clappison) has said, we are creating a regime that is unique in the degree of power that it gives to centralised party control. That is totally alien to all our traditions, another point that was made by my hon. Friend. It allows the MEPs, who will have been elected by this system of proportional representation, to treat the electors—the people who put them there—with total indifference.

Labour Members may feel that they can condone that situation or that it need not concern the House, but the Government are making a terribly anti-democratic step. The removal of the electors' right to select candidates themselves and to hold those people, whom they ultimately select and elect, to account is a departure from this country's traditions of democracy. I genuinely believe that we shall come to regret the removal of that right. It displays an extraordinary arrogance on the part of Government and contempt on the part of politicians who promote and are in favour of the Bill, and who clearly put themselves above the people. They are contemptuous of the people who elected them to Parliament.

My hon. Friend the Member for Mid-Bedfordshire (Mr. Sayeed) made many good common-sense points, and I endorse them all. I hope that the House listened to what he said, because it was correct. I can relate it to my experience. I hope, Mr. Deputy Speaker, that you will bear with me if I relate that personal experience, because it demonstrates the way in which the link between a Member of Parliament and a constituency, and the relationship between Parliament, the Member and the people he represents, are all-important.

In November 1994, the party Whip was withdrawn from me and seven of my colleagues. We were without it for six months. What happened was not what the Government had anticipated. They had, I am sure, anticipated that those eight Conservative Members would disappear without trace and never be heard of again, but what happened—I want the whole House to hear this, because it is important and relates directly to the question of democracy—is that my constituents and those of the other seven Members made it clear that they supported the people they had elected to this Parliament, and not the Government. Therefore, those eight Members of Parliament were sustained by the electorate who had put them there in the first place.

The relationship between a Member of Parliament, the people who elect him and his duties and responsibilities in Parliament are finely balanced. If we take out of the equation any one aspect of that, we destroy the democratic process that we have known for so long. The Bill is taking out of the equation the most important factor—the right of electors to select their candidates.

Mr. Martin Linton (Battersea): If the hon. Gentleman believes that his position was sustained by the electorate of Ludlow, can he explain how it was that Labour and the Liberal Democrats won 55 per cent. of the vote and he won only 42 per cent.?

Mr. Gill: That is the British system of parliamentary democracy. I do not know whether you, Mr. Deputy Speaker, would allow me to answer that question without ruling me out of order, as it takes us into a different argument—that between proportional representation and the first-past-the-post system. I am quite content to argue that point, but I am trying to confine my remarks to new clause 4, which proposes that a review procedure should be written into the Bill to allow us to revisit the matter after the next European elections in June 1999, when we shall have an opportunity to review the outcome of those elections.

I am not alone in believing that the turnout at those elections will be even lower than in previous European elections. New clause 4 would also provide a chance to look at other aspects of the system. Will it be apparent at that stage whether MEPs are becoming indifferent to the people who elect them? Will the new system of being answerable only to the party—the point made by my hon. Friend the Member for Mid-Bedfordshire—rather than the electorate lead, as I believe it will, to corruption in politics on a scale that we have never known before?

In spite of what the general public might be led to believe by the less responsible organs of the press, British politics is very incorrupt. We have a very honest system of government. We have honest politics because we are all answerable to the people who put us here, and they hold us to account. If the hon. Member for Tatton (Mr. Bell) were here this evening, I am sure that he would agree with that. My colleagues and I rail against the fact that the Bill removes the direct link by which an MEP is answerable to his electorate. As in the instance I gave earlier, on occasion a Member of Parliament is sustained by the electors if he goes against the Government or takes a stand on a matter of principle or an issue that he considers vital to the country and which must come before his constituency and even his party.

New clause 4 should be included in the Bill as a guarantee that the Government will provide an opportunity to re-examine the way in which the Bill works in practice.

Mr. Allan: I support the amendments referred to by my right hon. Friend the Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan), which seek to include in the Bill the concept of an open list.

The Liberal Democrats seek two broad objectives from any electoral system. First, it should be generally proportional, as that is essential for the democratic process, and non-proportional systems can never achieve our democratic goal. Secondly, it should seek to maximise voter choice. The proposed system goes a long way towards our first objective of increased proportionality, and for that reason we support it. However, if the Government do not accept the amendments in respect of an open list, they will have failed to take an important step towards increasing voter choice.

The best system to achieve both our objectives is the single transferable vote, and we remain committed to that, wherever possible, but clearly it was not to be included in the Bill. The crucial point is that the proposed system does not take us further away from voter choice than the first-past-the-post system. Although it makes no progress, it is not a step backwards.

The hon. Member for Mid-Bedfordshire (Mr. Sayeed) condemned the pernicious nature of the proposed system, but I would challenge him to say that the current first-past-the-post system is not equally pernicious. Once a group of party members have selected a candidate, if voters wish to vote for a Conservative, Labour or Liberal Democrat member, they have only one choice. Many decent, honourable Conservative Members lost their seats because of swings that were identical to those against other hon. Members who may have been slightly less popular.

5.15 pm

Mr. Sayeed: The hon. Gentleman should have listened to my hon. Friend the Member for Ludlow (Mr. Gill), whose position was sustained by local support. Hundreds of people select one representative from a group. I stood for selection for the seat of Mid-Bedfordshire against the former Attorney-General, so I was probably not my party's first choice, but the decision was made by hundreds of local people. The problem with the proposed system is that it would be not the people, but the party managers who chose the candidate.

Mr. Allan: The hon. Gentleman seems slightly confused about his own party's selection procedure. It is my understanding that only members of the Conservative party selected a candidate for the election. The Liberal

[Mr. Allan]

Democrats follow an identical system. It is not the electors who choose the candidate, as we have no system of primaries. However, that brings me to my next point—how parties select their candidates.

My understanding is that the new Conservative party—or the newCs—are following the example of the Liberal Democrats and moving towards the one member, one vote system and that you will select your candidates on that basis. It is certainly acceptable for all the Conservatives in a region to continue electing a rebel or a particularly difficult character. Under your system, as under ours, party managers will not be able to prevent local party members from making a selection, so we will be no worse off than we are under the current system.

It will remain for local party members to decide whether they want people who toady and toe the line, or whether they want people who are slightly more independent. In our party and, I think, in yours—

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Gentleman keeps using the words "you" and "yours". He should try to use the correct parliamentary language.

Mr. Allan: Thank you, Mr. Deputy Speaker, for reminding me of the correct terms.

The Conservatives and the Liberal Democrats like candidates to show some independence. I would expect that to continue. We shall return to the issue of selection, and I would be interested to hear how the Labour party intends to select its candidates for the list.

As political parties have a democratic system for selection to the lists, the closed list system does not take us backwards. The source of regret for the Liberal Democrats is that the Government failed to take the opportunity to move us forward towards greater voter choice in the electoral process. We hope that the Home Secretary and his team will return to the issue as the Bill proceeds through Parliament, give further consideration to the objective of maximising voter choice, and, having listened to the arguments so eloquently made by hon. Members on both sides of the House, produce an open list system that will at least enact the spirit of our amendments, if they cannot accept them today.

Mr. Syms: I support new clause 4, which is a good clause that I commend to the House. Like all Conservative Members who have spoken today, I start with the usual health warning that I support the first-past-the-post system. The speeches by my hon. Friends the Members for Ludlow (Mr. Gill) and for Mid-Bedfordshire (Mr. Sayeed) clearly showed the advantages of having a geographical base. In many respects, it sustains in this place independent Members of Parliament—perhaps those who are out of favour with their party—and enables them to speak their minds. In the political process, that is sometimes a very important thing. We in this country have a tradition that we elect individuals with party labels; indeed, it is worth reflecting on the fact that party labels did not appear on the ballot until about 1970, so even that is a relatively recent development. Therefore, what is proposed is alien to the British political tradition.

I am not saying that all facets of first past the post are good. The hon. Member for Birmingham, Northfield (Mr. Burden) pointed out one of the deficiencies, which is that those in second or third place in many seats tend to get less representation. The hon. Member for Battersea (Mr. Linton) also made a good point, but, accepting the swings and roundabouts of the system, first past the post delivers effective government and effective representation at local level.

Most of us have been through selections, when the first question asked is, "Will you live in the constituency?" at which we all beam and reply, "Yes." That answer would be totally meaningless in constituencies of the size proposed; for example, the South West area will stretch from the Isles of Scilly to Tewkesbury and Bournemouth. The local candidate preference would go under the proposed system.

We have used in European parliamentary elections a system based on first past the post for nearly 20 years, and it has worked—not perfectly, but reasonably well, given the size of the seats. It has allowed the MEP to deal with a limited number of local authorities, county National Farmers Union representatives and other organisations. By and large, I do not get the impression that people want to change the system. There is some argument that the size of seats is too large, but the Government's arguments in favour of creating vast regional areas go the wrong way.

Several of my hon. Friends have spoken about the open list and closed list systems, but I have some sympathy with the Home Secretary, in that that question cannot be considered in isolation; the size of the regions must be considered as well. Unfortunately, the regions chosen are too large for the electorate to have full information in terms of choosing candidates. In the South East area, there are 11 seats and in the North East, 10. Those areas are far too large: it would have been sensible to accept amendments tabled by the Conservatives at an earlier stage which tried to reduce the size of constituencies. An open list system would have been more sensible with a much more limited size of seat. However, there is a general feeling among hon. Members that open list systems are better. A system in which people vote for a political party and which is based purely on a list so that people have no local discretion is not a particularly good thing.

New clause 4 is important, as it would place a duty on the Government to review the system after the election. That is fair. It would insist that the Government commence the review within 12 months of the election, so that they could find out how people felt when they went into the polling booths and how they felt about the whole process. Such a review, carried out under the auspices of a Speaker's conference, would not be unreasonable. A party list system is very much an alien concept, and it would be the first time that people on the mainland had used it, so some feedback from the electorate is important.

As my hon. Friends have said, there are several tests one will want to apply to the new system—for example, turnout is critical. It is fair to say that if turnout were no higher or if it were lower, that should be a material factor in deciding what to do for the succeeding election. There are several points that should be discussed after the election is over and it would be sensible to have a thorough review—one that takes the temperature of the public and perhaps takes into account the views of the political parties that have to operate the new system. If, after the review, people feel that

first past the post—despite its deficiencies in terms of the size of constituencies—is preferable, that should be a realistic option for consideration. That is what is suggested in new clause 4, which is why I support it.

I do not like the proposed system. It will upset many people when they see how it operates in terms of party and in terms of the way they vote. It is important that if, as we anticipate, the Government get their way tonight—or tomorrow, or whenever—and the Bill is passed, they are subject to a duty to give full consideration to reviewing the process and perhaps reporting back to the House. Many claims have been made for the system, and a review process would be a useful tool in good government.

Mr. Donald Gorrie (Edinburgh, West): I rise to support the amendments in the names of my right hon. and hon. Friends. I have only three points to make.

First, the Home Secretary must accept that there is little support for a closed system. My right hon. Friend the Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) and my hon. Friend the Member for Sheffield, Hallam (Mr. Allan) made excellent speeches, and Conservative Members have made some good points in arguing against a closed system. It is easy enough to rebut them by saying, "Your system is worse"—we are all better at attacking than at explaining our own policies—but the fact that the Conservatives support a bad system does not invalidate their arguments against a closed system, which is a not-quite-so-bad system. There were strong points made that the Home Secretary should address. A closed system will lose much of the potential popularity that an open proportional system might gain.

Secondly, as I understand it, my right hon. and hon. Friends initially proposed the Belgian open list system because discussions had suggested that it was the most likely to be acceptable to the Government. It is by no means the best open system in that it does not necessarily put more popular candidates higher up the list. If the Home Secretary thinks that that is a vital argument against the Belgian system, there are many other open systems that either number people one, two, three, four, or put an X opposite one name in a random or alphabetical list and so give the voter more choice. If the objection to the Belgian system is that it is less effectual, the answer is not to scrub all open systems, but to go for a more effectual open system.

Thirdly, I should like to support the line taken by my hon. Friend the Member for Hallam. If the Government insist on having a closed system, would it be possible to put on the face of the Bill that parties had to elect their list in a democratic fashion? That might be considered frightfully wicked, but I find the procedures of this House far more difficult to understand than electoral systems. I might be quite wrong—if I am, I am sure that someone will tell me—but I believe that it would satisfy the public to some extent if an element of democracy was introduced, and if it was put on the face of the Bill that the internal party mechanism that applied in our party, in the Conservative party and, I hope, in the nationalist parties and others, would ensure that candidates were responsible to local party members and not just to the big bad brothers in London.

Mr. Straw: I shall deal first with the precise points raised by new clause 4 and then cover the wider issues relating to the other amendments, which touch on the Belgian question.

New clause 4 would require the Government to establish a major inquiry into the conduct of the 1999 European parliamentary elections. I should explain—I hope it will reassure hon. Members who support the new clause—that successive Governments have regularly reviewed electoral practices following both Westminster elections and other elections, and we intend to continue that practice.

The House may know that the Under-Secretary of State, my hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth), is chairing a working group which is reviewing all aspects of electoral procedure in the light of the 1997 general election. That working party involves hon. Members drawn from all the main political parties, including the Liberal Democrats and the Conservative party. We want the review to be as inclusive as possible.

The reviews are not undertaken under statutory authority, and I do not believe that there would be merit—indeed, there are a lot of disadvantages—in tying ourselves to the proposals in new clause 4. It would be sensible—particularly as we are using a new electoral system—not to make decisions about the precise form in which a review should take place until after the election, so we can take account of the experience of holding the election.

5.30 pm

I give an undertaking that there will be a review into the conduct of elections. I do not give an undertaking as to the precise form of that review, but we will consult the other parties. It will be for the Government to make proposals for the review and to conduct it, but we shall consult the other parties before proceeding. We shall seek, so far as possible, to gain agreement.

Mr. Burden: My right hon. Friend will be aware that there is wide support among Labour Members for a review after the election, as concerns have been expressed about the closed list system. May I draw to his attention the fact that much of the support for a more open system has come from Labour and Opposition Members who are in favour of the principle of proportional representation—not just for European elections, but for other legislatures such as the House of Commons, where there is no substantial support for a list system as the basis for any proportional system?

Mr. Straw: I am grateful to my hon. Friend, and it will be for us to decide in the light of experience, but we will take account of his points.

New clause 4(3) states:

"The review shall be conducted under the auspices of a Speaker's Conference."

This is an old saw, and there are occasions when Speakers' Conferences are suggested as some kind of magic process by which agreement can be achieved.

[Mr. Straw]

I have a list of the occasions when Speaker's Conferences have been held this century; 1908–10, 1917, 1930, 1943–44, 1965–68, 1972–74 and 1977–78. Scanning the list of dates, I am not aware of these Speaker's Conferences producing any significant change in the electoral system of this country. I can think of no legislation on elections—except the European Assembly Elections Act 1977—that coincided with any of those Speaker's Conferences. I happen to know that the 1977 Bill was not prompted by a Speaker's Conference.

Mr. Maclennan: I served on two of those Speaker's Conferences, and I can fully fortify the Home Secretary's argument that they did not lead to significant changes. Indeed, the Speaker's Conference which concluded its deliberations in 1968 recommended votes at 20 for young people, but the Government of the day decided simply to ignore that and to proceed with votes for young people at the age of 18.

Mr. Straw: I am grateful to the right hon. Gentleman. My hon. Friend the Under-Secretary and I were speculating earlier about the right hon. Gentleman's secret of eternal youth. He has sat in this House continuously since 1966, and he looks little older than I remember him 30 years ago. He wears his age very well.

I thought that there was a sting in the tail when the right hon. Gentleman talked about the Labour Government in the 1960s ignoring the decision of the Speaker's Conference to go for a voting age of 20, but he omitted to mention the fact that the committee under Mr. Justice Latey, which reported in 1968, recommended a voting age of 18. As I recall, that was the reason why the then Labour Government chose it.

Mr. Maclennan *rose—*

Mr. Straw: I am going to be corrected again.

Mr. Maclennan: There was no sting in the tail of my previous intervention, but there might be in this, for I was also on the Latey committee. The committee did not have it within its terms of reference to recommend anything about public rights—it was entirely devoted to private rights, and the age of majority for civil purposes.

Mr. Straw: I am very grateful to the right hon. Gentleman, and I shall be careful before mentioning any other committee in case he has sat on it.

Mr. Linton: There is a sting in the tail in the suggestion from the Opposition of a Speaker's Conference, which is that such a conference can proceed only on the basis of consensus. As the Opposition have said that they are committed to the first-past-the-post system, the new clause would clearly have the effect of a wrecking amendment.

Mr. Straw: Whether it would be wrecking or not, there is a great deal of sense in what my hon. Friend says. I ask the Opposition to think again. A Speaker's Conference would be an unwieldy piece of machinery. I have given an undertaking about a review and the Opposition will be consulted. They are certainly involved in the current review, and I hope that the hon. Member for Hertsmere (Mr. Clappison) will take that as a statement of good faith.

I now come to the issue for which the British public have been waiting—they talk of little else at my open-air meetings in Blackburn—whether this House should go for the simple, British-manufactured list system, or the Belgian list system. I wish to refer to two preliminary matters raised by the hon. Member for Ludlow (Mr. Gill), and a separate one raised by the hon. Member for Hertsmere about the system proposed by the Bill.

The hon. Member for Ludlow made important points about the independence of Members of Parliament and their freedom to speak out and vote according to their conscience, and how that independence derives from our system of election and, above all, from our connection with our constituencies. I agree with the hon. Gentleman—I hope that that is not too much of a shock for him.

The hon. Member for Ludlow was in the Chamber on 25 November for the Second Reading debate, where I set out at some length my belief about the way in which the Commons operates, and how

> "one of the enormous strengths of our system is that, however high and mighty we think we may be, the fact that we have to go back to our constituency on a Friday evening, sit in a community centre and receive representations from our constituents, gives us a direct link to our constituents in a way that it is impossible to replicate under a system of multi-Member proportional representation."—[*Official Report*, 25 November 1997; Vol. 301, c. 804.]

I believe that passionately, as does the hon. Member for Ludlow. The view is widely shared in the House. However, the hon. Gentleman was advancing an argument about this Chamber—a legislative Chamber which sustains a Government. That is not what we are talking about in respect of the European Parliament, and that is why it causes me no difficulty—notwithstanding my views about the importance of the way in which the representation of the Chamber is rooted in our communities—to propose the Bill.

The difference is that the European Parliament is not a legislature. It is a representative body. It does not sustain a Government and, moreover, the constituencies with which we have ended up are very large—so large, in my view, as to lead to an artificial and distant relationship between the Member and the elector. It follows that, as the function of a Member of the European Parliament is primarily representative, we need to move to a more representative electoral system.

Miss Anne McIntosh (Vale of York): Does the Home Secretary agree that the European Parliament now has a legislative role, which the Labour party has consistently—well, certainly for two years—supported? The Single European Act 1985, the enactment of the Maastricht treaty and the legislation to implement the Amsterdam treaty, which the Prime Minister steered through the House, have given legislative powers to the European Parliament, where the Minister of State, the hon. Member for Gateshead, East and Washington, West (Ms Quin), served with great distinction. The real comparison is between the European Parliament and Congress in the United States—there is a similar system of checks and balances, and a

similar constituency size in terms of electors' and MEPs have forged links with their constituents as strongly as Congressmen.

Mr. Straw: I accept that the three Acts to which the hon. Lady referred—two of which were passed under the Conservative Government—have given the European Parliament legislative functions, but those functions are limited and they are shared with the Council of Ministers and the Commission. I do not want to go down this path in any detail—that would not be in order—but I point out that sovereignty rests with the Westminster Parliament. Parliament can, at any time in the future, decide that the United Kingdom should not be a member of the European Union. That remains the case for each of the other member states. That is what makes the profound difference.

Mr. Gill: I accept that there is a difference between the Westminster Parliament and the European Parliament—indeed, many of us feel that the European Parliament is not so much a Parliament as an assembly. I hope that the Home Secretary will recognise the fears among Conservative Members that the Bill represents the thin end of the wedge, and that it will encourage Labour Members to bring forward another Bill to introduce proportional representation to elections to the Westminster Parliament, which would be entirely inappropriate.

Mr. Straw: I do not think that the Bill is the thin end of the wedge—it deals with a very different institution. I have always taken the view that, on voting systems, there must be horses for courses. Under the Labour Government—we made this absolutely clear in our manifesto—there can be no change in the voting system for the House of Commons without the explicit approval of the British people in a referendum.

I have one set of views, which I have expressed. One of the reasons why I have supported the proposal for a referendum is that I believe that it is time for the argument about the electoral system that applies to the House of Commons to be brought to a conclusion. Either the British people will give the current system new legitimacy and approval or they will vote for a change. I shall not speculate about what will happen, but I say that as an undertaking to the hon. Gentleman.

Mr. William Cash (Stone): The right hon. Gentleman misleads himself, if not others, if he seriously thinks that, under the co-decision procedure and the system of majority voting in the Council of Ministers, the House of Commons is not bound by the decisions that are taken. The further that we move towards European government, the worse the situation becomes—it is bound to affect the votes in the ballot box of people making a free choice.

In practice, the right hon. Gentleman is trying to make a distinction that cannot be made. On the question of individual choice in the ballot box, there is no real difference—especially given the increasingly grand functions that are conferred in the European arena—between what is decided in the House of Commons and what is decided in the European institutions, which are increasingly seen as a superior sphere of law.

Mr. Straw: I understand the hon. Gentleman's concern about the issue, but I repeat that it is ultimately a matter for the Westminster Parliament whether we accede or remain subject to any treaty. If we accede to a treaty, we are bound by its obligations for as long as we accept them, but ultimately sovereignty rests with Parliament.

The hon. Member for Hertsmere claimed that the simple list system that is proposed in the Bill would be unique in Europe in terms of the amount of power that would be placed in the hands of the party machine. I tried to persuade him that that was incorrect.

Mr. Clappison: I am grateful to the Home Secretary for giving way on that point, as I want him fully to understand my argument. The evil of a proposal for such a concentration of power lies in the fact that there will be a closed list system at a regional level. As far as I know, no other such system exists in Europe—in the European Union, at least; I do not know about eastern Europe—but I should be grateful if the right hon. Gentleman could tell us if he thinks otherwise. I have been unable to discover a system that so concentrates power at such a level within the party machinery.

5.45 pm

Mr. Straw: The hon. Gentleman makes my next point for me. He has accepted, by implication, that there are a number of other countries that operate closed or simple lists—they include France, Germany, Greece, Portugal and Spain, which contain more than half the voters of the European Union. The system is far from unique.

Which is more democratic, a regional list or a national list? The system in France, where each party centrally determines all the 87 members on a list, must be subject to greater central control than the system that we are proposing, whereby the component parts of the parties—in Scotland, Wales and the English regions—will determine who will be on the lists. I do not accept the conclusion of the hon. Member for Hertsmere—indeed, the reverse of what he says is true.

I shall now deal with the Belgian system, which is central to the issues raised in the new clause and the amendments. The hon. Member for Hertsmere was good enough to remind the House what I said on Second Reading, when I spelled out our support for the simple list system. I said:

"it has been suggested, both by the constitutional group Charter 88 and by the Liberal Democrats, that we could introduce an electoral system of the kind that operates in Belgium and Denmark, whereby voters can vote either for a party as a whole or for an individual candidate from the party list—or, of course"—

as is common to all those systems—

"for an independent candidate."

I discussed the merits and demerits, and said:

"I am prepared to listen to the arguments for adopting a Belgian-type system and to give them careful consideration."—[*Official Report*, 25 November 1997; Vol. 301, c. 813-14.]

As the hon. Member for Hertsmere was good enough to accept, I did not suggest that we were committed to going down the Belgian route—as things have turned out, that has certainly been the case.

I am grateful to the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) for accepting that I have acted in good faith. I have listened to the arguments carefully, and I have also studied the system with greater care than I was able to before Second Reading on 25 November.

[Mr. Straw]

On Second Reading—I pick up a point made by the hon. Member for Hertsmere—I mentioned some of the obvious differences between the Belgian and the simple list systems. The key difference—voter choice may operate in such a way that a candidate may receive more personal votes but still not be elected to the list—was certainly known, and I acknowledged it in my speech. However, none of us had then had the opportunity—I certainly had not—to go into further detail about exactly how that factor would work out; nor were we able to determine what weight should be given to the various advantages and disadvantages of the systems. That is what I have sought to do in the three months since the debate on 25 November. I have also sought to assist right hon. and hon. Members in assessing the system by placing in the Library an explanation of its operation and, more recently, some examples of how it sometimes, in my judgment, operates capriciously by implying that candidates with the highest number of personal votes have won when they have not.

In addition, in December we decided that it would be sensible to commission some research into what is a complicated matter and we retained NOP. The results were passed to Opposition spokespeople and placed in the Library as soon as we received them. The hon. Member for Hertsmere chided me about the time that that took, but I chided NOP, because the delay was frustrating and we might have been able to make decisions earlier had the information been available. The difficulty first arose in finding a research house that was able to do the work, which then had to establish its focus groups.

Mr. Sayeed: The Home Secretary is now talking about the mechanics of the system, but he has not yet dealt with the principle. The principle of a closed list system is that the party organisation makes the decisions—albeit slightly devolved in some cases. The Home Secretary knows that many valuable Members, on both sides of the House, belong to the awkward squad. Do not his proposals for the European Parliament mean that any Labour member of the awkward squad would never get high enough on the list to be elected?

Mr. Straw: Exactly the same factors apply to Westminster. Within living memory, the Conservative party was the most centrally controlled party of all, and Conservative central office's writ was strong. That period coincided with a time of strong Conservative Government. The party then entered an anarchist phase and we have seen the results in the past four years, as the Tory party fell apart and all sorts of people who were born with two left feet caused huge trouble to the party whip. The result was that the Conservative party fell to the biggest defeat in its electoral history.

Mr. Cash: But we won the argument.

Mr. Straw: The hon. Gentleman makes my point, because he is still part of the anarchist tendency and obviously enjoys it. If a party contains two irreconcilable groups, it must have a loose system of discipline to try to keep them together. The Labour party went through an anarchist phase, with equally disastrous consequences, and we have now chosen to introduce some discipline. I make no apologies for that. I can tell the hon. Member for Mid-Bedfordshire (Mr. Sayeed) that even 30 years ago, when I occupied a different position, I recognised the importance of discipline, as one or two hon. Members can testify.

Mr. Gill *rose—*

Mr. Straw: I will not give way, because I must get on, and I have already given way to the hon. Gentleman.

I wish to deal with the questions raised about the Belgian system. In balancing the Belgian system against the closed list system, we must give great weight to the need for simplicity. We are moving to a new system and, although such systems are well understood abroad, they are not necessarily well understood in this country. Every hon. Member who has read the NOP report will agree that British electors are remarkably ignorant about the European Parliament and what Members of the European Parliament do. We hope to see an increase in interest following the change in the electoral system, but the new system must be simple.

NOP had problems—which were one reason for the delay—in setting up focus groups. It tried to create groups at least half of whose members had definitely voted in the previous European parliamentary elections, but that proved impossible. Instead it had to make do with people who were assumed to have voted in those elections, because they claimed always to vote. That may be regrettable, but it is something that we cannot ignore. We need an electoral system that, while meeting the basic goal of proportionality, is as simple as possible and does nothing to discourage people from voting. In my judgment, the Belgian system does not deliver that.

The overriding problem with the Belgian system is that apparent preferences do not translate into electoral success. As I said when I announced the Government's decision, it is not necessarily the candidates with the most personal votes who are elected. It has taken me some time to assess the weight that should be given to that factor, but I have placed in the Library several examples of what could happen under different patterns of voting, comparing votes for a party list and for individuals on a list.

Even when as many as 40 per cent. of voters express a personal preference for an individual candidate—which is unlikely to happen—in almost all cases the first three candidates on the party list are elected. For those hon. Members who have a copy of the report before them, that is shown in example I. Votes can be cast for candidates in inverse weight to the order of the list, so that candidates at the bottom of the list get the most personal votes and those at the top the fewest, but the candidates at the top of the list are still elected. Therefore, while one can see the attractions of the system before the election because it might seem to offer voters an extra element of choice, we might find that after the election we would reap a whirlwind—*[Interruption.]*

Mr. Deputy Speaker: Order. I do not know which hon. Member is responsible for that electronic noise, but Madam Speaker takes a serious view of such happenings.

Mr. Straw: Unfortunately, some of the Whips are unable to communicate by words, so they have to rely on other means.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Some of them cannot read, either.

Mr. Straw: My hon. Friend should know, because she was once a Whip.

Mrs. Dunwoody: As my right hon. Friend has mentioned me, will he give way?

Mr. Straw: Yes, I will.

Mrs. Dunwoody: As a fully paid-up member of the awkward squad, I assure my right hon. Friend that my affection for him will remain undiminished, but why does he assume that less control will be exerted over a regional list than over a central list? Is he aware that, under the German system, candidates can be defeated by the electorate but still return on the list? If that is not anti-democratic, I do not know what is.

Mr. Straw: I believe that there is potential for more democratic control by parties regionally rather than locally The argument runs that there is most democratic control by the party at local level, as the smallest unit, and the least at a national level. The regional level is in between. I am happy to explain that point in more detail to my hon. Friend later.

Mr. Gerald Howarth (Aldershot): The Home Secretary will know that the Conservative party has decided that its members in the regions will be able to select the candidates for nomination. I understand that the Labour party will choose its candidates for every region centrally in London.

Mr. Straw: The hon. Gentleman is ill informed about our system, as he is about his party's system. According to a speech made in the House recently, the Conservative party proposes to hold a mass meeting in each region of all Conservative party members to choose the candidates for the list, and rank them in order by some sort of open outcry system. Some serious objections were raised to that procedure by a Conservative Member because it would be difficult to get members from the south-east region, which ranges from Berkshire to Gravesham, in a single hall to conduct that process. Plenty of halls are small enough, but that is another point. I fancy that, if the Conservative party wants to put up a coherent list of candidates, it will have to take some lessons, from the Liberal Democrats and perhaps from the Labour party, about how to run parties by an internal democratic system.

6 pm

Opinions about the report differ and it is fair to say that it came to no firm conclusion either way. But it exposed electors' concern about the way in which the Belgian system could operate. One member of the public said:

"Candidate F could still poll more than the top candidate, and still not get in."

Another member of the public said:

"I don't think it's fair. The person at the top might have less votes. The person at the bottom might have a lot more votes but if they haven't got the quota they haven't got any chance".

Another person said:

"That's not a fair system".

As I have explained, one of the points that I considered was how often the result would fail to reflect voters' personal preferences for candidates. Those who support the Belgian system argue that that happens very rarely and that, in three successive elections in Belgium, the Belgian voter has sought to overturn the party's list on only three occasions out of 75. The argument is that, in practice, the result of the Belgian system will be little different from that of the closed list system, but the Belgian system looks better.

Superficially, I understand the nature of that argument, but I believe that it rests on dangerous foundations. The foundation of the argument is that the British voter will behave in the same way as the Belgian voter. I know of no basis for such a proposition. We do not know what proportion of voters would choose to vote for a candidate down the list rather than for the party or the candidate at the head of the list. We do know that, on a wide range of possible voting patterns, voters may end up with a strong sense in some cases of almost being cheated. That will happen when they see a candidate with the fewest personal votes being elected and a candidate with the most personal votes not being elected.

Mr. Clappison: May I press the Home Secretary on the point made by my hon. Friend the Member for Aldershot (Mr. Howarth)? Will an individual member of the Labour party have an opportunity to determine the order of candidates that his party will be putting to the electorate?

Mr. Straw: There will be ballots within our party, and party members will be able to express preferences about which candidates should go on to the list for further consideration.

Mr. Maclennan: We must regard as the nub of his argument the proposition that the British voter would be disposed to be different from other voters. No one would accuse the right hon. Gentleman of being insular, but he seems to be embracing some sort of curious national stereotype. The only significant evidence that we have is that of actual elections—as well as the conclusions of the focus groups, which, looked at not anecdotally, as he has done, but in the round, showed a clear propensity of view favouring open lists.

Mr. Straw: I was not making a chauvinist point, but I was, by implication, making a point about the nature of Belgian politics, which is very different from politics in many other countries in Europe, because the Belgian nature is split between the Flemings and the Walloons. That affects their politics in a way that outside, Northern Ireland, our politics, thankfully, is not affected.

Mr. Syms: Will the Home Secretary give way?

Mr. Straw: I shall not give way, as I have given way many times and I want to conclude my remarks.

I believe that this is a fair and balanced system that will produce a representative outcome. I hope that Opposition Members will weigh the words

"I believe that this is a fair and balanced system that will produce a representative outcome"

with great care, because they were not my words or those of any Labour or Liberal Democrat Member, but those of the right hon. Member for Huntingdon (Mr. Major) when he was Prime Minister and he was advancing the

[Mr. Straw]

case for this system for use in the Northern Ireland peace forum elections. They are recorded in *Hansard*, 21 March 1996, volume 274, column 498.

I have to say to the hon. Member for Hertsmere that the simple closed list system using the d'Hondt divisor that he described an hour or so ago as a rotten and wretched system is precisely the system that he, as a member of the Government, supported when it was introduced with the broad consent of the House by his right hon. Friend the then Prime Minister. Were that system rotten and wretched, and the worst possible system, as the hon. Gentleman now proclaims, it would not have been used by him or by his right hon. Friend for any election for any sort of institution. But it was used for the elections to the Northern Ireland peace forum, which was an important part of the peace process, because what was sought was a system which was proportional and produced a representative outcome.

In our judgment, that is what is needed for elections to the European Parliament—a system that is proportional and simple, and that produces a representative outcome. That system was good enough for the previous Prime Minister; we also believe that it has every merit for the European elections. I ask the House to oppose the new clause.

Mr. Cash: I wish to register my deep objection to any sort of proportional representation. Listening to the Secretary of State ducking and weaving in and out of the policies that have been prescribed for him by No. 10 is astonishing. He knows perfectly well that he prefers the first-past-the-post system, but he has been given his instructions and is carrying them out to the letter.

I strongly recommend that the Home Secretary reads Burke's "A Letter to a Noble Lord" in which the cleric, the Abbé Sieyès, is described as having come up with a range of different constitutions. I heard the Home Secretary refer to patterns, the bottom and the top, and helping everything to look better. I recommend that he reads the description of the constitutional contortions of the Abbé Sieyès. He will then discover that many lessons were learned many years ago about the way to run a proper democracy. The direction in which the Government are taking the British people is directly contrary to the principles and traditions on which free votes have been held for generations and should continue to be held.

Mr. Gerald Howarth: I apologise to the Home Secretary and to my hon. Friends on the Front Bench for not being present at the beginning of the debate. I was dealing with a constituency matter, but I took advantage of the television cameras—against which I voted when the House decided on their introduction—and was able to observe the debate.

I am grateful to you, Mr. Deputy Speaker, for calling me, because the measure is one of a series of measures that will introduce huge constitutional changes to our country, sweep away Britain's constitutional landscape and create a wholly new and alien one in the same way as did the hurricane that swept through the south of England in 1987.

I recognise that Labour Members feel that they have a mandate for the changes, but they are not being debated out there among the British people, because newspapers, even the broadsheet newspapers, are not interested. They are interested only when Mr. Murdoch feels that his reporters' ability to pry into the lives of public citizens is threatened and that part of the Government's legislative programme might create, through the back door, a privacy law that would impair his ability to play his newspapers in the way that he wants. We are debating only one of the measures, but it is part of a pattern, which is why I support new clause 4. It is essential that the system should be reviewed within 12 months of its coming into operation.

My hon. Friend the Member for Ludlow (Mr. Gill) made a strong case for a Member of Parliament or a member of the European Parliament having direct association with those who returned him to this place or to the European Parliament. The Home Secretary—*[Interruption.]* I hope that the Home Secretary will be kind enough to listen to me for a minute. He made a good point in response to the speech by my hon. Friend the Member for Ludlow: he entirely agreed with him regarding elections to this place. The only point of departure was that he felt that the European Parliament does not sustain a Government.

As my hon. Friend the Member for Vale of York (Miss McIntosh) pointed out, it is the contention of those of us who oppose the drift towards federalism that the European Parliament and European Commission are taking powers away from the House, and that therefore they are assuming the role of a Government. The Home Secretary knows as well as I do that our continental partners want a single European state, a single Government and a single Parliament, and he is creating a voting system that could, in theory, apply to a European Government of the future.

I urge the Home Secretary to think again about what he is creating. I hope it will not damage him when I say that I have no doubt that he is sincere in his view that the pattern that he proposes for European elections will not be extended into elections for this place, but I do not believe that his colleagues on the Benches behind him are all of the same view. Like my hon. Friend the Member for Ludlow, I disagree with the Home Secretary: I think that it will be the thin end of the wedge. In the south-east, we shall have a constituency of 5.5 million electors. It is bad enough at the moment, with a constituency of 500,000 electors. At least Graham Mather, who represents me in the European Parliament, is an excellent Member of the European Parliament. He is a Tory—I am not sure how many others there are—

Miss McIntosh: Excuse me.

Mr. Howarth: My hon. Friend, of course, is a Tory Member of the European Parliament, but she does not represent me and she is a very much prettier Tory than Mr. Mather. His constituents know that, if they have a problem, they can turn to him for help. Incidentally, the people of his constituency and my constituents have increasing problems because the House is losing its powers to determine legislation; increasingly, decisions are taken on the continent. Mr. Mather's constituents know where to turn. Where will they turn if the system that the Government propose is introduced?

It is absolutely right and proper that we should be accountable to our constituents individually, and in this Parliament my hon. Friends the Members for Ludlow

and for Stone (Mr. Cash)—formerly the Member for Stafford—and the hon. Member for Linlithgow (Mr. Dalyell) are proving the value of being able to speak out and knowing that they are accountable not to the apparatchiks of their parties, but to those who returned them to this place.

The Labour party is already demonstrating a very unattractive, Stalinist approach to all this. Ken Coates and Hugh Kerr were drummed out of the Labour party merely for disagreeing with the Government's policy on the electoral system. The Bill will give more power to the party apparatchiks and, although some of the party apparatchiks in my party are some of my best friends, I nevertheless believe that they would agree that their power should be contained.

I am proud to be a Conservative, and part of the essence of being a Conservative is that one believes that a thing should be changed only when necessary; otherwise, one should conserve what is good. The Home Secretary and the Government are sweeping away some of the pillars of the United Kingdom constitution, and some of those things for which this country is the envy of the world. That is why I shall stand here to fight for what I believe should be conserved. I will not defer to anyone in that.

If the Home Secretary can make a case to justify the change that he is proposing, let him make it. He has a duty to make a case that change is needed. Instead of making that case, he has proved the point that the new electoral procedure that he proposes for the European elections will be deeply damaging, because it will remove the connection between the elected Member and those who elect him or her.

The only case that the Home Secretary might make is that there is little public interest in the European election. I do not believe that the Bill will increase public interest in European elections. Indeed, I believe that, because it will be even more remote, there will be even less interest in future than there is at the moment.

I conclude by urging the Home Secretary to take on board the significance of the responsibility that rests with him and his Cabinet colleagues. They must not—they have no right to—inflict on the British people the destruction of some of the traditions that we hold dear in this country, which the public are not aware are under threat from the Government. It is the duty of those of us who do not believe that this is the right way to go, to warn the Government of the whirlwind that they will reap with the Bill and the raft of other measures that they propose.

6.15 pm

Mr. Clappison: I have listened carefully to the debate. I welcome what the Home Secretary said at the start of his speech about consultation, and I welcome the spirit in which he said it. Before I discuss the substance of his other comments, which I am afraid did not assuage my concerns, I pay tribute to some of the excellent speeches that we have heard, especially from the Conservative Benches, by my hon. Friends the Members for Poole (Mr. Syms), for Ludlow (Mr. Gill), for Mid-Bedfordshire (Mr. Sayeed), for Aldershot (Mr. Howarth) and for Stone (Mr. Cash)—formerly for Stafford.

My hon. Friend the Member for Mid-Bedfordshire spoke feelingly, in a very thoughtful speech; my hon. Friend the Member for Ludlow made a speech which his record entitled him to make; and my hon. Friend the Member for Poole made a typically well-informed speech.

I hope that the right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) will not mind my saying that I was perplexed by his speech, because he attacked my speech and then agreed with all my arguments. I suppose that that is another example of the Liberals not being prepared to press their convictions. Apparently they will do almost anything to curry favour with the Government and will not raise a peep of protest even when they have been given a humiliating rebuff—which they have been by the Government's refusal to listen to a word that they have said about the Bill and about open lists.

The Home Secretary's comments reveal that he has not fully grasped my argument about the uniqueness of the system that he proposes. The unique feature is the use of a closed list at a regional level. The closed list discriminates against individual candidates. It is impossible for the electorate to express a preference for an individual party candidate, and, at a regional level, it makes it much more difficult for a small party—or individuals who wish to form a small party—to get elected. The system is a double whammy for the party machine, and the most centralised form of party control in Europe. No other country has such a system.

It does not help the Home Secretary's case for him to talk about the selection of candidates, because he is on somewhat dodgy ground there. He did not give a complete answer to the intervention of my hon. Friend the Member for Aldershot, although he was pressed on the subject.

The method of selecting candidates is not the only important issue. The crucial aspect, in a list system, is the order of candidates on the list. I say that without making a party concession. It will not avail anyone greatly to be No. 10 on the Conservative list in the north-west or No. 4 on the Conservative list in the north-east. What is important—*[Laughter.]* I contested Bootle for the Conservative party, so I believe that I am entitled to say that. What is important is the order of the names—who appears high in the list, for all parties in different parts of the country.

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth) *indicated assent.*

Mr. Clappison: The Under-Secretary has grasped that point.

It is significant that the Labour party, for its own internal reasons, is not prepared to give individual party members the opportunity to put the candidates in order under the list system. Individual members are deprived of that opportunity, which members of the Conservative party will have. In Committee, my hon. Friend the Member for Gosport (Mr. Viggers) made a good speech, complaining about the ridiculous size of the regions; we say amen to every word of that.

Although I welcome what the Home Secretary said about consultation, I do not have great confidence in his comments, given the background of the way in which consultation proceeded. The Home Secretary told us that

[Mr. Clappison]

he had seen no new evidence in support of the course that he wishes to take with closed lists. He had heard no new representations or new arguments. Apparently, it turned out that, although he chose the Belgian system from those available, the Belgian people have characteristics that make them different from people in the United Kingdom.

It remains a bit of a mystery why the Home Secretary chose the Belgian system when he could have selected any one of a number of other systems. It shows that the Government are unwilling to consult and to listen. They have chosen not only a bad system—we think that first past the post is much better—but a bad system of the worst form. They are not prepared to listen to argument; it is another example of the way in which power has gone to the Government's head. That is why we shall press new clause 4 to the vote.

Question put, That the clause be read a Second time:—

The House divided: Ayes 103, Noes 290.

Division No. 202] **[6.19 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, David *(Bour'mth E)*
Atkinson, Peter *(Hexham)*
Baldry, Tony
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Colvin, Michael
Cormack, Sir Patrick
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Letwin, Oliver
Lidington, David
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Mains, Humfrey
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Townend, John
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wells, Bowen
Whitingdale, John
Widdecombe, Rt Hon Miss Ann
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. Nigel Waterson and Mr. James Cran.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Alexander, Douglas
Allan, Richard
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atherton, Ms Candy
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Mrs Jackie
Banks, Tony
Battle, John
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Betts, Clive
Blackman, Liz
Blizzard, Bob
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradshaw, Ben
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Browne, Desmond
Burden, Richard
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Canavan, Dennis
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Chaytor, David
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cox, Tom
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cunningham, Jim *(Cov'try S)*
Darvill, Keith
Davey, Edward *(Kingston)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dobbin, Jim
Dobson, Rt Hon Frank
Donohoe, Brian H
Dowd, Jim
Drew, David
Drown, Ms Julia
Dunwoody, Mrs Gwyneth
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Ellman, Mrs Louise
Ennis, Jeff
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Foulkes, George
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Andrew *(St Ives)*
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Goggins, Paul
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Grocott, Bruce
Hall, Mike *(Weaver Vale)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Hepburn, Stephen
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hoey, Kate
Home Robertson, John
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hoyle, Lindsay
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*

Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Nigel *(Cheltenham)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Lawrence, Ms Jackie
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
Maclennan, Rt Hon Robert
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Marshall, Jim *(Leicester S)*
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Miller, Andrew
Mitchell, Austin
Moffatt, Laura
Moore, Michael
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Organ, Mrs Diana
Osborne, Ms Sandra
Palmer, Dr Nick
Pearson, Ian
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Rooney, Terry
Ruane, Chris
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Sheldon, Rt Hon Robert
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Chris *(Islington S)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Soley, Clive
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Steinberg, Gerry
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Strang, Rt Hon Dr Gavin
Straw, Rt Hon Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Gerry
Temple-Morris, Peter
Thomas, Gareth *(Clwyd W)*
Thomas, Gareth R *(Harrow W)*
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Touhig, Don
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Williams, Mrs Betty *(Conwy)*
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wood, Mike
Woolas, Phil
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Mr. David Clelland and
Mr. David Jamieson.

Question accordingly negatived.

Mr. Nigel Evans (Ribble Valley): On a point of order, Mr. Deputy Speaker. A written question tabled by the hon. Member for Clwyd, West (Mr. Thomas) relating to the siting of the Welsh assembly was due to be answered today. However, the Library has made it clear that it has not been answered today, but is likely to be answered tomorrow. We have been told that Opposition spokesmen will be telephoned before the announcement of the siting of the assembly, but no Conservative spokesman on Welsh affairs has been contacted. A Welsh journalist has told me that the announcement is expected tomorrow and that it will be made from the Welsh Office in Cardiff.

Has the Secretary of State for Wales told you, Mr. Deputy Speaker, that he wishes to make a statement first to the House of Commons on the siting of the Welsh assembly—which is one of the most important announcements that he is likely to make to the House—so that hon. Members of all parties can question him on his decision? If he has not, is not this yet another backward step and proof of the Government sidelining the House on an important issue?

Mr. Deputy Speaker: I have no knowledge of any statement that might be made on the matter.

Clause 1

NUMBER OF MEPS, ELECTORAL REGIONS AND ELECTORAL SYSTEM

Mr. Clappison: I beg to move amendment No. 5, in page 1, line 15, after '(4)', insert

'Subject to subsection (4A) below,'.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 2, in page 1, line 20, at end insert—

'(4A) As soon as possible after 16th February in each pre-election year the Boundary Commission shall—

(a) ascertain whether the ratio of registered electors to MEPs is as nearly as possible the same for England, Scotland and Wales, and

(b) make by order such modifications to any of the number of MEPs specified in subsection (4)(a), (b) or (c) as may be necessary to ensure that result.'.

Mr. Clappison: The amendments are designed to explore the future distribution of seats between England, Scotland and Wales. The Bill contains a mechanism for redistributing seats between the 11 regions in England, but there is no such mechanism for redistributing seats between England, Scotland and Wales. That feature of the Bill has attracted some comment and led to questions in some quarters about whether it was an oversight by the Government. If it is not an oversight, and if there is a reason for the difference, perhaps the Minister will tell us what it is.

[Mr. Clappison]

Many people who have examined the Bill have wondered why the Government have chosen to deal with the distribution of seats in the way they have. We want to hear about the Government's approach, against the background of fairness and equity, in the Bill and in all such legislation affecting the redistribution of seats. We look forward to hearing the Government's explanation.

Mr. George Howarth: The amendments would require the boundary commission to perform a calculation to determine whether the division of seats between England, Scotland and Wales ensured that the ratio of MEPs to electors across Britain was, as nearly as possible, the same, and, if not, to make an order to make the necessary adjustment. Clause 1 sets out the number of MEPs that each part of the UK will return: England has 71, Scotland eight, Wales five, and Northern Ireland three.

I listened carefully to the brief speech that the hon. Member for Hertsmere (Mr. Clappison) made in support of the amendments, but he has not made much of a case for them. They would require the boundary commission to perform the calculation to which I have referred. There is nothing to be added to what has already been said on that subject.

For some reason, the hon. Gentleman has left out Northern Ireland. I do not know whether that was an oversight or whether there was a specific reason for his doing so. In any event, that would create difficulties, because Northern Ireland forms part of the whole.

I know that there has been some concern about the division of MEPs between the component parts of the UK. Indeed, that point was debated in different ways at earlier stages of our deliberations. Let me put the record straight on one very important fact: the Bill does not change the allocation of MEPs between the constituent parts of the UK. The European Parliamentary Elections Act 1978, in its current form, has on its face exactly the division of MEPs for which clause 1 of this Bill provides. Let me enlighten the House about how that division came about.

In the early 1990s, as a consequence of German reunification, the number of MEPs to which the UK was entitled was increased from 81 to 87. The then Conservative Government brought forward a Bill to provide for an allocation of 71 MEPs for England, eight for Scotland and five for Wales. That Bill became the European Parliamentary Elections Act 1993, and it is those numbers that this Bill replicates.

It is worth noting that since the very first direct elections to the European Parliament, the number of MEPs that each part of the United Kingdom will return has always been set out on the face of the statute. We see no reason to depart from this tradition. Dividing up Members between the parts of the United Kingdom is Parliament's prerogative, and we believe that it should remain so. Indeed, the importance of that was demonstrated in the discussion following a contribution earlier in the Bill's proceedings by the hon. Member for Moray (Mrs. Ewing) who tried to persuade us that Scotland should have an extra MEP.

In the light of what I have said, and because the Bill follows the precedent, I invite the hon. Member for Hertsmere—

Mr. Sayeed: Will the Minister give way?

Mr. Howarth: I will give way, but only briefly as I want the hon. Member for Hertsmere to respond to my comments.

Mr. Sayeed: Can the Minister tell the House the highest and lowest ratios of electors per MEP that currently appertain?

Mr. Howarth: No, not without spending five minutes looking it up. However, the hon. Gentleman knows that, under the current system, the ratio is about 500,000 electors per MEP. There is some variation, in the tens of thousands, each side of that figure. Clearly, as we are having a regional list system, that will vary considerably.

I return to my earlier point. In the light of what I have said, I hope that the hon. Member for Hertsmere will consider withdrawing the amendment.

Mr. Syms: This is an important issue. Apportionment between countries goes back partly to the 1944 Speaker's conference, when certain guidance was given on the distribution of seats between Scotland, Wales and England. Under the first-past-the-post system, account can be taken of some degree of sparsity of population and geographic conditions. That is, in effect, the basis of the present system.

I have been present for most stages of the Bill's consideration and I have heard words such as "proportional", "fair" and "inclusive". However, we end up with a Bill where England has 83.3 per cent. of the electorate of the United Kingdom but only 81.6 per cent. of the UK's MEPs. The reality is that England is 1.7 MEPs under quota. If there were ever an opportunity to equalise the electorate across the United Kingdom, or certainly Great Britain, as the amendment would, it is before us. No one has yet explained to me why England does not have fair representation.

I accept that when we subdivide 87 seats, we do not end up with a perfect quota. The figures do not emerge perfectly. However, there is certainly a claim for one additional seat in England, and possibly two. It is odd that a Bill that is built on fair votes, proportionality, inclusiveness and fairness to everybody succeeds in producing arrangements based on 83.3 per cent. of the electorate having only 81.6 per cent. of the votes.

Sir Brian Mawhinney (North-West Cambridgeshire): My hon. Friend is making an important point. In an attempt to try to find some middle ground between the two Front Benches, the Opposition, have not challenged the number of seats in the 1999 election, although a case could be made for England to have another seat, as my hon. Friend is showing with great eloquence. We are seeking to put in place a fair and impartial mechanism for the future so that, when there are transitions of people, it will be possible for an independent organisation to make representations and give advice to the House about future numbers, rather than our challenging the numbers for next year.

Mr. Syms: My right hon. Friend makes an extremely good point. However, there is concern that if we do not

have fair distribution now, precedents might be set, with the result that future redistributions, future votes and future allocations of seats may be based on an unfair formula between England, Scotland and Wales—the main countries of Great Britain. That would be our concern.

That is particularly so because we know, given the terms of the Bill, that the redistribution of seats between regions will be decided by the Home Secretary and not by an independent boundary commission. That being so, the issue is very much in the political domain.

As I have said, England has 83.3 per cent. of the UK electorate, but it will have only 81.6 per cent. of the seats. It is worth making it known to the Government that that is of great concern to us.

The Minister talked about Northern Ireland, which is excluded from the amendment. Northern Ireland has a quota of 2.7 per cent., which means that there would be some doubt about a third seat. However, we all appreciate that there is a special circumstance for the Province. From a political perspective, three seats would, in effect, allow two Protestant seats and one Catholic to have representation within the European Parliament. That is a somewhat crude division, but the withdrawal of one seat, even in the absence of qualification for quota, might lead to political problems in Northern Ireland. In the context of what is good for the United Kingdom, we all might agree that there could be a persuasive argument for a third seat for Northern Ireland.

There is certainly not fair distribution. If the Bill means anything, it is about equality of votes. As a supporter of the first-past-the-post system, I stress that it would not be my overwhelming argument, but I have heard Ministers say that the Bill is about fairness of votes, inclusivity and proportionality. Yet we do not have proportional distribution.

What has gone wrong? As we said earlier, the Government have allocated seats on the basis of an English quota and have then added the seats of Wales and Scotland. No United Kingdom quota has been put forward, so there is not a fair allocation of seats within the countries of the Union.

I do not wish to pursue the point. I wish only to emphasise that there will not be a fair allocation. I stress also that our concerns are for the future. There will come a stage when shifts of population will mean that seats have to be reallocated. When the new system takes effect at the first election, we do not want proportionality for everyone except the English.

6.45 pm

Mr. Sayeed: When debating the Scottish Parliament, many of us have complained about over-representation by Scottish Members in this Parliament. We asked the Government to reduce that representation so that there would be a balance with English Members. The Government refused to do that. They said, "You will have to wait for the regular report of the boundary commission." They did not explain why we would have to wait for it. Equally, they did not explain why a report could not be produced earlier. We shall have to wait, and we all know that that could mean that there will not be even representation between English and Scottish Members for about 12 or 15 years.

Why should we be asked to trust the Government on this issue? The amendment is fairly simple; it is asking only for equity. I heard what my right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney) said. I recognise that we did not over-press our position and that perhaps we started off from the wrong position, which means that England is almost two seats under-represented. Perhaps my right hon. Friend will explain to me later why we did not push the matter a bit harder. However, the decision has been made.

The two simple amendments before us are designed to try to produce a system of equity. That is all. They are designed to increase representation so that it is up to date, and to keep it up to date. We all know that demographic changes take place in the United Kingdom or Great Britain. People move from one area to another. Given the enormous areas that have been suggested by the Government—regions—the problems of depopulated areas no longer apply. Therefore, there is no reason for there not to be an even balance with an equal number of electors per MEP under the new arrangement.

Earlier, there might have been a reason, because of depopulated areas, to have slight imbalance and favouritism towards, for example, depopulated areas in Wales and Scotland. However, under the enormous regional areas for electing MEPs, there is no reason for that approach. In equity and fairness, the Government should accept the amendments, because they are fair. They say, "Let us have the same number of electors per MEP throughout Great Britain."

Mr. Clappison: I have listened carefully to the debate, including the response from the Under-Secretary of State. Well-informed contributions have been made by my hon. Friends the Members for Poole (Mr. Syms) and for Mid-Bedfordshire (Mr. Sayeed).

The Opposition wanted to know why the redistributive mechanism should be different in England, Scotland and Wales. The question has been raised by many others who have considered the proposed legislation. We wanted an answer. We wanted to know how the Government proposed to deal, as the Bill stands, with future population changes, in whatever direction, between Scotland, Wales and England.

I was not entirely satisfied with the Minister's response. We were justified in asking whether the Government were responsible for an oversight. We are still pondering why they have chosen to make a distinction within the redistributive mechanism for future population changes.

We are still concerned, but, bearing in mind the lateness of the hour and the need to make progress, I do not intend to press the amendment to a vote. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Sir Brian Mawhinney: I beg to move amendment No. 3, in page 3, line 41, after 'State', insert

', save that the day appointed by the Secretary of State shall not be a day of the week or a date of special religious significance on which the holding of an election would be incompatible with the historic teaching and practices of any Christian or other principal religious tradition represented in Great Britain'.

I welcome the assurance given by the Minister of State, the hon. Member for Gateshead, East and Washington, West (Ms Quin), in an earlier debate, that there was no prospect of the 1999 election being held on a Sunday. That was a positive comment. She accused me of being

[Sir Brian Mawhinney]

churlish—or some synonym—in my response, so let me start by welcoming unequivocally the fact that there will be no election on a Sunday next year. Having said that, we want to come back to this issue, for it raises longer-term issues.

There is no legal requirement for elections in this country to be held on a Thursday. No doubt somebody, on behalf of the Minister, has looked at history to see when elections started to be held on that day. It seems that it became the practice in the 1930s, and it has served us well for 60 to 65 years. I can only speculate that it might have had something to do with early closing day, or some other matter, in the 1930s and 1940s. Whatever the reason, it has become established.

One can approach the issue another way and say that it is clear why elections were not held on other days. It is a matter of regret to many—but we are not here to make moral judgments—that the influence of religious belief in society 50 or 60 years ago was unquestionably stronger than it is today, so the idea of holding an election on a Sunday would never have crossed the minds of my grandfather's generation. Similarly, there was at that time a strong Jewish community in this country, so it would not have crossed the minds of many that it would be a good idea to hold an election on a Saturday.

The truth is that we live in a different world, up to a point. We live much more flexible and mobile lives than people lived then. People now are as busy at weekends as during the week. Members of Parliament are not the only ones affected in that regard. Indeed, as a result of the nation's increased prosperity, far more people are able to enjoy the weekends in a variety of ways, with various activities, and to enjoy them further from home than my grandfather's, or, indeed, my father's, generation could have.

The prima facie assumptions that turnout would be higher if we voted on a weekend, that it would be more convenient for people to vote then or that people would have more time to walk to the local school to vote seemed perfectly fair ones for the Government to make, but those are aspirations. They are a reflection of political will, rather than of real life.

I return to the sensitivity of people's religious beliefs, as it is at the heart of the issue. I am grateful to the Minister for not calling into question my sincerity, even if we did not have a meeting of minds on this issue.

I think that the Minister without Portfolio said that there are six major religions in this country and that the beliefs of all of them will be reflected in the millennium dome. I shall choose three of those religions. I went to the "Larousse Dictionary of Beliefs and Religions", because, if I can convince the Government that this is not some personal quirk and that I am reflecting a well established tradition among three of the six major religions, that might be a more persuasive argument than my oratory.

I looked up Islam. Under the heading "Friday Prayer In Islam"—those are not my words, and I am not attributing Friday to that great religion—the dictionary says:

"Taking part in prayer . . . five times daily is a fundamental responsibility for Muslims. The five daily prayers take place at sunrise, noon, late afternoon, sunset, and after dark. The Friday noon prayer is of special significance. It is performed in a large mosque in the presence of a congregation of 40 or more. During the Friday Prayer an Imam or other competent preacher delivers an address lasting about 15 to 30 minutes. Attendance at the Friday Prayer is considered a duty for Muslim believers if they are free at that time, and business during this hour is forbidden, although it may be conducted at other times during the day. Friday is the Muslim day of assembly".

There has never been an argument that those who have strong religious beliefs and convictions spend all day, from morning to evening, in prayer, worship and contemplation, so that, by definition, they are not free to do anything else. The argument has always been that beliefs and religious convictions for all the major religions are focused on one day a week that is special. Friday is clearly that day for Muslims.

I then looked up the Jewish faith, and the heading "Sabbath". The dictionary says:

"The seventh day of the week, which in Jewish belief is designated a day of rest and cessation from labour, beginning just before sunset on Fridays and lasting until nightfall on Saturday, when candles are lit to signify the end of a holy time. The laws of Sabbath observance derive from a short ban found in the Pentateuch"—

Exodus 20 and 31 for those want to check my source of reference—

"and from God's own rest in the Genesis creation account."

Even

"in more liberal Reform Judaism the Sabbath is mainly a day of worship."

Therefore, the Jewish religious day starts on Friday evening and goes through to Saturday evening, and it is considered to be a holy time.

I then turned to the paragraph headed "Sunday". It states:

"The day of the week set aside by the Christian religion for divine worship mainly in commemoration of Christ's resurrection. As early as New Testament times it replaced the Jewish Sabbath, when Paul and the Christians of Troas gathered on the first day of the week to 'break bread' (Acts 20), and it is called 'the Lord's day' (Rev 1)."

This is not meant to be, nor will it become, a sermon or a theological treatise.

Mr. Malcolm Savidge (Aberdeen, North): It could become a bore.

7 pm

Sir Brian Mawhinney: Only for hon. Members with minds like the hon. Gentleman's. I suspect that the hon. Gentleman's constituents will not take quite so kindly to his insensitivity to their religious beliefs as others in the House.

Britain has a tradition which has stood us in good stead for 60 odd years in that major elections are held on a Thursday. Britain has an even more important tradition, which is that people have freedom of religion and freedom to practise their religion, and around that has grown a sensitivity to the religious beliefs of others even when we may not ourselves share those beliefs. I am at a loss to understand why a Government who rightly—I have no difficulty with the Government's position—talk about acting appropriately in a multicultural society, which is also a multi-faith society, have so much difficulty in recognising the sensitivities of millions of people on this issue.

Mr. Allan: Can the right hon. Gentleman advise us—I ask that in a genuine spirit of inquiry, because Liberal Democrats hope for a free vote on the matter—on the meaning, in amendment No. 3, of the phrase

"a date of special religious significance"?

I understand the points that he has made about Fridays, Saturdays and Sundays, but what does that phrase encompass?

Sir Brian Mawhinney: I have tried to set the matter out not in my words but in those of a more independent and scholarly framework, to remove from the debate any element of partisanship. The hon. Member for Moray (Mrs. Ewing) thought that I had been less than generous and gracious in my response to the Minister on the last occasion. Her comments came as something of a surprise, so I have made a determined effort this time not to create any sense of partisanship. We are talking about the need to be sensitive to one of the most fundamental rights and privileges that the House is established to preserve.

Mr. Maclennan: It was in a genuine spirit of inquiry that my hon. Friend the Member for Sheffield, Hallam (Mr. Allan) put his question. The right hon. Gentleman has used in the amendment, not a term of art but a form of words that covers a wide range of possibilities, and its lack of precision is one of the difficulties that we face. To take a brief example, the Roman Catholic Church has a number of holy days of obligation, which are undoubtedly days of religious significance, and special. They do not happen necessarily to fall on Fridays, Saturdays or Sundays. Is it the right hon. Gentleman's submission that such a day would be ruled out, and would he wish it to be ruled out? If so, we will have to consider with great care the practices and beliefs of many other religions. The matter is much more complex than the right hon. Gentleman may have acknowledged.

Sir Brian Mawhinney: I think that I can help the right hon. Gentleman. When the elections fall is not for the House to decide. The right hon. Gentleman will know that, as part of our membership of the EU, the week in which elections are to be held is uniform throughout the EU. I shall not use the technical word, but flexibility was given so that countries could choose the appropriate days within—I think that I am right in saying—the second part of the designated week.

The right hon. Gentleman makes an important point. Had the House had flexibility to decide when an election should be held, we would have had to be more precise in the wording of our amendment to take account of the right hon. Gentleman's legitimate points. We do not have that freedom. The week is set, and 15 countries have to decide whether to have elections on a Thursday, Friday, Saturday or Sunday. A number, including us, have them on a Thursday, and a number have them on a Sunday. I say that openly, because it is a matter of record which everyone understands.

Some may ask whether I am suggesting that there is less sensitivity to religious beliefs in other European countries. I am happy to say that that is not an issue for which we have any responsibility. People have their different traditions, and those traditions have built up. I am not being critical of anyone else: we are talking about Britain, our traditions and practices and our sensitivities to the religious beliefs of others.

Therefore, I want to try one last time to persuade the Minister to accept that this is a genuine issue. I am perfectly happy to concede that the world will not stop and the country will not necessarily go any faster to heaven or hell as a result of what the Government ultimately decide should be the election day in Britain. However, I want to impress on the Minister the fact that, in shifting from a Thursday, which affects none of the major sensitivities that the other three days do, he is running the risk of causing genuine offence to people whose religious beliefs will be held to account by that change. It is in that spirit that I ask him one last time to consider stating in the Bill that elections will be on Thursdays.

Mr. George Howarth: The right hon. Member for North–West Cambridgeshire (Sir B. Mawhinney) raised two points which are slightly off the main point but are of significance. I appreciate the thoughtful and non-partisan way in which he introduced this potentially sensitive subject. He mentioned the tradition of Thursday voting. To my knowledge, it is pre-war. I would not like to say when it started, but I can remember some local government elections as late as the 1960s being held on different weekdays. In Huyton, where I lived, voting was on a Thursday, but in Liverpool it was on a Wednesday. I am not sure what the origins of that were, but certainly there were some variations at local government level as late as the 1960s.

The amendment would bar elections from being held on a day of the week or date of religious significance, although it does not define which religions it would cover. It would in effect guarantee that European parliamentary elections continue to be held on a Thursday, and I shall explain why in a minute.

We discussed the appropriate day of the week earlier in our proceedings, and the right hon. Member for North-West Cambridgeshire referred to the debate that he had with the Minister of State, my hon. Friend the Member for Gateshead, East and Washington, West (Ms Quin). Many of the arguments have therefore been fully covered. The amendment is unnecessary, because it is almost impossible to find a better day than Thursday, and I shall repeat some of the reasons that the right hon. Gentleman gave.

The right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) said that the wording of the amendment lacked precision. I suspect that the right hon. Member for North–West Cambridgeshire deliberately worded the amendment in that way because of his sensitivity to various faiths. If we take his argument to its logical conclusion, we must point out that certain religious festivals fall on a Thursday. If we are too precise, we might end up in difficulty. I am sure that the right hon. Gentleman, in his recent journey through the faiths, is aware that the feast of Corpus Christi falls on a Thursday generally in the first half of June. I suspect that that would not be considered to bar Roman Catholics from voting, but it could be construed to be sensitive, because it is an important religious festival.

In addition to the significance of Fridays and Saturdays for Muslims and Jews, and Sundays for Christians, there is the Jewish festival of Shavuot, which can also fall in the first half of June. For all I know, there may be other

[Mr. George Howarth]

such festivals that are significant to other faiths, so we may find it difficult to pursue the argument to the nth degree.

Sir Brian Mawhinney: I am encouraged, at least thus far, by the Minister's tone. If all that prevents him from accepting the amendment is its drafting, as the Bill will have to return to another place so that the Government amendments are dealt with, the Government could obviate that problem by helping with the redrafting of this amendment.

Mr. Howarth: I hope to convince the right hon. Gentleman that the amendment is unnecessary. If it were passed, we could find ourselves unable to hold an election at any time within the period agreed by the Council. Whatever position the right hon. Gentleman takes on Europe, I am sure that he would not want us to end up in that difficulty.

I repeat a commitment that my hon. Friend the Minister of State made earlier in our proceedings. She said that there was no way in which the 1999 European elections would not be held on a Thursday. The right hon. Gentleman may rest assured that, for the purposes of the next European elections, we shall not consider an alternative day of the week.

Mr. Sayeed: Before the Minister finally confirms that he has no intention of introducing an alternative amendment in the other place at some future date to deal with the problem that my right hon. Friend has outlined, will he consider the fact that, in Christianity, Judaism and Islam, some sects are not allowed to work or travel at any time during a holy day? All three of those major religions are well represented in this country. The definition of "work" includes voting, so unless the three holy days are excluded, which leaves only Thursday, a sect of a major religion will automatically be disfranchised.

7.15 pm

Mr. Howarth: I recognise the point that the hon. Gentleman makes, and, by referring to the scriptures of many faiths, the right hon. Member for North-West Cambridgeshire made that point effectively. I agree that that would create difficulties. The hon. Member for Moray (Mrs. Ewing) discussed the problems that some of her constituents would face if we had Sunday voting. I am pleased that the hon. Gentleman made that point, because it is important, but my hon. Friend the Minister of State has guaranteed that we have no intention—

Sir Brian Mawhinney: Will the Minister give way?

Mr. Howarth: If the right hon. Gentleman will let me proceed for a moment—

Sir Brian Mawhinney: I wish to be helpful.

Mr. Howarth: The right hon. Gentleman is always helpful.

Sir Brian Mawhinney: I am grateful to the Minister. I wanted to intervene now because what I am about to ask may take a moment or two to consider, or the Minister may just rule it out. The Home Secretary is in the Chamber listening to this debate. If the Minister, with the Home Secretary's agreement, were to assure the House that, during this Government's term in office—he will understand that it will last for only one Parliament—they will not shift from a Thursday, I would be happy to settle for that and not push the amendment to a vote.

Mr. Howarth: The right hon. Gentleman made an aside that this Government would be in power for only one Parliament. I am sure that he is right, because my right hon. Friend the Prime Minister is bound to have a reshuffle in the next Parliament. *[Interruption.]* If Conservative Members are left long enough, they find anything amusing.

I cannot, give the right hon. Gentleman that absolute guarantee, because I do not know what discussions we shall have or what pressures will come along. The right hon. Gentleman has been in government and knows that it is not always possible to give such guarantees on the hoof. However, I shall offer him an option, which is better than guaranteeing what will happen in another place or in the lifetime of this Parliament.

The right hon. Gentleman is aware that I chair a working party on electoral procedures. The Conservative and Liberal Democrat parties are represented on that working party, which also consists of a wide range of experts who take advice from many sources. When the working party's findings are published, they will be the subject of wider consultation. We are looking at the possibility of Sunday voting. As part of our serious review of electoral procedures—there is no partisan slant to our work—I undertake to ensure that the right hon. Gentleman's arguments are given the fullest possible consideration and that they form a part of our considerations, so that, before we come up with our final recommendations, all those points are considered. The legitimate concerns about the days of the week that are important to those major faiths will thus be fully taken into account.

I hope that the right hon. Gentleman finds that helpful, because it is intended in a helpful spirit to deal with his point.

Mrs. Margaret Ewing (Moray): I have been unable to contribute to the debate, because I have almost lost my voice.

Will the review consider phasing elections over several days, perhaps from Thursday to Sunday, or has that been ruled out? We must take account of various groups' views, about which hon. Members have spoken with great respect.

Mr. Howarth: Nothing has been ruled in or out at this stage. The working party's terms of reference are wide enough to enable us to consider almost anything, but I am sensitive to the anxieties expressed by the hon. Lady and the right hon. Member for North-West Cambridgeshire. I hope that my assurance that the working party will give due weight to the arguments will enable him to withdraw his amendment.

Mr. Maclennan: This has been a good, comprehensive debate. I welcome the Minister's open-mindedness

on these sensitive issues, which are matters of conscience for some hon. Members. However, when the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney) remarked that changing to weekend voting would not produce a higher turnout, I thought of the university lecturer who objected to lecturing on Wednesdays because that interfered with two weekends. I hope that we will not be too sensitive to speculation that the British weekend might rule out voting for some people.

My guess is that weekend voting would help turnout, and that it is better not to hold the election on a working day. The Government should consider weekend voting in their review, but I would not advocate change without the fullest consultation with the Churches. People will take different views about the nature of religious obligation: for some people, attending a church or a place of worship may be sufficient to discharge their obligation and recognise the specialness of the Sabbath or of a particular religious day, whereas for others, voting may be incompatible with observing a particular holy day.

However, citizens have civic obligations, and they should be rendered, in this case by exercising their vote. We should make that as easy as possible. The Christian religion's injunction

"Render therefore unto Caesar the things which are Caesar's; and unto God the things that are God's"

allows many Christians to discharge their civic and religious duties without conflict, but that is not a universal view, even within the Christian faiths.

I hope that the Minister will solicit information from people who may be touched adversely in their spiritual devotions by a change in the law, and will keep an open mind until the evidence is before him.

Mr. Edward Leigh (Gainsborough): I listened carefully to the Minister. I am anxious that, although he said that he would listen to people's views, he did not go a step further and say that people's religious sensitivities could raise insuperable barriers to changing the day of voting to Sunday.

Elections are held on Sundays in many other countries in the European Union, and they are no less or more religious than this country. But such countries have a tradition of voting on Sunday: people may go to mass in the morning and have a cup of coffee before they vote. The traditions here are different, and many Protestant communities in this country, especially the evangelical communities, think that the specialness of Sunday is slipping away following the passing of the Sunday Trading Act 1994. They are sensitive about the issue, which the Minister understands, and I am sure that the Government will take those sensitivities into account in the review.

Sir Brian Mawhinney: We have had a good debate, and I am grateful to the Minister for the tone of his response to my points. The right hon. Member for Caithness, Sutherland and Easter Ross (Mr. Maclennan) is right about rendering unto Caesar that which is Caesar's, and unto God that which is God's. But that is not a prima facie case for making it as difficult as possible for people to fulfil both those obligations. I was slightly surprised that the right hon. Gentleman, given the tradition from which he comes and which he represents in the House, was open to making that more difficult. Maintaining the status quo would make it less difficult.

I genuinely tried to help the Minister. I sat on the Government Front Bench for several years, and understand that he may be loth to enshrine a proposal in statute at this stage because arguments are being put to him and the review is under way. With that in mind, I thought that an interim non-statutory agreement could have been reached. An assurance from the Minister, backed by the Home Secretary, on such an agreement would, in the tradition of the House, have been accepted as binding. That would have seen us through the next few years, and created space for him to conduct his review without presumptions being made about it.

However, the Minister did not find that acceptable. Of course I am grateful for his willingness to reflect on the views that have been expressed, and to ensure that they are taken into account in any preliminary consultation document. However, his unwillingness to reach a statutory or non-statutory agreement will make many people, rightly or wrongly, assume that the Government have an alternative agenda.

I face a dilemma. When I highlighted disagreements between the Front Benches in a previous debate on this matter, I was accused of being ungracious, so I say as graciously as I can that we do not agree with the Minister, because this is a matter of principle. I seldom use those words in my political life, because they tend to get people into trouble. One of the most fundamental tasks of this House is the defence of the rights of minorities. If this House does not defend their rights, who will?

Mrs. Ewing: I accused the right hon. Gentleman of being ungracious. Does he accept that the 1999 European elections will be held on a Thursday, and that thereafter the matter should be discussed and decided on by the Scottish Parliament, the Welsh assembly and Westminster?

Sir Brian Mawhinney: The answer to the first part of the hon. Lady's question is yes, because that is how I started my speech when I moved the amendment. It is tempting, but I will not go down the road of the interrelationships between the Scottish Parliament, the Welsh Assembly and this place, not least because I do not wish to embarrass the Minister, who I am sure has no idea what those interrelationships will be.

This issue is easy to dismiss. It may be that an overwhelming majority of right hon. and hon. Members have religious convictions and beliefs but would not find a change in the voting day to be of religious offence. It is probably true of most of us, but it is not true of some in the Muslim faith, some in the Jewish faith or some in the Christian faith. As my hon. Friend the Member for Gainsborough (Mr. Leigh) said, it is a cause of particular concern to those in the Christian faith from the evangelical tradition, from which my hon. Friend knows I spring.

It is with regret and as much grace as I can muster that I say to the Minister that this is a matter of genuine significance. It is a matter of sensitivity and of this House defending the rights of minorities. For all those reasons, and given the Minister's response, I fear that we will press the amendment to a Division.

7.30 pm

Mr. George Howarth: We have been treated to the great conviction of the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney). I am not trying to belittle it, and I accept that he considers this a matter of principle. However, I am a little concerned that, during the past 18 years of Conservative Government, in which the right hon. Gentleman served in various capacities, I cannot remember this great matter of principle ever being raised or legislated upon.

Leaving that aside, from his reading the right hon. Gentleman is aware of the difficulties that different days of the week cause for different faiths, and he knows that there is no simple solution. The irony is that the logic of his amendment would lead us right back to Thursday voting. I accept that that is the case. However, if we take that logic further and take into account various religious feast days and so on, it might make it impossible to hold elections on a Thursday.

The right hon. Gentleman said that, because of the way in which some people want to celebrate the day they consider to be the day of rest or the holy day, voting on such days would be impossible for them. That is why we have ended up with Thursdays. The difficulty is that not everybody feels the same way. I voted against Sunday shopping, but, being honest, although I go to services at my local parish church most Sundays, I sometimes then go shopping with my wife, because that may be the only opportunity I get to go shopping with her.

The right hon. Member for North-West Cambridgeshire described the life-style differences very well. He said that society has changed and that there is greater flexibility in the way that people live their lives. Those facts have to be taken into account when we consider this matter. I will consider this in the working party on electoral procedures, but I believe that, in pursuing the amendment, the right hon. Gentleman is making a gesture. It would not have any effect even if it were passed. For that reason, I urge my right hon. and hon. Friends to oppose the amendment.

Question put, That the amendment be made:—

The House divided: Ayes 96, Noes 222.

Division No. 203] **[7.33 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Ancram, Rt Hon Michael
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clifton-Brown, Geoffrey
Colvin, Michael
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jenkin, Bernard
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
McLoughlin, Patrick
Madel, Sir David
Maginnis, Ken
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Wells, Bowen
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Ayes:
Mr. James Cran and
Mr. Nigel Waterson.

NOES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard
Ashdown, Rt Hon Paddy
Atkins, Charlotte
Austin, John
Baker, Norman
Ballard, Mrs Jackie
Banks, Tony
Beard, Nigel
Beckett, Rt Hon Mrs Margaret
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Benton, Joe
Bermingham, Gerald
Berry, Roger
Betts, Clive
Blizzard, Bob
Boateng, Paul
Borrow, David
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Burden, Richard
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cranston, Ross
Cummings, John
Cunningham, Jim *(Cov'try S)*
Darvill, Keith
Davey, Edward *(Kingston)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dobson, Rt Hon Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Heal, Mrs Sylvia
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hill, Keith
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin

Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Kevin *(Doncaster N)*
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jamieson, David
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Laxton, Bob
Leslie, Christopher
Levitt, Tom
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McDonnell, John
McFall, John
McIsaac, Shona
Maclennan, Rt Hon Robert
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Marshall, Jim *(Leicester S)*
Marshall-Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moore, Michael
Moran, Ms Margaret
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Norris, Dan
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
Öpik, Lembit
Organ, Mrs Diana
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Rendel, David
Rooker, Jeff
Rooney, Terry
Ruane, Chris
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Temple-Morris, Peter
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Vaz, Keith
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Wicks, Malcolm
Wills, Michael
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Noes:
Ms Bridget Prentice and Janet Anderson.

Question accordingly negatived.

Schedule 1

New Schedule 2 to the European Parliamentary Elections Act 1978

7.45 pm

Mr. Greenway: I beg to move amendment No. 8, in page 5, line 24, at end insert

', but no such order shall be made until the Secretary of State has submitted a report to both Houses of Parliament giving details of the calculations carried out in the course of the procedure mentioned in sub-paragraph (1)(a) above.'.

The amendment has two clear and vital objectives. One is to achieve greater openness in future decisions about arrangements for European elections, and the second is to ensure greater accuracy in the apportionment of Members of the European Parliament between electoral regions. I am sure that the House will agree that both those aims are essential to our fundamental democratic process.

Throughout the Committee stage, Conservative Members sought to draw attention to the serious deficiencies in the procedures leading to the Bill's publication. The Bill is being imposed on the country without any prior discussion, either within Parliament or outside. The Government failed to publish a White Paper outlining their plans. As a consequence, there was no public consultation. As we have heard, there was a focus group involving a maximum of 48 people, but that hardly rates as a public consultation.

Despite the Prime Minister's professed faith in the parliamentary boundary commission, it was not consulted, thus denying the public any opportunity to express a view on the arrangements by which their MEPs will be elected. Therefore, the Government have no way of knowing whether voters are satisfied that the allocation of MEPs to electoral regions is fair, and whether the process has been both open and accountable. Clearly, it has not been open and accountable, because the Government have simply imposed their preferred solution and, in so doing, have shown contempt for both the House and the public at large.

What of the future? The schedule provides the only mechanism in the Bill for any review of the arrangements. Notwithstanding the Home Secretary's commitment to review the experience of the election next year under this Bill, the fact remains that this is the only provision in the Bill that we can be certain provides an arrangement for such a review. However, that arrangement lies entirely within the gift of the Home Secretary. He will consider whether the ratio of electors to MEPs requires adjustment, and he will make, by order, such amendments to the distribution of seats as he considers necessary.

We say that, before the Home Secretary does any such thing, he should at least submit a report to both Houses of Parliament giving details of his calculations. Such a report would not only ensure greater openness, which we think is essential, but allow the House the opportunity to seek a proper explanation of his calculations because we need to test their accuracy.

Why should that be necessary? As we have seen, in introducing the Bill to the House, the Home Secretary has already shown that maths is not his best subject. As he admitted in Committee, he made an error in his explanation of the divisors used in the seat allocation and, by consequence, misled the House. Let me say straight

[Mr. Greenway]

away that we fully accept that it was unintentional, but that rather makes our point. It is not that the Home Secretary knew that he got it wrong, but the fact that he did not know that he had got it wrong. How can anyone have any confidence that he or a future Home Secretary, doubtless with access to the same advice, can be relied upon to reach the right decision?

There is rather more to it than meets the eye. During the debate in Committee on 26 February, the Home Secretary argued that the eminent Professor Ian Maclean, head of politics at Nuffield college, Oxford, to whom my hon. Friend the Member for Hertsmere (Mr. Clappison) referred earlier, had got it wrong in suggesting that the Government had used a divisor in the process of seat allocation. He insisted:

"It is a very simple system that does not need divisors."—[*Official Report*, 26 February 1998; Vol. 306, c. 549.]

That is not what the eminent Professor believes. Indeed, since that debate, Professor Maclean has written to my hon. Friend the Member for Hertsmere. The House would do well to take note of what he says.

Mr. George Howarth: The hon. Gentleman referred to it earlier.

Mr. Greenway: No. It is an entirely different matter and I suspect that it is even more important.

After challenging what the Home Secretary said at column 549, Professor Maclean writes:

"The procedure he then outlines in his next paragraph, as he did in a letter to me, is that he takes a dividend, (the electorate of England), divides it by a divisor (71) and gets a quotient (just over 521,000 electors per MEP). He then assigns these quotients to the regions. Each region, of course, is exactly entitled to a whole number plus a fraction of MEPs. So how does the Secretary of State proceed 'in such a way as to ensure that the sum of divergencies in each of the nine regions—ignoring plus or minus signs—was as low as possible'?"

The professor continues:

"I think he thinks that, as he and his officials presumably did this by hand, they were not using a divisor. But they were really speaking prose. To guarantee that you get the result of this calculation right, you must use one of three divisors. In the American literature they are the Dean, Huntington and Webster divisors."

We have had d'Hondt and Sainte-Lague; now we have the Dean, Huntington and Webster divisors.

The professor continues:

"On different interpretations of making 'the ratio of registered electors to MEPs the same', each one of these is the only correct divisor to use."

This is the crunch:

"Webster is another name for Sainte-Lague. So Sainte-Lague is one of the three divisors that the language of the Schedule mandates him to use."

So there we have it. There is a divisor, and it is clearly a political decision which divisor is used.

For now, the public appear disinterested in the Government's meddling with our democratic process—as my hon. Friend the Member for Aldershot (Mr. Howarth) said in an earlier debate, they were unaware of what was happening. My hon. Friend the Member for Mid-Bedfordshire (Mr. Sayeed) referred to the disinterest of the fourth estate, and I agree with him too, but, in spite of the sea of disinterest, the position may change come the election next year. However, that does not mean that the issues are unimportant and do not matter—far from it. The House should require the Government to agree on a procedure that will help the Home Secretary to make a better fist of it next time. I am not seeking to personalise the debate, but in embarking on a system of proportional representation, we have ventured into uncharted waters.

We have been asked to accept that the allocation of MEPs is fair, yet few people have the knowledge or experience to know whether it is the best that it could be and entirely accurate. The fact that we appear to have little choice but to accept it for now is no excuse for failing to put on the face of the Bill a mechanism to give everyone the chance of doing a better job next time.

Parliament has a right to be taken seriously, and its views and opinions cannot simply be brushed aside out of political expediency. I am glad that the Home Secretary is to reply to the debate. The fact that he did not fully grasp what he was doing should be a warning to the House of the perils of accepting anything at face value.

I look forward to hearing the Secretary of State's explanation of why he might think it wrong to require a future Home Secretary to publish a report on the calculations on which he has based any future changes on the allocation of MEPs between the regions, as that is our simple proposition. It would not delay matters unnecessarily, but it would ensure greater openness and allow the House the opportunity to test for itself the accuracy on which any future changes are based. That is our fundamental democratic right: therefore, I commend the amendment to the House.

Mr. Straw: As I hope the hon. Member for Ryedale (Mr. Greenway) will accept, I do indeed take Parliament seriously, and believe that Ministers should be held properly to account, particularly for such decisions. Although I am happy to write to the hon. Gentleman, I shall not pick him up too much on whether or not a system of calculating the allocation of MEPs to each of the regions follows the Sainte-Lague or Webster divisors, or a different system.

I did not say that we did not use divisors to achieve the result—of course we had to do so, as I explained at column 549 on 26 February. However, the Sainte-Lague and d'Hondt divisors use an advancing series of numbers by which various other numbers are then subject to division. D'Hondt uses the series one, two, three, four, five and Sainte-Lague uses one, three, five, seven, nine. As the House now famously knows, Sainte-Lague modified begins with 1.4, which is the square root of two, and then follows the sequence three, five, seven, nine.

I am happy for the ombudsman to examine all the files in the Home Office. It may be, as Professor Maclean is claiming, that we reached a similar result to Sainte-Lague, but we did not use that system. We used a system of ascertaining the lowest sum of the divergencies, as I have explained.

What is important, and goes to the heart of the hon. Gentleman's argument, is that the public and Parliament should be satisfied that the system being used to allocate the number of MEPs to each region is entirely fair and transparent, and that people can see how it operates so that any error or worse can be exposed.

It is not true that the arrangement for settling the allocation of MEPs between each region is, to use the hon. Gentleman's words, in the gift of the Secretary of State. Any Secretary of State, whether myself or a successor, will be bound by the provisions of schedule 1(4), which requires the Secretary of State in the year preceding any election to

"consider whether the ratio of registered electors to MEPs is as nearly as possible the same for every electoral region in England and . . . make by order such amendments of (3) of the Table as he considers necessary"—

not desirable, but necessary—

"to ensure that result"

That gives the Secretary of State virtually no discretion whatsoever, except to apply the rules of arithmetic accurately. If he fails to do that, he may be subject to account in Parliament and, as this is subordinate legislation, to judicial review in the courts.

8 pm

I hope to reassure the hon. Member for Ryedale (Mr. Greenway). In the amendment, he calls for an order-making power by which a report is made to Parliament before the Secretary of State makes a decision. The Secretary of State can have a decision brought into effect only by order made to the House under the negative resolution procedure, as set out in paragraph (7). No changes come into force unless they have received the approval of Parliament. I hope that the hon. Gentleman will accept that.

Then there is the question whether Parliament should be informed of the changes that the Secretary of State has in mind and whether the arithmetic should be laid on the Table of the House in advance of any order being made. That is the point of the hon. Gentleman's amendment. I agree with him, and I give an undertaking to the House that the detail of the arithmetic and all the calculations made under that paragraph will be put before the House by way of a written answer as soon as they are made, and well in advance of any order being made. In the light of that, I hope that the hon. Gentleman will not feel it necessary to press his amendment to a vote.

Mr. Greenway: I am most grateful to the Home Secretary for his response and for the reassurance he has given to the House. Clearly what we wanted—a report to the House before any order is laid—is precisely what he has in mind, and we are grateful to him for that. As a consequence, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 2

MINOR AND CONSEQUENTIAL AMENDMENTS OF SCHEDULE 1 TO THE EUROPEAN PARLIAMENTARY ELECTIONS ACT 1978

Mr. Greenway: I beg to move amendment No. 7, in page 9, leave out lines 15 to 28.

Let me say at the outset that this is a probing amendment. The fact that at this late stage in our consideration of the Bill, the last amendment to be considered on Report is a probing amendment says something about the nature of the Bill and its lack of clarity. A parliamentary election based on huge electoral regions under a proportional representation system will be a wholly new experience for the people of Great Britain. More to the point, it will be a wholly new experience for the people charged with the conduct of the election. It is the lack of any detail on the face of the Bill about how the election will be conducted that prompts us to seek clarification of some of that detail through the amendment and the short debate on it.

New paragraph 4 of schedule 1 to the European Parliamentary Elections Act 1978 says that there will be returning officers for each electoral region, but gives no indication of who they will be and how they will be chosen. That has considerable relevance, given the size of the European electoral regions, so perhaps the Minister can tell us how the Secretary of State intends to select the returning officers for such huge electoral regions. The lines that our amendment would delete confirm that, by regulations that the House has not had the opportunity to approve—as far as I am aware, they have not seen the light of day—functions will be conferred on the returning officers and acting returning officers. What are those functions, and what powers will the returning officer or acting returning officer have at his disposal to fulfil them? Will the functions include training, and, if so, how long will that training last? In these days of financial stringency for local government, who will pay for it?

New paragraph 4(3) requires local authorities to place the services of their officers at the disposal of the returning officers. Does that mean every local authority within an electoral region? Why are councils given no ability to exclude certain people to whom a summons from the returning officer to take part in the conduct of the election may be both inconvenient and against the public interest? What happens if, for example, the returning officer summons a planning officer who is involved in a public inquiry, or a social services officer involved in a case of child abuse, or an education officer handling an appeal by a parent over school admissions? What of the finance officers working day and night to prepare budgets?

Ministers may well say that there is nothing new in that. Acting returning officers have to take account of the other duties of the staff on whom they wish to rely in conducting parliamentary elections now, so what is the difference? The difference is that the acting returning officer in a Westminster constituency is calling on his own colleagues, and he knows full well exactly what their duties and other responsibilities are when assessing to whom he will turn for help with the election; but, with this Bill, we are dealing with electoral regions so vast that they embrace eight or nine counties.

Mrs. Ewing: Is that a criticism of the conduct of the returning officer for the referendum in Scotland on 11 September?

Mr. Greenway: It certainly is not. My comments are addressed directly to the Bill before us, not to any other Bill. However, the hon. Lady has drawn attention to the fact that the whole of Scotland will be one electoral region. In London, we have 33 London boroughs, so the arrangements are a wholly new departure from anything that anyone running elections—the Scottish referendum was not an election—has previously experienced.

The House was entitled to a far better explanation of how the arrangements would work before being asked to approve the Bill. Who is going to pay for the time and

[Mr. Greenway]

travelling costs of all those officers? What impact will there be on the conduct of local government, both in the run-up to and during the elections? Can the Minister tell us what consultations there have been with local authority associations? It would have been better if Ministers had given the House some indication of what they intend to put in the regulations and explained why the whole process appears to be so open-ended.

One point on which we can be clear and on which the Government ought to have been more candid is that the conduct of the electoral arrangements set out in the Bill will place a huge administrative burden on the shoulders of local government. Will the Minister tell us how advanced the discussions are with local government officers? Will he tell us what the Government expect of them and how they are to organise an efficient election in which the public, candidates and political parties can have full confidence?

The track record to date is hardly inspiring. It has taken three and a half months—from November, when we had Second Reading, until this week—for the Government to make up their minds on one of the most essential features of the proposals: whether to have an open or a closed list. The Minister owes the House some answers to the important questions I have posed, because this is our last opportunity to debate the arrangements. I hope that in doing so, he can give some reassurance that the conduct of the European elections will not be the administrative nightmare that many of us fear.

Mr. Allan: We are pleased to hear that the Conservatives are still probing, even at this late stage. We originally took the amendment at face value to mean that council officers and the existing election staff should not be involved in the election. That was a cause for concern.

In Committee, there was widespread agreement that our electoral staff do an excellent job, and my party feels perfectly confident in their abilities. We do not envisage the apocalyptic scenario that has once again been painted—a major meltdown of the electoral process—materialising. The vast bulk of the duties that those officers will carry out—getting the ballot boxes out, getting the ballot papers in and counting them—are identical to those that they would have to perform for any European election. The only significant change is in the method of counting, and we believe that that is a small proportion of their total duties. My party does not see the necessity for too much probing, and we hope that we can dispense with the issue and place our confidence in our acting returning officers and their staff.

Mr. Syms: In an earlier amendment, we referred to publishing the ground rules for the running of the election. With our existing system, people by and large know how it will operate. One of the difficulties with the new system is that no one has mentioned anything about how the electoral returning officers will interrelate with the party professionals and the volunteers, who have an important role in scrutinising the count.

Under the first-past-the-post system, it is straightforward—scrutineers have a sheet saying what they need to do. We will have a count for the south-east region of perhaps 1 million votes, with divisions and divisors. The terms under which returning officers are employed and their conduct of the elections are an important feature. The amendment may tease out the Government's view.

The electoral returning officers must interact with the party professionals so that they can tell their workers how the system will work and when the count will occur, and even explain technical problems. For example, at what stage is an announcement of an election of a Member of the European Parliament made? Is it when the subdivision is done, and one person jumps up to become the candidate, or is it done at the end of the count? Those are the little technical problems which the Minister should address.

Some £4 million is budgeted to be spent on training the EROs. We have good EROs, and I have the highest opinion of them. I am sure they will do a splendid job, but there has been little neutrality up to now in terms of how they will interrelate with the party structures which, under the Bill, are very important. On a constituency basis, what normally happens is that the ERO knows all the parties and has a relationship with them. Practical matters can be discussed.

Given the size of the regions, we may need some formalised structure for the returning officers to deal with the parties who deal with the workers who turn up with their rosettes to the count. They ought to know what is going on, what will happen when and how the system will work. I would be interested to hear the Minister say more about how the EROs will interrelate with party agents, professionals and volunteers.

Mr. George Howarth: I am glad that the hon. Member for Ryedale (Mr. Greenway) let us know that this was intended as a probing amendment, because I was a little surprised that he had tabled it. I have two reasons for saying that. First, the parts of schedule 2 to the Bill which the amendment would remove are not in any sense new. Virtually identical provisions exist already in the current schedule 1 to the European Assembly Elections Act 1978, the legislation under which elections have been conducted in the past.

The only reason why they are being replaced is that the existing schedule refers to "constituencies", whereas in future we will need to refer to "regions". No one has ever thought to remove the relevant provisions from the existing legislation, and I fail to see—and, in truth, the hon. Member for Ryedale must fail to see—what objection there can be to re-applying the provisions in the Bill. In Committee, I undertook to write to the hon. Member for Hertsmere (Mr. Clappison) on two points that the hon. Gentleman raised today. I still intend to do that, and, if he will forgive me, I shall reply in detail in due course.

The second reason why I was surprised is that the provisions which the amendment seems to seek are so obviously unnecessary. There can surely be no doubt that each region will have a returning officer, and I am glad that the hon. Member for Ryedale is not seeking to delete that provision. Equally importantly, because of the sizes of the regions proposed by the Bill, the returning officer will need support and assistance, as he will agree.

The hon. Member for Sheffield, Hallam (Mr. Allan) made the point very well that the obvious people to provide support are those with experience—electoral

registration officers and acting returning officers, who are by and large local government employees. They are responsible for electoral registration, the maintenance of the register and postal and proxy votes, and they have experience of the distribution of poll cards and the administration of polling stations. Clearly, they are the right people to assist. The parts of schedule 2 that the amendment would delete would make sure that those with the necessary skills and experience are available to assist the returning officer in conducting the election. Schedule 2 simply reaffirms the status quo, and is designed to ensure the efficient conduct of European parliamentary elections.

The hon. Member for Ryedale referred to the understandability of counts. I do not want to speak for his party, but I am sure that my party's agents and professionals will find out how the system works and will make sure that the party workers know how it works.

These are existing, well known and tried and tested procedures, but they will be slightly amended to take in the regional dimension. In light of those assurances, I hope that the hon. Gentleman will feel able to withdraw the amendment.

Mr. Greenway: As I said, this was a probing amendment, and we do not intend to press it to a vote. The Minister is right—it would leave a hole in the Bill. However, I am not entirely sure that the Minister has answered all our questions. There is a world of difference between the European constituencies we have been used to and the proposed huge electoral regions. Given that the Minister said that he would write to me and to my hon. Friend the Member for Hertsmere (Mr. Clappison) in response to the points we have made, I am content to let the matter rest at this juncture. I look forward to receiving the Minister's letters and the explanation to which we are entitled. With that sentiment, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Order for Third Reading read.

8.17 pm

Mr. Straw: I beg to move, That the Bill be now read the Third time.

We have had many hours of debate—appropriately, on the Floor of the House, as this is a constitutional measure. I explained earlier to the hon. Member for Ludlow (Mr. Gill), and to the House in November, that I have always subscribed to the view that there is no single perfect electoral system for all purposes. When we consider which voting system to introduce to any particular institution, we need to consider the nature of the powers and functions of the body concerned.

The European Parliament is a representative body, and not a Parliament from which a Government are drawn. The United Kingdom can only return 87 Members to it, which means inevitably that Members of the European Parliament can never enjoy the same close links with those who elect them as Members of this Parliament do with their constituents. Moreover—regardless of whether people endorse it—the European Union already works at a regional, as well as at a national, level.

Those considerations led a committee, which was chaired by my noble Friend Lord Plant of Highfield, to propose to the Labour party that the most appropriate system for electing MEPs was a regional one, which placed a premium on proportionality. That proposal was endorsed by the Labour party at its conference in 1993; it became a commitment in our manifesto, which was endorsed by the British people on 1 May last year.

The change will enable future British elections to the European Parliament to be conducted using a simple proportionally-based regional list system. I am pleased that it will be in place—subject to the decisions of the other place—in time for the next election to the European Parliament in 1999.

As I explained to the House, the system that we are proposing is very similar to, and shares the concept with, the one already used by France, Germany, Spain, Portugal and Greece for electing their MEPs—the majority of voters in Europe use this system to elect their MEPs.

I am grateful to those hon. Members from all parties who have taken part in the debates on the Bill—given the complexity of the subject, many more hon. Members than I had expected participated. I have greatly enjoyed the debates and the stimulation not least to my arithmetical skills—or otherwise—that they have provided.

We have covered the composition of regions, by-elections and the role of the Boundary Commission, and we have provided another answer—as I said on Second Reading—to that inevitable but very difficult quiz question at Christmas: name 10 famous Belgians.

Mr. John M. Taylor (Solihull): Can you name six famous Canadians?

Mr. Straw: Naming six famous Canadians is a question of which I would prefer to be given notice.

The system used in Belgium has dominated our discussions. It would allow voters to plump for one candidate on each list, unlike the system on which we have finally decided—the simple or closed list system. I shall not repeat the arguments about that.

The questions raised by the Bill have been examined in very great detail. The Government had a clear manifesto commitment to introduce the Bill, and I am glad that the Liberal Democrats have joined us in supporting it. I commend the Bill to the House.

8.22 pm

Sir Brian Mawhinney: We have had a long and serious debate about the issues raised by the Bill. I agree with the Home Secretary that the debate was rightly and properly conducted on the Floor of the House, as the Bill is one of the most important constitutional matters that the House has dealt with in a long time.

Eschewing any bias, I think that I can say that the Opposition have rigorously examined the issues that the Bill raises. We have sought to do so constructively and positively. I am well aware that the Patronage Secretary and those who spend most of their time around him were nervous; they wanted the proceedings to be completed in a quarter of the time—but that is part of what they are paid for. Hon. Members have conducted themselves constructively. We have moved the issues forward, using up an appropriate, but not disproportionate, amount of time.

Conservative Members remain of the view that the Bill is bad. It is a leap in the dark, and it contravenes an approach on which, in other circumstances, the Home

[Sir Brian Mawhinney]

Secretary and I would agree—"if it ain't broke, don't fix it". One of the most compelling aspects of the debates has been the Government's inability to explain what was so wrong with a system that had stood us in good stead since 1979 that it had to be changed. The Home Secretary rightly said that the Bill resulted from a manifesto commitment. I do not question his right to bring forward the legislation, but I do not think that the case has been made for its argument and logic.

The Bill is bad because so much of it remains to be determined. Clause by clause, we have been promised order after order. Whole chunks of secondary legislation still have to be drawn up before the Bill will make any sense. We have no idea what a registered party is, how it will be defined or how it will be implemented. It is not good law-making to leave so much undecided when primary legislation is being scrutinised. Moreover, that is not good for the democratic process. Although the Home Secretary will introduce orders, they will be unamendable and debatable only for an hour and a half, which will preclude them from the in-depth discussion that legislation of such constitutional significance deserves.

On Second Reading, the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) blew the most important hole in the Bill. She said that the current system had one enormous advantage over the one envisaged in the Bill—

"the connection between elected Members and their constituencies."—[*Official Report*, 25 November 1997; Vol. 301, c. 804.]

That connection has been at the heart of British democracy for generations, and for 20 years even in terms of the European Parliament. All of us feel a sense of significance as we walk through our constituencies, knowing that the people belong to us and that we belong to them, regardless of whether they voted for us. We think, "This is my patch. These are my people. I serve them whatever they may have done on election day. All of them have a right to look to me." That has been part of the bedrock of our democracy, but the Government are tearing it apart, destroying what has worked so well for such a long time.

I understand that there are conventions in the House whereby Back Benchers will not say what they think—they do not want to embarrass the Government. That was true, for the most part, in previous Parliaments. The Home Secretary should not think, however, that Labour Members have not approached Conservative Front Benchers in the past few weeks to make it clear how unhappy they are that that fundamental link is being broken.

For that reason alone, the Bill deserves to be opposed, but there is worse. The Bill introduces another phenomenon new to British democracy. In future, electors will not be asked to vote for individuals; they will be asked to vote for parties. The link between voter and a person—with personality, gifts and disadvantages—is also to be broken. Given the tenor of our debates, it seems that Labour Front Benchers are prepared to break the link with almost simplistic ease.

We have a clearer understanding of why that is than we did before the debate. The Government are pre-eminently concerned about control, and the list system will give them control. It will give the party control, and it will give control to the manipulators.

I pay tribute—I do not do so often—to the Liberal Democrats, because they will employ a democratic system to determine the candidates and the order for their lists. The Conservative party has made it clear that we will also follow a democratic principle and allow our members in the regions—if we can find halls big enough to accommodate them all—to decide the order of our lists. However, the Labour party will go into a smoke-filled back room, with a few manipulators and control freaks, the Minister without Portfolio and a few trade union leaders, and they will decide.

The people who lecture us about the people's party will not let their members, never mind the people, decide who will go to Brussels. Lest there should be a smidgen of a thought among Labour Members that I exaggerate, I remind them that three serving Labour Members of the European Parliament have already been expelled from the party, because they would not kow-tow to the control freaks who will organise the operation.

We do not need to look into a crystal ball, because we know already what to expect from the Labour party. Whether the Bill is good for the Labour party does not concern me—well, only a little, because if it is not good for the Labour party that is an advantage. My concern this evening is that the Bill is not good for the country, although that will not bother the Government.

Although it introduces a fundamental change, the Bill gives no information to voters. I pay tribute to the Home Secretary for trying to persuade the Deputy Prime Minister that they were heading for the rocks unless £20 million was spent on helping the people to understand what was about to befall them. However, he lost the argument. No rationale will be revealed and no defence made of the change. Constituencies will have 4 million, 5 million, 6 million or 7 million people, with no sense of identity and no sense of ownership of the process.

The Liberals love the Bill. They want it. We understand why, and we are not fooled by high arguments of principle about the common good or what is best for the people. The Liberals want it because it will give them an opportunity to win a few seats that otherwise they could not win. It will be good for third parties.

The Home Secretary has told us before, and he has repeated it in debates on the Bill, that he is against PR.

Mr. Straw: For Westminster.

Sir Brian Mawhinney: Well, I have noted newspaper reports that the Home Secretary may be hedging his position. He is now briefing the press that he might be willing to accept an alternative vote system. It is being put about on his behalf that the reason is that it at least retains the constituency link. I pay tribute to the Home Secretary, because I believe that he is genuinely sincere in attaching importance to the constituency link. However, he has failed to explain why it is so important to him at Westminster, but is not important to him for another parliamentary system, another democratic expression.

Why did the Home Secretary introduce the Bill? Was he pushed to do so by the left wing of his party? He was not, because the hon. Member for Bolsover (Mr. Skinner) told us on Second Reading that the whole idea was political suicide. Was the Home Secretary pushed to do so by the Prime Minister, who—whatever else he is—is not the ringleader of the left wing of the

Labour party? Well, as Magnus Magnusson might have said, "I've started, so I'll finish with the same view." As I reminded the House on Second Reading, the current Prime Minister said, in 1994—interestingly, after the Labour party conference had adopted the Plant recommendations, as the Home Secretary has just reminded us—

"I have not been persuaded that under PR"

one does not

"end up with a disproportionate power being wielded by small parties. There is no perfect electoral system. Each has its problems and I simply do not believe that the problems"

one gets

"with PR are less than those"

one gets

"with the existing system.""—[*Official Report*, 25 November 1997; Vol. 301, c. 818.]

The Bill drives forward a political agenda for the Government and for the Liberal Democrats: it does not drive forward a democratic agenda for the nation. The Bill will become law, imperfect though it is. When there is democratic uproar next year, we will be able to point out that it was the Conservative party that argued the people's case and voted against the Bill.

8.35 pm

Mr. Allan: I welcome the Third Reading of the Bill. The Liberal Democrats take as our starting point the fundamental imbalance that was caused by the 1994 European elections—an imbalance in British representation that meant that our constituents were not represented proportionally and also caused an imbalance in the European Parliament itself. We recognise that, in many ways, the Labour Government have been brave to introduce a Bill which appears to damage them in comparison with the current electoral situation.

I am sad that the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney) is so uncharacteristically cynical about our motives. We engage with several million people in this country who wish their Liberal voice to be heard in all the bodies of power. It is our duty to ensure that that voice is heard. We engage with people who are frustrated at having spent their lives voting for parties and never being represented. Many of those people are members and supporters of other parties who end up—legitimately—voting tactically for us because their vote for their first party of choice will never count. Many of those people will also welcome the introduction of the Bill.

We have had fascinating debates throughout the Bill's progress. I never thought that I would hear so many Conservative Members appear so familiar with the terms of proportional representation systems, such as the various divisors. I hope that the experiences that they have had in our debates will lead them to an understanding of why those systems are fairer, and of the way forward. We have all learnt from the experience, and I hope that we will continue on the journey to constitutional reform, which is most welcome to the Liberal Democrats.

The Bill still has features about which we are not 100 per cent. happy, and they have been thoroughly rehearsed in the debates. I thank the right hon. Member for North-West Cambridgeshire for his recognition of the fact that we have instituted a democratic process in our party to do our best to cope with the unfairness and possible problems that the closed list system may cause. However, we do not believe that the Bill is a backward step: it is a missed opportunity to move forward. We hope that the Labour party will also introduce measures to try to redress some of the democratic deficit, because the electors will have a problem if all the parties do not behave fairly.

The Bill is an enormous step forward. We hope that it will be part of a process that introduces fair voting. It started in Northern Ireland, with the fair voting systems that it has had for years. It will take us through the Scottish Parliament and the Welsh assembly, on to Europe and, eventually, to local government and Westminster. While I recognise that the Home Secretary and others in his party hope that the Bill is so far and no further, we hope that it is the thin end of wedge, and that the days of the first-past-the-post system are numbered in this country.

The Liberal Democrats will vote joyfully and willingly for the Bill and we look forward to going to our party conference, which starts this weekend in Southport, and telling our members that next time they vote in a European election every vote will count towards electing a Member of the European Parliament—the first time that they will have been able to say that about a UK-wide election in the history of this country.

8.39 pm

Mr. Sayeed: I am not normally given to violent language in any debate. When I disagree with something, I normally debate more in sorrow than in anger, but the proposals are so partisan and undemocratic that the Labour party should be ashamed of them. We were promised a White Paper, but we have never had it.

Mr. Straw: The House was not promised a White Paper, but a Bill.

Mr. Sayeed: By "we" I meant the country. Before the election, we as a country were promised that there would be a White Paper, but there was not. A White Paper would have allowed the whole country to discuss and consider the measures, but because we have had a Bill that has been bulldozed through the House by a Labour Government with an enormous majority, we have not had that opportunity.

Parts of the Bill are clearly unpopular, not just with Conservative Members, but with Labour Members. I have had a number of discussions with Labour Members who clearly do not like parts of the Bill. I doubt whether they will vote against it; they will probably just abstain if they feel strongly enough. There is no doubt that parts of the Bill are so undemocratic that a large section of the Labour party dislikes them intensely. I hope that they will convey those feelings to their supporters in their constituencies.

I am not sure whether even the Home Secretary likes the Bill very much, as I noticed that he seemed to giggle his way through a great deal of the Second Reading

[Mr. Sayeed]

debate, and I understand that that even happened in Committee. I wonder whether he is comfortable with the Bill. I am sure that the Labour party machine likes the Bill because it gives it enormous power.

I accept that parts of the Bill were contained in the Labour party manifesto; it contained proportional representation—I think that that was a deal cooked up with the Liberal party. I think that it may well be the precursor, as the Liberals want, to PR for the Westminster Parliament, which I profoundly regret.

Mr. Mike Hancock (Portsmouth, South): I should be interested to hear the hon. Gentleman's interpretation of the democratic process. The hon. Gentleman's colleague, the Conservative Member of the European Parliament who represents the part of Hampshire in which I live, Mr. Roy Perry, is complaining that his constituents and party members who might want to vote for him on the list system have to come to London to cast their vote. They are not even allowed to have a postal vote. What is democratic about that process?

Mr. Sayeed: I shall explain it clearly to the hon. Gentleman. The problem is that we have been forced into a difficult position because the regions are so large that they are unmanageable—*[Interruption.]* I was asked a question and I shall answer the hon. Gentleman. Because the regions are so large, people have to travel long distances to listen to every one of the candidates and then make their decision. That is what is called democracy; that is the democracy that we have got to have because we have been forced to have the regions—*[Interruption.]*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. There are many conversations taking place in the Chamber, but I can listen to only one speaker.

Mr. Sayeed: From a sedentary position, I heard the hon. Member for Moray (Mrs. Ewing) ask, "What about the highlands and islands?" I agree with the hon. Lady, who has a good point. It is because we have been forced to have enormous regions that people will have to travel long distances if they are to hear the various candidates who want to be selected and elected as Members of the European Parliament.

Mrs. Ewing: Is it not the responsibility of the candidate to go to the people?

Mr. Sayeed: Of course it is the responsibility of the candidates to go to the people, and no doubt they will do so, but in a democratic process there has to be a selection conference. The Labour party is not going to have a selection conference as we understand it; they are going to have a—

Mr. Deputy Speaker: Order. I think that the hon. Gentleman is dwelling on the subject of the selection of candidates, which is a matter for political parties. The Bill is not about the selection of candidates; it is about enabling people to stand for the European Parliament. The subject of the selection of candidates is outwith the scope of the Bill.

Mr. Sayeed: Thank you, Mr. Deputy Speaker, for your advice. I was trying to explain the dangers of a closed list system.

We know that the enormous regions will break the constituency link, which I regret; I think that many hon. Members regret it. The aspect of the Bill that makes me so angry is that the closed list system was not contained in the Labour party's manifesto. Instead of having government by the people and for the people, we are going to have government by the placemen and for the party machine. That is not democratic, which is why I have the greatest pleasure in opposing this awful Bill.

8.45 pm

Miss McIntosh: I am grateful to have been called to contribute to the Third Reading debate.

I should like to start by saying why I think the present system is satisfactory. Along with distinguished Ministers, I have experienced the present system, and I know that it has provided a direct constituency link. It gives an identifiable elected Member the right to take up cases and push legislation through on behalf of his or her constituents. It provides a clear, identifiable accountable link between the Member of the European Parliament and the elector, and it allows voters to express their choice of candidate.

The Home Secretary was clearly right to say that the European Parliament does not form a Government, but it does play a greater legislative role than the original unelected Assembly that existed prior to the direct elections of 1979. Those powers were vested in the European Parliament through the European Single Act, the Maastricht treaty and the Amsterdam treaty.

The European Parliament plays a similar role to Congress in the United States. I think that the Home Secretary must accept that the size of the Euro-constituency is similar to that of a congressional seat—half a million people. The European Parliament imposes a similar system of checks and balances on the Commission and the Council of Ministers. Perhaps the Government fear that system of checks and balances being played against the Government as President in office of the Council.

I also have great reservations about the system proposed in the form of a closed list. It is profoundly undemocratic and leaves Members of the European Parliament unaccountable to their electors.

Earlier this evening, the Home Secretary said that he would do nothing to discourage people from voting in the European elections. It is the fervent wish of Conservatives to encourage people to vote in the European elections.

Does the Home Secretary accept that several different systems for elections will fall within the two months of May and June next year? There will be one system of proportional representation operating for the European parliamentary elections in Northern Ireland; under the present proposals—if they are adopted—a different system will operate for the European elections in England, Wales and Scotland; a different system is envisaged for election to the Scottish Parliament and the Welsh Assembly; and the normal first-past-the-post system will apply for local elections in May.

I invite the Home Secretary to stick to the original agreement, which was formally agreed between the Labour party and the Liberal party, to introduce a system of proportional representation that would be valid for all forms of election, but not the European parliamentary

elections before the year 2004. Is it not profoundly wrong of the Government to try to introduce what we Conservatives have described as a bad Bill, which has not been thought out properly due to lack of time?

If the proposed system of proportional representation is so good, why is it not being chosen for all the elections in the two-month period May to June 1999? Will not the system confuse electors—especially first-time electors, and perhaps older electors—so much that they will be put off casting their vote?

The Home Secretary said that he would oppose any weakening of the sovereignty of the House. Are not the Government proposing to weaken it, with the creation of a federal state? They are already committed to introducing a Scottish Parliament and a Welsh assembly, and the Deputy Prime Minister has said that we will have directly elected members of regional assemblies in due course.

The Bill would introduce a list system of party-controlled lists without any democratic link or any accountability of the elected MEP to his or her constituents. I wish it to be noted tonight that Conservatives want to preserve democracy and the direct link between the elected Member and the voter, whereas the Bill makes it clear that Labour wants to create the federalist socialist super-state that Conservative Members have consistently opposed.

It gives me great pleasure to oppose the Third Reading of the Bill.

8.50 pm

Mr. Gill: Many motives have been ascribed to the Government for introducing this sad and unfortunate Bill, but in tonight's debate no one has mentioned the fact that the terms of the treaty of Maastricht oblige the Government to introduce proportional representation. Once again, Europe is driving the agenda.

I oppose the Bill. My principal objections to it are that, as many colleagues have said, it ends the direct link between Members and their constituencies, and puts parties before people. Moreover, I believe that, if the electoral system is changed, we shall witness in the European Parliament—I fear that, if we get proportional representation in this Parliament, it will occur in this place, too—the emergence of party apparatchiks instead of those people who, over the years, have truly and consistently represented the interests of the people who put us in this place.

The Bill stands democracy on its head. It removes people's right to select their own candidates. It destroys the delicate balance between Parliament, the parties and the people that they represent. It eliminates all the essential checks and balances that have stood democracy in this country in good stead for so long. It is a bad Bill, with little or no democratic justification. There is no disguising the greater party patronage and the greater central control that will result from the Bill, and there is no denying the scope it creates for dishonest politics and corrupt politicians.

Finally, I very much regret the fact that an opportunity has been missed to enfranchise 18,000 people living in Gibraltar. That is very sad. The people of Gibraltar cannot understand it, and nor can I. The Government continually tell the House that they are altering our constitution to make it more democratic, and to make it more accountable to the people. The Bill provided the Government with an opportunity to put their words into action. They have missed it, and that will not be easily forgotten in Gibraltar.

8.52 pm

Mr. Syms: I shall be brief, because I know that hon. Members wish to get away after a long week.

The hon. Member for Sheffield, Hallam (Mr. Allan) said that he hoped that we had learnt something about proportional representation. The more we learn, the less we like it. I am sure that, as the British electorate appreciate what they will have to deal with at the next European election—

Mr. Hancock: They will come to love it.

Mr. Syms: As a defender of the first-past-the-post system, I believe that the experience of the new system will be a great ally to us, because, when the electorate see how the new system works, they will start to appreciate the representative democracy that they have had for so many years.

We have heard much about proportionality. There are advantages in a proportional system, but some very proportional systems in use in Europe produce answers that are not always the ones that sensible, moderate politicians want.

The Front National in France benefited greatly from its national list, which gave it a boost domestically. We have heard a great deal about Belgian politics. Anyone who visits Antwerp sees the influence of Vlaams Blok, which often wins a fifth of the vote and has an influence. It is somewhat nasty to immigrants and has a political pedigree that none of us would want to see reflected in the British political system. We should be wary. Proportional systems can throw up people with whom hon. Members would not especially like to share a platform.

I finish by remarking on the comments of my right hon. Friend the Member for North-West Cambridgeshire (Sir B. Mawhinney). We have seen part of the pudding in the Bill. We have not seen the registration of political parties, which will be key to the way in which the Bill works. At the start of this process, the right hon. Member for Upper Bann (Mr. Trimble) asked several very sensible questions about lists. What happens under a list system when an MEP switches party? What happens when there is a list that is to continue for five years, until the next election, and a candidate switches party and inherits a seat?

All those key issues will be debated on the Floor of the House. Conservative Members will make constructive comments, but also stand up for what we believe to be right, in terms of representative democracy and the rights of individual electors.

Question put, That the Bill be now read the Third time:—

The House divided: Ayes 198, Noes 87.

Division No. 204] **[8.55 pm**

AYES

Adams, Mrs Irene *(Paisley N)*	Baker, Norman
Ainger, Nick	Ballard, Mrs Jackie
Ainsworth, Robert *(Cov'try NE)*	Banks, Tony
Allan, Richard	Beard, Nigel
Atkins, Charlotte	Beckett, Rt Hon Mrs Margaret
Austin, John	Begg, Miss Anne

Bermingham, Gerald
Berry, Roger
Betts, Clive
Boateng, Paul
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Burden, Richard
Burstow, Paul
Butler, Mrs Christine
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Chidgey, David
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clark, Paul *(Gillingham)*
Clarke, Charles *(Norwich S)*
Clarke, Rt Hon Tom *(Coatbridge)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Cohen, Harry
Coleman, Iain
Colman, Tony
Corbett, Robin
Corston, Ms Jean
Cotter, Brian
Cranston, Ross
Cummings, John
Darvill, Keith
Davey, Edward *(Kingston)*
Davies, Geraint *(Croydon C)*
Davis, Terry *(B'ham Hodge H)*
Dawson, Hilton
Dobson, Rt Hon Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godsiff, Roger
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Heal, Mrs Sylvia
Hepburn, Stephen
Heppell, John
Hewitt, Ms Patricia
Hoey, Kate
Home Robertson, John
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Ms Glenda *(Hampstead)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Mrs Fiona *(Newark)*
Jones, Nigel *(Cheltenham)*
Jowell, Ms Tessa
Keeble, Ms Sally
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Laxton, Bob
Levitt, Tom
Linton, Martin
Lloyd, Tony *(Manchester C)*
Lock, David
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McIsaac, Shona
Madennan, Rt Hon Robert
McNamara, Kevin
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Malaber, Judy
Marshall–Andrews, Robert
Martlew, Eric
Meacher, Rt Hon Michael
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheffd Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moore, Michael
Moran, Ms Margaret
Morley, Elliot
Morris, Rt Hon John *(Aberavon)*
Mountford, Kali
Mudie, George
Norris, Dan
O'Brien, Mike *(N Warks)*
Olner, Bill
Öpik, Lembit
Palmer, Dr Nick
Pearson, Ian
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pollard, Kerry
Pond, Chris
Pound, Stephen
Prescott, Rt Hon John
Primarolo, Dawn
Purchase, Ken
Quin, Ms Joyce
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Rendel, David
Robertson, Rt Hon George *(Hamilton S)*
Ruane, Chris
Russell, Bob *(Colchester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Southworth, Ms Helen
Speller, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Stoate, Dr Howard
Straw, Rt Hon Jack
Stuart, Ms Gisela
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Tonge, Dr Jenny
Turner, Dennis *(Wolverh'ton SE)*
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Vis, Dr Rudi
Walley, Ms Joan
Wareing, Robert N
Watts, David
White, Brian
Wicks, Malcolm
Wills, Michael
Winterton, Ms Rosie *(Doncaster C)*
Worthington, Tony
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Ms Bridget Prentice and Janet Anderson.

NOES

Ainsworth, Peter *(E Surrey)*
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Brady, Graham
Brazier, Julian
Burns, Simon
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Clappison, James
Clifton–Brown, Geoffrey
Colvin, Michael
Davies, Quentin *(Grantham)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gray, James
Greenway, John
Grieve, Dominic
Gummer, Rt Hon John
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Horam, John
Howarth, Gerald *(Aldershot)*
Jack, Rt Hon Michael
Jenkin, Bernard
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Leigh, Edward
Lilley, Rt Hon Peter
Lloyd, Rt Hon Sir Peter *(Fareham)*
Luff, Peter
MacGregor, Rt Hon John
McIntosh, Miss Anne
MacKay, Andrew
McLoughlin, Patrick
Madel, Sir David
Maginnis, Ken
Malins, Humfrey
Mawhinney, Rt Hon Sir Brian
Moss, Malcolm
Nicholls, Patrick
Norman, Archie
Ottaway, Richard
Page, Richard
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Ruffley, David
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, John M *(Solihull)*
Taylor, Sir Teddy
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Wardle, Charles
Wells, Bowen
Widdecombe, Rt Hon Miss Ann
Winterton, Mrs Ann *(Congleton)*
Winterton, Nicholas *(Macclesfield)*
Woodward, Shaun
Yeo, Tim
Young, Rt Hon Sir George

Tellers for the Noes:
Mr. James Cran and Mr. Nigel Waterson.

Question accordingly agreed to.

Bill read the Third time, and passed.

Mr. John McDonnell (Hayes and Harlington): On a point of order, Mr. Deputy Speaker. Earlier today during business questions, I requested a debate on the human rights record of my predecessor, Mr. Terry Dicks, who had visited Iraq and subsequently supported the hanging of Fazal Barzoft, a journalist with *The Observer*. He also cast aspersions on the veracity of the gassing of Kurds in the village of Halaji.

While I was out of the Chamber, meeting constituents involved in a dispute at a local factory, I believe that a Conservative Member returned to the matter, on the basis that I was repeating a libel which I settled out of court.

I raised the matter, not to repeat any libel but on the basis of information contained on the record in *Hansard* of the previous Member for Hayes and Harlington. He said that the Conservative Government, without any evidence being available at all, were quick to condemn the Iraqi Government for "allegedly" gassing the Kurds living in the north of Iraq. That comment followed an Amnesty International report confirming the gassing.

In a newspaper article, which has been supplied by the Library, he went on to support the hanging of Fazal Barzoft—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I have listened carefully to the hon. Gentleman, but I cannot let him continue, because that is not a point of order. These are personal matters and personal views. They are not matters for me.

Mr. McDonnell *rose—*

Mr. Deputy Speaker: Is it another point of order?

Mr. McDonnell: I seek to put the record straight on the accuracy of the statement that—

Mr. Deputy Speaker: Points of order should not be used to put the record straight.

Mr. McDonnell: I am much obliged.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

NORTHERN IRELAND

That the draft Northern Ireland Arms Decommissioning Act 1997 (Amnesty Period) Order 1998, which was laid before this House on 2nd March, be approved.—*[Ms Bridget Prentice.]*

Question agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft Employment Rights (Increase of Limits) Order 1998, which was laid before this House on 18th February, be approved.—*[Ms Bridget Prentice.]*

Question agreed to.

Sierra Leone

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Bridget Prentice.]*

9.9 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): I am grateful for Madam Speaker's choice of tonight's subject on the Adjournment, which is the situation in Sierra Leone. I first sought a debate on the subject some weeks ago. It is of great encouragement to me that, since I first started seeking this opportunity, things have improved considerably in Sierra Leone. Although it is taking events in somewhat the wrong order, we meet tonight in the context of the liberation of Sierra Leone from its military junta and at the beginning of what I hope—like, I am sure, all colleagues in the House—will be a hugely positive and constructive new chapter, with a democratic Government installed, supported and made secure.

My first reflection is that, instead of having the debate that I feared we would have—one critical of a military regime and setting out the horrors that were inflicted a couple of weeks ago, in one of the poorest countries in the world—there is now a substantial shaft of light.

Secondly, I have used the opportunity of tonight's debate to gather together some people who know much more about events in Sierra Leone than I do. It is clear that the general view is that the British Government—especially the new Government—have signalled their intention to be a strong and renewed supporter of the Commonwealth. It is clear also that they have wanted to be helpful and supportive—supportive of the President in exile, supportive of our mission in exile with him and intensely keen to try to bring about a satisfactory resolution.

The Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd), and his colleagues have the respect of the Sierra Leonean community, both there and here. I therefore hope, that we can all contribute constructively and positively to the debate, as I know the Minister personally and his colleagues have sought to do. I think that I am right in saying that the Minister has plans—he will probably tell us more formally—to go to Sierra Leone in the near future. That visit will be greatly welcomed.

My third introductory comment is that I come to the debate entirely ill equipped, in a way, to be introducing it. I love Africa greatly and I have been there relatively often, but I have never been to Sierra Leone. My interest does not spring from my experience of the country in either its peacetime or its wartime. It comes instead from friendships with and the interests of my constituents, who form part of the significant Sierra Leonean community in this country.

I do not know the accurate figures, but I have read that there are about 180,000 Sierra Leoneans here. Parliamentary colleagues from Hull, north London, including the hon. Member for Islington, North (Mr. Corbyn), and others, like me, represent significant numbers of people who have come from Sierra Leone. Many of them have been in this country for a long time in settled communities. Others have been here for a short time; those people have come because they could not stay at home.

[Mr. Simon Hughes]

One of the issues on which I shall touch is that, together with the Minister of State and his Department, there is a Home Office interest in the debate. Last year, as a result of the coup and the situation in Sierra Leone, the Home Office declared that Sierra Leone was a country whose nationals in this country would not in any circumstances be sent back, because it would be unsafe for them to return. I welcomed that decision. My constituents who are from Sierra Leone also welcomed it greatly.

Within days of the beginning of the restoration of democratic government, questions arose concerning when, how and in what way it would be appropriate to change that process. Clearly that is of great concern to Sierra Leoneans in this country.

Before I knew that Madam Speaker had selected this subject for debate, one of the first unsolicited letters that I received at the beginning of the new year was from an organisation that I had not heard of before. It may have written to other colleagues—certainly to Ministers. The letter was from a small group of people based in this country who call themselves the Movement for Peace in Sierra Leone. I shall read the beginning of the letter, as it sets the scene for the situation in Sierra Leone at the turn of the year:

"I am writing to you about the lack of public awareness of the deteriorating events in Sierra Leone and the distressing plight of its refugees as a result of a prolonged seven year civil war culminating in the recent military coup of 25 May 1997.

Words are extremely difficult to find to describe the carnage which has resulted from this military coup. Sierra Leone now lies in ruins and is ungovernable. With a population of 4.5 million of which 150,000 or more have been killed in the civil war: the exodus of Sierra Leoneans to the relative safety of neighbouring countries has reached epic proportions, estimated at around 750,000. This has created a humanitarian crisis along the west coast of Africa and beyond and the litany of suffering, destitution and degradation encountered by Sierra Leonean refugees would bring tears to your eyes . . . we were impelled to do something on their behalf."

The organisation was impelled to write to colleagues and to me.

That message at the beginning of the year made me think that I should do something. I know that such a thought has always been in the mind of Government, and in the minds of colleagues, many of whom have asked questions in the House and in the other place.

Those who do not represent Sierra Leone or who have not worked or lived there, or who have not been involved directly with the agencies or previous missions to Sierra Leone, may wonder whether this is a big issue on the world stage, because we have not heard about it in the same way as we have heard of Rwanda and Burundi—we have not had pictures on our news in the same way—but occasionally the tragedies of the lack of a democracy in such countries impact here.

Colleagues and others who later read or hear our debates may remember a true-life story which was reported in this country: that of a little girl from Makeni, north of Freetown, who came to this country from a children's home, where she could not get the treatment she needed after a bullet was shot into her head, between her eye and her brain. She came here, to Norwich hospital, two years ago, for her life to be saved. Tenneh Cole, "the girl with the bullet in her head", encapsulated for a moment the tragedies that occur when the democratic structure of countries such as Sierra Leone is completely overturned. Only weeks ago, it was reported that everybody from the home from which that little girl came had gone missing. It had been looted and it was not known whether any of the children were alive or dead. Mercifully, later reports confirmed that the children had escaped into the bush.

We are talking about a country that has been ripped apart and ravaged, where the most indescribable things have happened to the most vulnerable in the most vulnerable of places. The least we can do is reflect on that and get the maximum agreement and support from the Government to bring help, succour and consolation.

I shall not spend a long time tracing the history of what has happened; nor will I spend long getting involved in the debate—although it has merit—about how the forces of liberation came to the rescue in recent days. I shall do that summarily.

After the military coup, attempts were made by the EU, within the United Nations and by Governments in west Africa, to bring about, by means of sanctions, diplomacy and so on, a peaceful resolution and an end to the military regime. That did not succeed; therefore, ECOMOG—the military observer group of the Economic Community of West African States—intervened.

I think that it is widely accepted that, technically, ECOMOG intervened outside the remit of the United Nations. That is not something that we would usually sanction, and I am not seeking to do so now. All I can say to the Minister, as I am sure he has been told, is that the first response in Sierra Leone was that the Nigerian-led troops were welcome. They have allowed the President to return. Whatever we may think about the regime in Nigeria, and whatever we may wish for that country, it would be wrong to be distracted tonight by those issues when, thank God, things have moved on and that intervention has taken place.

The implications of the way in which the President has been allowed to return, and the deputy commissioner and now our high commissioner have gone back, are matters for us. There are two sorts of issue which I hope will concern the House. I shall illustrate those, ask a few questions and leave the House with a few reflections which have been picked up from Sierra Leonean citizens who have lived and worked there and which they have been good enough to share with me.

There are two principal areas in which we can assist, and I speak to the Minister as he is wearing both his British Government hat and his European Union presidency hat, which he has for six months. First, we need to consolidate, bolster and secure democracy, civil liberty and the rule of law in Sierra Leone. Since independence, it has had two military regimes and it does not want any more. It wants to continue in a democratic tradition. Therefore, we must go about building that democracy.

It emerged clearly from a meeting that we had not many minutes ago that local government is one of the respects in which Britain may be able to help. I have a practical example which relates well to other experiences that I have had in other African countries.

If, for example, one is seeking to distribute aid or organise other matters locally, it is far more likely that an elected local government structure, rather than appointed or self-appointed local organisations, will have the

confidence of the people. If we are seeking to build a regime of security, supporting the Government and people of Sierra Leone, there are various ways in which to proceed.

We need to give support to the United Nations to regularise the position of any external forces which may remain in the country. It is important that what has happened is put right, made legitimate and then made secure within a United Nations context.

It is clear that, if people feel insecure, there cannot be a democratic regime and the fair chance of a beginning of prosperity. Most important, the country's borders and, in particular, its border with Liberia, must be secure. The frontiers must be known to be secure and there must be protection against the risks that many believe triggered the initial civil war—the spilling over into Sierra Leone of issues that originated in Liberia. External and internal security go together. If one is not secure, both may fail.

We must ensure that human, political and civil rights, as well as economic and social rights, are looked after. In a study on wealth carried out about 10 years ago, Sierra Leone came 186th out of 186 or 187 in the world league table. One destabilising factor, which is more tragic when it occurs in a poor country, is the great injustice that remains between the affluent and the poor. Economic injustice results in economic and social imbalance, which detracts from a stable political, civil and social community.

As we think about how we can proceed in terms of securing a political and democratic regime, I want to make a specific suggestion. Given that the Commonwealth secretariat is based in this country, as soon as is practicable in Sierra Leone an organisation such as the Westminster Foundation for Democracy could seek to facilitate a constitutional and civic discussion so that the ideas of people of experience who remain in Sierra Leone or have been exiled can be taken into account and used in the rebuilding process. The Westminster Foundation for Democracy has done good work in South Africa and elsewhere in Africa, so perhaps it, as well as other organisations, could be used.

Secondly, practical assistance is desperately needed to build up a country that is on its knees. I refer to humanitarian aid in the first place, but a reconstruction programme is also needed. Earlier today, I was listening to friends and colleagues in a Committee Room speak of their experiences. If I were a Sierra Leonean, I would want the world to help with a sort of Marshall plan for my country. That is the level of investment and commitment that is needed. A country of 4.5 million people is not an insignificant one to rebuild.

Sierra Leone has one or two crucial industries. If it is to have a diamond industry that produces wealth for all, not just for the few, it must be incorporated into a reconstruction programme. In many areas, agriculture has been devastated and the infrastructure is non-existent. Although it is a small country, there have been repeated pleas for a decent rail system. Pleas are heard in all countries, but they are all the more crucial in a country that has suffered both civil war and then a repressive and cruel regime. Hardware is needed to allow agriculture to take off quickly. The land for growing rice exists, but without tractors and tools, the rice cannot be grown, so people are not as self-sufficient as they would like to be.

I hope that the Government will draw up a list of the practical humanitarian measures that they can take and co-ordinate a response. It would be helpful if the Minister will not just say that the United Kingdom Government will continue to respond and be keen to help, but mobilise our colleagues in the European Union and the Commonwealth to respond appropriately, too. If this Parliament has noticed how unsatisfactory and oppressive the regimes in Sierra Leone and Nigeria have been, we must respond with speedy action when the chance comes for those regimes to end.

Measures are needed that go beyond the immediate and short terms. In response to what our Sierra Leonean partners tell us, we could help to co-ordinate training, support and back-up for their education and teaching, judicial and local government systems. "Training" is one of the words I hear most when people are asked what is needed in Sierra Leone.

Sierra Leonean voluntary sector organisations, some based in this country and some based in Sierra Leone, already have the appropriate people who are willing and able to work, and they should be supported. People from Sierra Leone who are based in Britain need help to enable them to go back and contribute to the rebuilding of their country, because they face complicated problems. The Government must consider also how they can respond sensitively and appropriately to the problems of those who are so unsettled, upset, physically hurt and bereaved that they are not ready or able to go back home in the near future.

All I can do is hint at the enormity of the task facing us. Britain was the colonial power, and since 1961 has been regarded as the principal non-African friend of Sierra Leone. If ever there was a time for us to do our post-colonial duty, it is now; if ever there was a time for the Government to respond generously and win the sympathy and support of all hon. Members, it is now.

On behalf of a community that has suffered far more than any community has ever deserved to suffer, I say to the Minister that there is an opportunity to rebuild. The President and the Government want to get on with the job, and the people of Sierra Leone are looking to us to respond. I hope that tonight's debate shows that we are ready to listen, and to respond most generously.

9.32 pm

Mr. Kevin McNamara (Hull, North): I congratulate the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) on his good fortune in securing the debate.

The city that I represent is twinned with Freetown in Sierra Leone, and that is particularly important to us. Twinnings between cities are often occasions for junkets, with a little education and a few visits thrown in, but, because of the city's connections with William Wilberforce and his connections with Sierra Leone and the abolition of slavery, we deliberately chose to twin with Freetown to draw our citizens' attention to responsibilities outwith Europe.

Our relationship with Freetown has been tenuous, not because of any lack of good will among the people of Freetown or the citizens of Hull, but because of the unhappiness that has hit Sierra Leone and the reaction of previous British Governments to the issues of trade, aid and assistance. We welcome the return of democracy to Sierra Leone and hope to see the country prosper.

[Mr. Kevin McNamara]

I want to put two points to my hon. Friend the Minister, and if my hon. Friend the Member for Hull, West and Hessle (Mr. Johnson) catches your eye, Mr. Deputy Speaker, he may go into further detail. First, I shall take up the point about training in local government made by the hon. Member for Southwark, North and Bermondsey (Mr. Hughes). Representatives from Freetown's town clerk's department have frequently worked in our town clerk's department. In turn, we have sent administrators to Freetown. Much could be achieved by Her Majesty's Government if they examined the small and narrow, but fundamental, issue of training. Helping people works two ways: we learnt a great deal from the Sierra Leoneans who worked with us in Hull. That is something that can be built on at relatively little cost. It provides important infrastructure for a decent and civilised life. We should look at that.

Secondly, we should make more use of our voluntary organisations in this country and the voluntary organisations in Sierra Leone which have contacts and relationships with one another. It might be through CAFOD—the Catholic Fund for Overseas Development—War on Want or some other organisation.

That country is facing terrible devastation as it recovers from the ravages of the terrible civil war. At grass roots level, help can be provided with small projects, small sums of money and limited but important ambitions to rebuild the local economy, and to help people regain the ability to sustain themselves and provide something for a cash crop to maintain the economy. Despite the civil war, the invasion and the restoration of democracy, the voluntary organisations have maintained specific and deliberate connections. Throughout that time, money has been going to Sierra Leone to buy things that are desperately needed. Above all, those voluntary organisations have the confidence of local people. In many cases, it is local people who are administering the work and assistance.

I would like to think that the Foreign Office and my right hon. Friend the Secretary of State for International Development will look at ways in which to help. Great sums of money and great schemes will not do anything immediately, but we should concentrate our attention on myriad small schemes, deliberately targeted on the agencies and the people who know how to achieve the regeneration of the countryside.

9.37 pm

Mr. Alan Johnson (Hull, West and Hessle): I, too, pay tribute to the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) for initiating the debate and for allowing us to participate. As my hon. Friend the Member for Hull, North (Mr. McNamara) has said, Hull has a long association with Sierra Leone and we are twinned with Freetown. Our constituents have watched with concern the events of the past decade. According to the United Nations, 30,000 people have been killed in Sierra Leone since 1991, and 350,000 people have been made refugees.

There was optimism in February 1996 when the elections produced a mandate for the Sierra Leone People's Party and for the presidency of Ahmed Tejan Kabbah. That turned quickly to despair. The Minister will recall that my hon. Friend the Member for Hull, North and I wrote to him on 10 December last year drawing his attention to an Amnesty International report on the abuse of civil rights and the collapse of the rule of law following the military coup which took place in May last year. As my hon. Friend the Member for Hull, North said, hopefully the reign of terror is over, but the scorched earth policy of the fleeing terrorists is causing great suffering to people who have already suffered so much.

I know that the Government will do everything they can to ensure that the fledgling democracy survives. I should like to quote from a report sent to us in Hull by a very brave man, Father Peter Konteh, who is based at the Sacred Heart cathedral in Freetown. He wrote to us recently via the local press saying:

"How do people feel about the future? People are generally optimistic; Sierra Leone seems to have a lot of confidence in President Tejan Kabbah. This is partly due to the fact that before the May 25th obstruction, there were evident signs that the economy of the country was on the mend. People believe that with his reinstatement things may continue for the better. Others feel that life will continue to be difficult for a while, because the AFRC have done so much damage to the economy and the infrastructural basis of this nation, but none the less they believe that Tejan Kabbah is well capable to rebuild this country."

My hon. Friend the Member for Hull, North and I are here because we believe that Ahmed Tejan Kabbah cannot do it alone and that the people of Sierra Leone need assistance. In Hull, we are doing our best to provide what help we can to our friends in Sierra Leone because we recognise the suffering that its people have endured and the immense courage of those who have stayed to struggle for the restoration of democracy in that beautiful country.

9.39 pm

Mr. Jeremy Corbyn (Islington, North): I congratulate the Speaker on choosing this subject for today's debate, the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) on the way in which he has introduced it, and my hon. Friends the Members for Hull, North (Mr. McNamara) and for Hull, West and Hessle (Mr. Johnson) on the excellent work by Kingston upon Hull council as part of a real twinning arrangement.

Like the hon. Member for Southwark, North and Bermondsey, a considerable number of people from Sierra Leone live in my constituency and in nearby areas of north London. The reality for them of a conflict that has gone on for a long time is the horror and fear of trying to find out what has happened to their families: whether they have been killed, where they have been forced into exile, and which place has granted them refuge or which has not.

To try to put it into context, the civil war in Sierra Leone has gone on almost as long as this country's population endured the second world war. That is the reality of life for Sierra Leone's people. Thirty per cent. of the population have been displaced and well over 15,000—possibly as many as 50,000 people—have been killed during the war. The loss is tremendous and horrific, and it tends to be of the most able sections of the population during fighting. The problems of economic redevelopment and reconstruction of the whole country are further hampered by the loss of so many able, fit and skilled people. As a result, the damage is even greater.

The number of people who have sought refuge in this country has been considerable. Although the Home Office has not removed anyone to Sierra Leone and, as far as I

know, has no plans to do so, I would be pleased to hear from the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Manchester, Central (Mr. Lloyd), that he will pass on to Home Office Ministers concerns that many of us have that, although—I hope—the war is behind us and a period of peace and stability is ahead, it has not all happened yet. We hope that there will be no removals back to Sierra Leone in the foreseeable future, and that we shall instead have some sympathy for the people concerned.

I have in front of me a sobering booklet called "The armed conflict in the world today: a country by country review". I do not propose to read it all because it would take a long time. The booklet is, in part, sponsored by the all-party group on human rights, of which I am one of the vice-chairs. In the section on Sierra Leone, it outlines the problems, conflicts and losses, and the hope that, following the accords that were signed after hostilities ended—which we understand is the case—some Government of national unity will be installed. I hope that that Government are successful and able to achieve the national unity that is required for reconstruction to take place.

Although I recognise everything that the hon. Member for Southwark, North and Bermondsey said on that point, the question of the UN's role in this conflict and, indeed, in others needs to be examined closely. The UN takes a high-profile role in certain places. At times, it almost looks as though CNN is following the UN, or the UN is following CNN; I am not sure which way round it is. This conflict never quite reached the proportions of Kate Adie being parachuted in to report it to us. As a result of the almost complete media ignorance of the events there, the Nigerian army was acting—or believed it was acting—on behalf of the UN in both Liberia and Sierra Leone.

Do not get me wrong. I am glad that the conflict is over in Sierra Leone, but I do not believe that it is right to allow armies from countries that, in no sense, can be described as democratic or respecting human rights in their societies, to act, in effect, under a UN mandate. I would rather that the UN had a much more hands-on involvement in tackling the problems of west Africa. A conflict, be it in Bosnia, Iran, Iraq or West Africa, results in thousands of deaths. If the UN is to mean anything, it has to be properly involved. I hope that the House will return to the issue of what the UN does.

I conclude on a point that I find quite horrifying. It is possible to find out very quickly what is happening all around the world. Worldwide web sites and other technology mean that we can get day-by-day accounts of the starvation and destruction that is taking place. All that technology makes it possible for us to sit at home in our front rooms, tap into a computer and find out exactly what is going on, but tragically, we cannot get food, aid or help there in time; we can only get the information back.

I hope that the Government recognise that the massive refugee surges from Sierra Leone, Liberia and Nigeria will have to be dealt with and that unless food aid is got there quickly and agricultural aid and infrastructural help shortly afterwards, the conditions that led to the war in the first place and resulted in the coup and all the corruption that went with it will be repeated. We have to get help there very quickly. I hope that the Government and the EU will play their part in that, but above all, I hope that the United Nations will show real determination to get involved in that part of the world, and support movements that bring about long-term peace.

There are vast natural resources all along the West African coast. It was plundered by the Europeans as part of the slave trade in the 18th and 19th centuries. It is now being plundered again by international mining companies that are not necessarily concerned about democracy, the rule of law and human rights; all they want is a stable environment from which they can extract enormous wealth.

I wish the new Government of Sierra Leone well as there are enormous problems ahead of them. We can help them overcome some of those problems by sending aid from the west to develop a sustainable and democratic society. I fear that, if we fail to do that, the same disasters will recur in 10 years' time. I do not want that to happen—nobody does—but there is responsibility on western countries that have the knowledge, power and money to do something about it and quickly.

9.46 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Tony Lloyd): I join in congratulating the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) on introducing tonight's important debate. I am delighted that he chose to debate Sierra Leone. Britain and the rest of the world have to take account of the tragedy that took place there, and its changed circumstances.

I thank the hon. Gentleman for his kind remarks about the role that the British Government have consistently tried to play since the coup in Sierra Leone last year. I am acutely aware of the fact that Britain's ties with Sierra Leone go back over a considerable period. I also have many West Africans, particularly from Sierra Leone, living in my constituency, including a former lord mayor of Manchester, Councillor Yomi Mambu, with whom I have been in constant touch, along with many other constituents from Sierra Leone who were frightened beyond reason by the uncertainty of the plight of their families and friends while the junta was in control of the country.

Last October, I was privileged to address a seminar in London with President Tejan Kabbah, who was still in exile, entitled "Restoring Sierra Leone to Democracy". I expressed our clear wish to see the people of Sierra Leone free to determine their own Government and future. The return of President Kabbah to Freetown on 10 March—just two days ago—is a vital step in that direction, and we warmly welcome his return.

The hon. Member for Southwark, North and Bermondsey talked about tragedy turning into joy, referring to the case of Tenneh Cole, and saying that she had gone into the bush. She is now back, and, although traumatised, she is at least safe, and hopefully secure.

It is equally a matter of fact that the tragedy that unfolded on the streets of Freetown and throughout Sierra Leone turned to joy a few days ago when President Kabbah returned to Freetown. I am told that about 500,000 people were on the streets of Freetown to welcome him on his triumphal journey to the stadium, where 50,000 people had waited from the early morning and through the heat of the day until his arrival to hear his speech. Quite rightly, a hero's welcome was bestowed on him.

[Mr. Tony Lloyd]

My hon. Friend the Member for Islington, North (Mr. Corbyn) asked about the position of the Home Office. The best I can do is to pass on the remarks that hon. Members have made tonight to Home Office Ministers. However, I put on record my belief that the reign of terror is now over. In his address on his arrival in Freetown, President Kabbah spoke of the need for reconciliation and to establish a broad-based Government. Despite his own suffering—his house was destroyed by the junta in an act of petty-minded nastiness—he said, speaking of the tragedy:

"our image as a civilised nation will be greatly enhanced if we are seen to be promoting reconciliation."

It is that tone of reconciliation that is so important.

President Kabbah continued:

"Also of great concern to me is the spate of revenge killing and other forms of violence that followed our liberation. I am aware that people were hurt and are still being hurt in other parts of the country by the atrocities of the RUF rebels and the remnants of the junta. However this negative era in Sierra Leone's history can be used as a redefining moment for our country as we move towards the millennium."

With that sort of spirit, which demands of himself and works with his people for reconciliation, Sierra Leone can look forward to a different era.

The priority now is for the whole of the international community to work with President Kabbah, the Economic Community of West African States and the people of Sierra Leone to underline the fact that a long-term peaceful future can be assured only through that reconciliatory and inclusive approach. That approach formed the basis of the Abidjan peace accords and the Conakry agreement, and it remains as valid today as when they were drawn up.

In his speech, President Kabbah was kind enough to pay tribute to the role the British Government played in bringing about his return. He said:

"The British Prime Minister and his Government also deserve our special thanks for their support and assistance in every respect, and for the generous hospitality accorded to me and my delegation during the recent meeting of the Commonwealth Prime Ministers and Heads of Government."

We appreciate those words.

Let me take this opportunity to set out our position and record in this respect. We have been committed to working for the restoration of President Kabbah's Government because we regarded them as the only legitimate Government available to the people of Sierra Leone. We were instrumental in drawing up the UN Security Council resolution 1132, which imposed sanctions on the military junta. Through the Department for International Development, we provided support for the Government exiled in Conakry, to enable them to draw up a programme for the reconstruction of their country following their return to office. That 90-day programme includes specific reference to local government, and President Kabbah has made it clear that he still intends to implement it.

My right hon. Friend the Prime Minister personally invited President Kabbah to the Commonwealth Heads of Government meeting—uniquely, given that he was not actually in situ as the working Head of Government. We recognised that the situation in Sierra Leone was unique, so inviting President Kabbah was the right act, and it sent a strong signal. In January, the Foreign Secretary appointed Mr. John Flynn—a former ambassador—to act as his special representative on Sierra Leone to galvanise international support for the restoration of democracy there.

Since February, the position has changed following the intervention of the ECOMOG forces. Let me make it clear to my hon. Friend the Member for Islington, North that, while we welcome the fact that the rule of the military junta had been brought to an end, we were unable wholeheartedly to endorse the ECOMOG action. We believe that any use of force should be based in international law. It is important to place on record our recognition of the sacrifice made by the ECOMOG forces, which saw young lives sacrificed in the cause of restoring democracy. Co-operation is needed by all those who have the interests of Sierra Leone at heart.

My hon. Friend the Member for Islington, North talked about the need for a process of reconstruction to prevent a return to the situation which allowed the coup to take place, and he is right. In that vein, our immediate priority had to be to assist in providing humanitarian relief to the people of Freetown and other cities in Sierra Leone that had seen fighting.

To help with that immediate assistance, HMS Cornwall arrived in Freetown on 1 March, and will remain until 20 March. HMS Cornwall has played an invaluable role, delivering food and medical supplies to cities in Sierra Leone which were unreachable by other means. Her crew are providing emergency assistance to hospitals, schools and other institutions and people in Freetown. Cornwall's efforts are being co-ordinated through the UN humanitarian office with the efforts of the Sierra Leone Government, aid agencies and non-governmental organisations on the ground.

In addition to the role played by HMS Cornwall, we have provided a donation of £2 million to the UN trust fund for Sierra Leone; I shall return to the trust fund later. The DFID has funded a humanitarian adviser, who is now in Freetown working with the Government, UN agencies and NGOs to assess how best to help those who need it. I take the point made by my hon. Friend the Member for Hull, North about the need to look at the small schemes, which are so important.

The DFID has already sent supplies worth £1 million, together with logistical and technical support, to the task force established in Freetown to restore civilian government to Sierra Leone. DFID has provided another £1 million in addition to the £1 million given in November last year to enable the International Committee of the Red Cross to continue its humanitarian work and protection and human rights activities. That is where the initial focus has been. Clearly, all hon. Members who have spoken referred to the need for long-term reconstruction. We want normal economic activity to return, and there is a role for the EU, as my hon. Friend the Member for Hull, West and Hessle (Mr. Johnson) said.

In that context, President Kabbah said:

"we shall adopt means to safeguard our fishing industry and stop the smuggling of our diamonds."

He referred to corruption, which was part of the tragedy which befell the nation. We very much welcome his statement:

"But you should each be a vigilante for good government and the elimination of corruption in our society."

That is part of the rebuilding process.

Mr. Simon Hughes: There are two other pieces of the longer-term economic picture that the Minister might look at. He should try to make sure that the IMF and world financial agencies do not go in heavily—as they sometimes have done in African countries recently—to try to get the regime balanced more quickly than is practically possible. Secondly, if ever there were a case for debt wipe-out in the context of Jubilee 2000 and the role we can play, Sierra Leone must be it. Perhaps the Minister will reflect, now or later, on whether one of the signal things that we could do is to wipe out the international debt of that country, and to negotiate for that internationally.

Mr. Lloyd: I cannot give an easy answer to that, except to point out that the World bank has recently changed considerably—the culture has changed enormously—and it is now seen to be playing a much more constructive role. Moreover, the British Government are playing a key role in trying to ensure debt write-off throughout the whole of sub-Saharan Africa. I recognise what the hon. Gentleman says, and I hope that he will allow me to reflect on that, rather than give a glib answer now.

On the internationalisation of the process, hon. Members have referred to the role of the United Nations. We have made it clear that we believe that the United Nations—

It being Ten o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Mudie.]*

Mr. Lloyd: That is the first time that I have ever had to give way to the occupant of the Chair for the 10 o'clock motion, but this has been a week of many firsts for me, including having to respond to two Adjournment debates.

As I was saying, we believe that the United Nations has a vital role to play in underpinning the return to democracy in Sierra Leone. On 13 March, which is tomorrow, the Secretary-General will report on UN deployment. I cannot anticipate what the report will say, but we believe that future peacekeeping by ECOMOG forces—this relates to points that have been made—should be brought under UN auspices through a new Security Council resolution, which will authorise the deployment of UN military liaison officers to assist ECOMOG in the disarmament and demobilisation of all armed groups, including local militia. Inevitably, the UN will have a key role in helping to develop the country.

Mr. Corbyn: I was making a wider point about ECOMOG as a whole. Will my hon. Friend's concerns apply also to the operation of ECOMOG forces in Liberia, and perhaps in any other country in the region? Clearly, the report of the Secretary-General must cover the whole region—one cannot deal with Sierra Leone in isolation.

Mr. Lloyd: I was going to put my hon. Friend's point into the context of the overall security situation. Inevitably, we have to take a wider view of the security of Sierra Leone in the region. We need to debate what that means specifically, but we believe that the legal authority of the UN is needed both to ensure an adequate mandate for all those involved and to allow for long-term security internally and in the region as a whole.

As a permanent member of the Security Council, Britain is actively involved in the promotion of the UN trust fund, which we strongly support. I believe that the fund is the Marshall plan for Sierra Leone that the hon. Member for Southwark, North and Bermondsey requested. We have started the fund with a contribution of £2 million, and we intend to use every device available to us to encourage the international community to be generous. The fund is designed to support the rehabilitation and development programme in the longer term. We shall play a full and active role in achieving those objectives.

I also believe that the Commonwealth has a key role to play relating to the democracy agenda. The hon. Member for Southwark, North and Bermondsey was kind enough to mention the Government's support for the Commonwealth. We believe that the Commonwealth is reinventing itself, and that it can play a vital role in upholding standards of respect for human rights and of support for democracy. We believe that the Secretary-General of the Commonwealth, and the Commonwealth as an institution, have an important role to play in the context of Sierra Leone.

I had the privilege of representing the British Government when Sierra Leone was discussed at the Commonwealth ministerial action group in London on 2 and 3 March. In the concluding statement, we welcomed the fact that the rule of the junta had been brought to an end. We commended the role played by ECOWAS and, at the time, we looked forward to President Kabbah's return and called for humanitarian assistance for the people of Sierra Leone.

We also agreed to send a ministerial-level mission to Sierra Leone as soon as possible to explore ways in which the Commonwealth could assist in the reconstruction of the country. Constitutional arguments were advanced by the hon. Member for Southwark, North and Bermondsey, and by my hon. Friends who contributed to the debate, about the need to rebuild a civil society. The Commonwealth can make a genuine contribution, because we have experience of institutional systems that overlap with those that Sierra Leone had in the past and will enjoy in the future. I am pleased to confirm that the mission plans to visit Sierra Leone on 30 and 31 March, and I look forward to being a member of the mission and examining the situation in the country.

I wish to defend the Government and one of Britain's representatives against an ill-informed and scurrilous article that appeared in *The Observer* on Sunday. Indeed, I am slightly surprised that no one has referred to it. It talked about Britain's talks with hired killers, and about the Foreign Office admitting our ambassador's link to notorious mercenaries plotting against the Sierra Leone Government. Ironically, that was wrong, because the Sierra Leone Government referred to was the illegal junta. That is a bizarre situation for *The Observer*, but perhaps accuracy was not its main intention.

The suggestion that Britain was conspiring with hired killers is wrong, and I wish to make that clear on behalf of the Government. As a result of the article, the high commissioner, Mr. Peter Penfold, has confirmed that on no occasion did he attend any meetings at which

[Mr. Lloyd]

Sandline—the company mentioned—and President Kabbah were present together. I reject the insinuations in the article except in one regard—the high commissioner and President Kabbah became close to each other when they were in exile together in Conakry.

We do not regard the fact that the high commissioner did his job and offered tangible and practical support to President Kabbah as something for which he should be criticised. The opposite is true, because we believe that he played an important role, and President Kabbah agrees. We reject the nonsense in that article, and it is a pity that the journalist did not take the trouble to talk to me directly.

Sierra Leone now has a new opportunity and a new future. If that future is an improvement on the past, we can only rejoice. If anyone is in any doubt about the nature of the junta, its activities in the past weeks have revealed the full horror of its rule. The stories that have come out since the junta took over have been horrendous. The stories of brutality meted out to innocent people have been daily fare.

As the junta retreated, it systematically looted villages, and mutilated and murdered innocent civilians. It left a legacy of misery behind it that will traumatise Sierra Leone for years to come. It has been reported that 500 people in the town of Bo, one of the last strongholds of the junta, were slaughtered. We do not know when that happened, and we can only record the outrage and note that it is justification for the condemnation of the junta and rejoicing that it has now gone. It is time to draw a line under that sad chapter in the history of Sierra Leone, and to work together to support the efforts of the new Government and the people to rebuild their country.

If I have missed any of the points that have been raised by hon. Members, I apologise, and I shall reflect on them and return to them.

I conclude by setting out what we see as the priorities for Sierra Leone. The first and most immediate is the provision of humanitarian assistance to the population and to make a start on long-term economic reform and development. It is for President Kabbah to re-establish immediately an autonomous, democratic Sierra Leone Government based in Freetown. It is for future peacekeeping by ECOMOG forces to be brought under the United Nation's auspices through a new Security Council resolution authorising the deployment of UN military liaison officers to assist ECOMOG in the disarmament and demobilisation of all armed groups in the country, including the local militia.

It is for the international community to begin to work with President Kabbah, with ECOWAS and the people of Sierra Leone to reinforce the view that a long-term peaceful future can be assured only through the process of reconciliation, as envisaged in the Abidjan peace accords and the Conakry agreement. The United Nations will play a crucial role, but I believe that President Kabbah will also do so. The words that he has spoken in Freetown over the past few days are an important signal of his intent, and of the possibilities for the people of Sierra Leone.

President Kabbah and the people of Sierra Leone face a daunting task in the rebuilding of their shattered country. It is one that will require the support of the international community. The pledge that Britain makes, has made in the past and will make in future is that we stand ready to play our full part to ensure that Sierra Leone achieves that aim and that dream.

10.11 pm

Mr. Bowen Wells (Hertford and Stortford): I should like to say how much I endorse the Government's approach to the return of democracy to Sierra Leone, and I congratulate the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) on introducing the debate. What we have been discussing is vital, not just to Sierra Leone, but to the whole of west Africa, and even east Africa.

The United Nations' reaction to the situation has been less than satisfactory, and we must find a way to boost its activity in Africa, particularly west Africa. It is ironic that Nigeria, which has been suspended from the Commonwealth because it has not conducted itself in a democratic way—in fact, it is a military dictatorship—has restored democracy in Sierra Leone. We cannot avoid that curious turn of events; I am delighted by it, because I think that Nigeria is fundamentally a democracy and that the people of west Africa—indeed, of all Africa—acknowledge the ideas of democracy that respect the ordinary person's need to live his life with dignity, to earn his own living and to vote, and to control and bring his Government to account. That is an African as well as a European position.

We are right to support what has happened in Sierra Leone, which will need even more support than the Minister has suggested. I do not think that we have the capacity in Britain alone to support the new President in Sierra Leone; it must be an international effort. The effort must involve the United Nations, the European Union and the United States of America, and all donors, including the many excellent donors in the individual countries of Europe and elsewhere, such as the European development bank, the World bank and the International Monetary Fund. I agree that the conditions that have to be applied to Sierra Leone in terms of the international financial institutions must be tailored to Sierra Leone's needs.

I do not endorse the cry of the hon. Member for Southwark, North and Bermondsey for total debt forgiveness in Sierra Leone, because we must enhance and support a return of confidence in that country. We want not just international organisations but Sierra Leone people who are considering returning with their money to know that, if they invest in the country's future, their investment will not be wiped out but will be respected by the new democratic Government and repaid on time, with interest.

One cannot reassure people by simply writing off all the old debt. None the less, we must reorganise and negotiate to achieve something that has not been achieved in many countries. Undoubtedly some debt must be written off. We must enable the country to have a sustainable debt profile, which it can handle. That will induce confidence in the people in Sierra Leone, and encourage people living outside Sierra Leone, in many constituencies in this country, to return and invest their money.

We want them, with other groups of people, to set up businesses and start training, and thereby enhance and start to rebuild the economy. That will increase the

capacity of Sierra Leone to look after the poor, to educate, and to improve women and children's health. That will start to rebuild the vibrant society that we know Sierra Leone to be perfectly capable of achieving.

We must be careful how we tackle these problems. I know that the Minister knows these things. I have spoken to him and worked with him in many capacities, and I have confidence in him. *[Interruption.]* I give way to the hon. Member for Hull, North (Mr. McNamara). I nearly said "my hon. Friend", because we are fellow warriors in this matter.

Mr. McNamara: On past occasions, when we shared a great common interest in overseas development, I was flattered to be addressed in that manner by the hon. Gentleman.

I agree with the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) that the western world should make a sustained effort to wipe out debt for most sub-Saharan countries, as a mark of the millennium, of the jubilee, of a new start for countries that have been especially exploited. That would be especially appropriate in the case of Sierra Leone, after the traumas that it has been through.

We should not expect a country of that size, with a population of 4.5 million people, to contemplate continuing a debt for which many of the people were not responsible, to carry forward something that would be an increasing burden on them. It is right and proper, if aid and help is given, if loans are made, that provision should be made for repayment and so on.

However, surely the hon. Gentleman would agree that part of the problem was that money was lent, and money was given in circumstances when no—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order.

Mr. McNamara: With the leave of the House, Mr. Deputy Speaker. No sensible lender would have given that money in those circumstances, and the present population should not suffer for that. It is far better to start with a clean slate.

Mr. Wells: The hon. Gentleman's sentiments are entirely my own, but I want to sound a note of caution about total write-off of debt, because I want confidence in Sierra Leone to be restored, by whatever method. We must stop those policies.

Mr. McNamara: Does the hon. Gentleman agree that more—

Mr. Deputy Speaker: Order. Perhaps this is an opportune time for me to intervene. Adjournment debates are an opportunity for Back Benchers to raise a matter with the Minister, and the Minister gives a reply. I know of the keen and long-standing interest of the hon. Member for Hertford and Stortford (Mr. Wells) in the question of overseas development, and I have allowed him to speak, but I thought that he would do so briefly, because the Minister has spoken; and the hon. Gentleman should have caught my eye before the Minister rose to reply to the debate.

With that in mind, I wonder whether the hon. Gentleman would perhaps wind up his remarks. I am sorry to do this, but, had he caught my eye before the Minister, I would have allowed him to make his case.

Mr. Wells: I do not think that you could have put that point more courteously and kindly, Mr. Deputy Speaker. You are absolutely right, and I shall certainly conclude my remarks in the manner that you suggest. I understood that the debate could continue until 10.30 pm, and I thought that it would be beneficial to use that time discussing this matter. However, I certainly respect your judgment, Mr. Deputy Speaker. The hon. Members for Hull, North and for Southwark, North and Bermondsey and I shall have to find another occasion to discuss the complications and difficulties of resolving debt.

In conclusion, the whole House has expressed its concern to support the return of democracy to Sierra Leone. I welcome that very much. I hope that we can continue to express our concern and find tangible means in the immediate future—which the Minister outlined to the House—and even more ways in the medium and longer term, through the Commonwealth and through our international connections, to support the new democracy of Sierra Leone.

Question put and agreed to.

Adjourned accordingly at twenty minutes past Ten o'clock.

House of Commons

Friday 13 March 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PETITIONS

Kite's Nest Farm, Broadway

9.34 am

Mr. Peter Luff (Mid-Worcestershire): I am grateful to the hon. Member for Worcester (Mr. Foster) for his understanding in allowing me to present this petition.

I have the honour to present a petition on behalf of 523 customers of Kite's Nest farm, Broadway, an outstanding organic beef producer. They are concerned that the provisions of the over-30-months scheme should not apply to that farm because of the extra costs that it imposes on taxpayers and the fact that it denies them access to the farm's excellent organic beefburgers. The petition declares:

the customers of the farm support it for its longstanding "closed" herd status and strict adherence to organic farming principles and that we have total confidence in the meat from Kite's Nest because we know that all the cattle (including all the breeding cows) were born and raised on the farm.

The petitioners therefore request that the House of Commons calls on the Minister of Agriculture to amend the Beef Assurance Scheme to grant an extension from the slaughter of cull cows to Kite's Nest Farm to allow all cattle from the farm to continue to be used for human consumption.

And the petitioners remain

etc.

To lie upon the Table.

Rural Development

9.36 am

Mr. Tim Boswell (Daventry): I have the honour to present a petition on behalf of approximately 250 residents of the Daventry constituency, expressing their concern about the decision to sanction plans for new development throughout the countryside.

The petition states:

The Petitioners, therefore, request that the House of Commons urge the Secretary of State for the Environment, Transport and the Regions to ensure that more homes are built in city areas, instead of the countryside or Green Belt, to breathe new life into our cities and to protect valuable countryside for future generations.

And the Petitioners remain faithfully yours.

To lie upon the Table.

Wild Mammals (Hunting)

9.36 am

Mr. Bob Russell (Colchester): I am pleased to present a petition signed by 3,361 residents of Colchester and district, and further afield.

The petition declares:

the hunting of wild mammals with dogs is cruel and unnecessary, and has no place in modern Britain.

The Petitioners therefore request that the House of Commons approve legislation to ban hunting with dogs as soon as possible in the lifetime of this Parliament.

And the Petitioners remain

etc.

To lie upon the Table.

Ambulance Service (Haverhill)

9.37 am

Mr. Richard Spring (West Suffolk): I have the honour to present a petition signed by 5,508 residents of Haverhill in my constituency.

The petition declares:

at present the town's ambulances are not manned after 5pm from Sunday to Thursday. The only 24-hour cover is on Friday and Saturday night. For a town of this size we feel this is not adequate to have to rely on ambulances having to be dispatched in an emergency from Cambridge, with all the delays that this involves. This extra time could mean the difference between life and death.

The Petitioners therefore request that the House of Commons ask the Secretary of State for Health to reconsider 24-hour emergency ambulance service provision in the town of Haverhill, Suffolk.

And the Petitioners remain

etc.

To lie upon the Table.

Wild Mammals (Hunting with Dogs) Bill

As amended (in the Standing Committee), further considered.

New clause 2

POWER TO AMEND

'.—(1) The Secretary of State may by order made by statutory instrument amend any of the provisions of sections 1 and 8 to 13 so as to reduce the activities prohibited by section 1 or the powers and penalties in respect of any offence.

(2) An order under subsection (1) shall not be made unless a draft has been laid before, and approved by, each House of Parliament.'—[*Mr. Luff.*]

Brought up, and read the First time.

Question proposed [6 March], That the clause be read a Second time.

9.38 am

Question again proposed.

Madam Speaker: I remind the House that we are considering new clause 2 and that this is a resumed debate. With this, it will be convenient to discuss the following: new clause 20—*Power to amend section 1*—

(1) The Secretary of State may, by Order made by Statutory Instrument, amend any of the provisions of section 1 so as to change the activities prohibited by section 1.

(2) An Order made under subsection (1) shall not be made unless a draft has been laid before, and approved by, each House of Parliament.

Amendment No. 53, in clause 7, page 2, line 31, leave out 'remove,'.

Amendment No. 54, in page 2, line 31, leave out ', amend'.

Mr. Edward Garnier had the Floor—

Mr. Ivor Caplin (Hove): On a point of order, Madam Speaker. I was looking at the list of selected amendments, and wondered whether you could explain to me, as a new Member, the procedure that led to new clause 35, tabled by my hon. Friend the Member for Worcester (Mr. Foster), not being selected for debate today.

Madam Speaker: I appreciate that, as a new Member, the hon. Gentleman may not understand that the Speaker does not give reasons for non-selection or selection. The Standing Order gives the Speaker complete discretion over the selection of amendments. However, following the tabling of amendments, including new clause 35, on Wednesday evening, I am prepared to tell the House the general principles that I take into account in coming to a decision.

The power of selection exists to prevent repetition and to secure reasonable opportunities for the expression of all varieties of opinion in an orderly manner. Exercising the power in this instance was something to which I have given much anxious thought over the past 24 hours. Many hon. Members would have been disappointed whatever decision I reached on the selection of new clause 35, but I have tried to act in the best interests of this debate, and, of course, in the very best interests of the House of Commons.

Mr. Edward Garnier (Harborough): I dare say, Madam Speaker, that you were not the only person to have given anxious thought to new clause 35 over the past 24 hours. I see that the hon. Member for Worcester (Mr. Foster) is smiling, at least.

We can resume where we left off last Friday. In my submission, new clause 2 is preferable to new clause 20, because it permits the Secretary of State to amend clause 1 and clauses 8 to 13 to reduce the prohibited activities and the powers and penalties in the Bill. That is to be contrasted with new clause 20, my new clause, which is limited only to clause 1, but allows the Secretary of State to change—that is to say, increase or decrease—the powers, penalties and exceptions.

Amendments Nos. 53 and 54, tabled by my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), suggest that we should take out the words "remove" and "amend" from clause 7. I freely confess that my right hon. and learned Friend's amendments and new clause 2 are better than my new clause 20. The amendments refer to a power proposed by the Bill for the Secretary of State to make new criminal laws by statutory instrument or secondary legislation. That is a highly undesirable concept, albeit fully in line with the Labour party's opinion of Parliament as an inconvenience and a barrier to proper debate on matters of public interest.

Mr. Gary Streeter (South-West Devon): I support my hon. and learned Friend's view that new clause 2 is superior to new clause 20. If the Bill becomes law, it will be important for this House to amend clauses 8 to 13 which are clearly drafted in a way that would make criminals out of decent, law-abiding people living in the countryside. The clauses are ham-fisted and heavy-handed, and will require further scrutiny—and urgent review and amendment—if the Bill becomes law.

Mr. Garnier: My hon. Friend is right. One of the evils of the Bill is to allow for the extension of the criminal law by secondary legislation. We should maintain a position to cover that, because, in our view, the Bill is wholly defective, and we should reserve to the Secretary of State the powers to correct that matter. As a matter of principle, I am against the extension of criminal law by means of secondary legislation.

I briefly referred to the way in which Government Back Benchers consider the role of Parliament. I am reminded of the example of the new Labour Member of Parliament who considered that debates in this Chamber were an affront to democracy—not because he had thought about it, but because the Labour party won such a majority at the general election on 1 May last year that further debate on any matter which appeared in the manifesto was wholly unnecessary. I find that somewhat distressing, if not extraordinary.

The importance of the questions raised by this group of amendments goes far beyond the dangerous and constitutionally troubling area of allowing a Minister to make criminal law by secondary legislation. In my view, it touches upon the human rights of all those we are elected to protect and defend. The Labour party promised in its election manifesto—in a rather glib slogan—to "bring human rights home". It was glib because it was misleading and intellectually dishonest. It was misleading, because it implied that human rights were abused or non-existent in this country hitherto. It was intellectually dishonest, because it suggested that the Labour Government would be morally superior to the Tory one.

The Human Rights Bill has been introduced, and we await the Committee, which I trust will be on the Floor of the House. The Government claim to be serious about wanting to improve what they claim to be defects in our country's laws by implementing that Bill and by incorporating the European convention on human rights. If they are serious about that—I believe the Home Secretary is personally sincere in his analysis of the problem as he sees it and the solution he proposes—the Government must not allow even private Members' Bills to interfere with the human rights of our constituents. In addition, our constituents cannot be given the impression that the Government are giving only lip service to the wording and spirit of the convention.

This group of new clauses and amendments goes some way to assisting the Government, and I hope that the Under-Secretary of State for the Home Department, the hon. Member for Knowsley, North and Sefton, East (Mr. Howarth), will thank me for that. If this Bill is passed before the Human Rights Bill is enacted, it will create not only direct victims of its provisions, but indirect victims, who, although not directly prejudiced by the provisions, could show that there existed such a special and personal link between them and the direct victims that they had suffered damage, or had a valid personal interest in securing the cessation of the violation. *[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the hon. and learned Gentleman. Could we have less conversation in the House? A debate is taking place.

Mr. Garnier: It is rather sad that the supporters of the Bill, who have now attempted to introduce a third version of the Bill, are not prepared to listen to the points made in opposition to them. They may disagree with us—and we obviously disagree with them—but they might do the public at large, whom they intend to criminalise, the courtesy of listening to the points being made.

Mr. James Gray (North Wiltshire): They should pin back their lugholes.

Mr. Deputy Speaker: Order.

Mr. Garnier: My hon. Friend is an enthusiastic Member of Parliament.

A victim of a violation of his human rights need not show total loss of his rights or that he has been wholly deprived of the value of his possessions. For example, a clothing shop in my constituency sells a good deal of clothing to those who hunt. Clearly, not all the things for sale in the shop are to do with riding. None the less, a substantial proportion of the throughput of the sales isdirectly connected with riding. I submit that that shop could show that it was an indirect victim of the legislation. That is why the statutory instrument provision must be drafted far more widely than the Bill proposes.

Mr. Douglas Hogg (Sleaford and North Hykeham): Is not my hon. and learned Friend's point reinforced by the fact that the Bill does not and cannot provide for compensation to those victims?

Mr. Garnier: That is exactly right, and it reinforces the argument that the Bill is wholly inimical to the civil rights of a vast minority of our citizens. I was elected to represent not the majority of voters in my constituency, but all of them. There are many points on which I disagree with my constituents. None the less, it is my job and my duty to represent their interests. If it happens to be a minority interest, I must do so all the more vigorously.

Assuming that the Human Rights Bill becomes law, would the Minister be prepared to sign a statement of compatibility under clause 19(1)(a) of the Human Rights Bill in respect of this Bill? I have a copy of the Human Rights Bill here, if the Minister wants to see it and I can have it passed across to him. I hope that he would not do so, because the public policy behind the convention is informed by two cardinal principles: first, an abhorrence of discrimination; secondly, a desire for proportionality.

Mr. Nicholas Soames (Mid-Sussex): Will my hon. and learned Friend comment on how the clause of the Human Rights Bill to which he referred would cross-reference to the Rio declaration signed by the previous Government, which calls on Governments throughout the world to respect the traditional pastimes of communities? How does that tie in with the point that he is making?

Mr. Deputy Speaker: Order. The hon. and learned Member for Harborough (Mr. Garnier) would be ill advised to pursue that line of argument, and I must appeal to him to keep well within the strict confines of the new clause.

Mr. Garnier: You must have X-ray eyes, Mr. Deputy Speaker, because you anticipated the very remark that I was about to make. I will not deal with that point now, but my right hon. Friends the Members for Suffolk, Coastal (Mr. Gummer) and for Penrith and The Border (Mr. Maclean) will be able to advise my hon. Friend on the detail of that point. I am grateful to him for raising it.

Mr. Deputy Speaker: But not in the context of this debate.

Mr. Garnier: You and I are ad idem, Mr. Deputy Speaker; I want to make a little progress if I may, but it is right that my hon. Friend the Member for Mid-Sussex (Mr. Soames) should have raised the matter for further consideration in due course.

The Bill as drafted, and unamended by the new clauses and amendments to which I am speaking, unarguably interferes with the property rights of thousands of British citizens. The question that the Government have to answer—they are the people who will have to answer for the hon. Member for Worcester if the matter is taken to court in Europe or our domestic courts—is whether interference by means of this legislation is justified in the public interest—an interest that must have been clearly and properly identified—and whether that interference is proportionate to the public interest so identified.

What justifies the banning of one method of fox control when others that are arguably far more cruel and likely to cause suffering are not banned? What is the public interest that justifies that discriminatory approach? Does it not have more to do with prejudice and ignorant perception about people who hunt with hounds, rather than with the concept and activity of hunting with hounds itself?

[Mr. Garnier]

Therefore, could the Government—the hon. Member for Worcester cannot possibly do this—set out the objective criteria that are to be universally applied and say why they do not apply to other sports, such as shooting or fishing? I said that the hon. Member for Worcester could not possibly do it, because he is a match angler—a sport in which he competes with other human beings to play with a fish with a hook in its mouth. If the Government can claim any justification for the discrimination that the Bill reveals, how can they say that it is proportionate to the public interest that supporters of the Bill would have to argue for?

With Government Bills, there used to be a custom, which is now more honoured in the breach than the observance, that the public interest was clearly identified in a pre-legislative process of Green Papers and White Papers. That does not happen with private Members' Bills. It certainly did not happen with this Bill. Had new clause 35 been included in our discussion this morning, it would in effect have allowed for the third draft of the Bill, which was put on the amendment paper at the dead of night, giving us 24 hours' notice of this discussion. With this Bill, the system that would have allowed for that pre-legislative discussion has been absent—undeniably so, in the light of last Wednesday night—

Mr. Streeter: My hon. and learned Friend appears to be approaching the end of his remarks, and because I value his interpretation of the constitutional workings of this nation, before he sits down will he tell us whether he thinks that new clause 2 is sufficiently fast track to achieve future amendments to the Bill once it is enacted? The crisis, conflict and difficulties that the Bill would cause in the countryside if it became law would require urgent amendments, so is he satisfied that the procedure for coming back to the House under the new clause is sufficiently fast track to amend an unnecessary law?

Mr. Deputy Speaker: Order. I hope that the hon. and learned Member for Harborough realises that, if he answered that question, he might be in danger of coming back within the terms of the discussion that we should be having. His previous remarks have been going wide of the purpose of the new clause.

Mr. Garnier: I will not deal with the point raised by my hon. Friend the Member for South-West Devon (Mr. Streeter). The only track I want this Bill to go down is into the sidings.

At present, the European Court of Human Rights—and our judges, following enactment of the Human Rights Bill—will readily point out the failure to identify adequately, if at all, and resolve the vital questions of public interest, proportionality and discrimination. The Minister cannot hide behind the Government's position of neutrality in the face of those criticisms, for states should not pass legislation in these circumstances.

New clauses 20 and 2 and amendments Nos. 53 and 54 are not the complete answer by any means, but they go some way to meeting the legitimate demands of a substantial proportion of our citizens who see their rights being recklessly, wantonly and unfairly put at risk by the Bill. I therefore urge my hon. Friends and Labour Members who might have been listening carefully to consider my arguments, and support our new clauses and amendments.

The Parliamentary Under-Secretary of State for the Home Department (Mr. George Howarth): The hon. and learned Member for Harborough (Mr. Garnier) wondered whether a ban would breach human rights, and the right hon. Member for North-West Cambridgeshire (Sir B. Mawhinney) raised that subject last week.

Mr. Michael J. Foster (Worcester): My hon. Friend has referred to something that was said last week, on which I think he wanted to put the record straight. I would also like to take the opportunity to do so. The hon. Member for North Shropshire (Mr. Paterson) said that fox hounds went round Lake Vyrnwy on the instruction of the Royal Society for the Protection of Birds to help wildlife by clearing foxes. The RSPB never asked for fox hounds to look after wildlife. The request was made by Severn Trent Water, which owns the land.

Mr. Garnier: On a point of order, Mr. Deputy Speaker. The tradition is that hon. Members should accept interventions, and I have done so myself, but it is also a tradition that those interventions should be on point and on the group of amendments. The hon. Gentleman's intervention has nothing to do with the present debate.

Mr. Deputy Speaker: The hon. and learned Member knows that whoever has the Floor has the discretion whether to give way. I am anxious that the hon. Member for Worcester (Mr. Foster) should remain within the rules of order, and I am sure that he will remember that.

Mr. Foster: To quickly bring my point to an end, Severn Trent invited people to flush out foxes with hounds so that the foxes could immediately be shot, not so that they could be hunted.

Mr. Howarth: I said in an intervention that the advice I had received was to the effect that the Bill would not contravene the convention, and articles 1 and 8 in particular, which were mentioned last week. It might be helpful for me to give the House details of the legal advice that I have received from Home Office lawyers on the matter. In doing so, I do not in any way compromise the Government's neutrality.

First, I am aware that the paper produced by my noble Friend Baroness Mallalieu perceived problems with the European convention on human rights, in relation both to this Bill and to future legislation that might seek to ban hunting with hounds. Legal arguments outlined in her paper are based on specialist leading counsel's advice. The paper details the grounds on which the Bill may be challenged in regard to articles 1, 8, 11 and 14 of the convention, to which I have already referred.

The legal advice that I have received reaches a different conclusion. Article 1 of protocol 1 entitles a person to the "peaceful enjoyment" of his possessions. It further provides that no one should be deprived of his possessions except in the public interest, and subject to the conditions provided for by law.

As I said last week, the Bill will not result in anyone's possessions being confiscated unless they commit a criminal offence. Rather than depriving anyone of their

possessions, the Bill would merely control the use of property, whether it be farmland, dogs or any similar property. As such, the Bill is not comparable to the firearms legislation, under which people were being deprived of possessions. Furthermore, only if there were deprivation of possessions would the issue of compensation arise.

Sir Brian Mawhinney (North-West Cambridgeshire): I am grateful to the Minister for returning to the House with that refined legal advice, about which he and I spoke last Friday. He is right to say that no one could confiscate land, so that the Bill is not, in that regard, comparable with the firearms legislation.

I am genuinely surprised, however, at the narrowness of the legal interpretation that the hon. Gentleman has been given. I am advised that the Bill could affect the value and yield of land by reducing the range of pest control options that are available to landowners—as the hon. Gentleman will know, the National Farmers Union made that point in its cold response to the Bill. Issues of value are covered by article 1, so will he address that specific point?

Mr. Howarth: The right hon. Gentleman said that he was surprised at the narrowness of the advice, but I think that his point is even narrower.

Mr. Ian Cawsey (Brigg and Goole): Will my hon. Friend give way on that point?

10 am

Mr. Howarth: No, I want to press on and put the advice on the record.

As I said, in the light of the advice that I have been given, the issue of compensation does not arise. Public interest, which was mentioned last week, is relevant only when a person is deprived of property, not when merely the use is controlled.

Article 8 was also mentioned last week. As I said, there is nothing in the jurisprudence on the convention to suggest that a ban on hunting with dogs contravenes the right to privacy. In particular, Strasbourg has expressed the view that article 8 does not encompass the right to keep a dog. If, as we assert, the right to privacy is not interfered with, there is no need to consider the exceptions that are set out in article 8(2), which allows such interference in circumstances such as national security, public safety, the economic well-being of the country, and protection of the rights and freedoms of others.

Article 11 of the convention provides for the right to freedom of peaceful assembly and to freedom of association with others. The advice is that the Bill would prevent neither any assembly nor association. The hunters would still be free to assemble at any time, but they could not hunt wild mammals with dogs.

By itself, article 14 does not give rise to rights, even though another article need not have been violated to establish a breach of article 14—it must be shown that there has been some discriminatory restriction of the enjoyment of the rights and freedoms given by another article. According to the advice, there is no such discriminatory restriction under the Bill, so article 14 does not apply.

The hon. and learned Member for Harborough asked me whether, under clause 19 of the Human Rights Bill, I would be happy to sign a certificate of compliance. In the light of the advice and the point that I have just made, there would be no difficulty in that.

Mr. John Gummer (Suffolk, Coastal): I am sure that the Minister will allow me to be helpful in saying that, in my reasonably long experience in the House, I have not always found that the legal advice given by Home Office lawyers to Secretaries of State, let alone Ministers, has been entirely applicable in practice. As there seems to be some dispute between people who are extremely learned in the law, it would perhaps be sensible if the Bill's promoter accepted new clause 2, to which I want specifically to refer.

The new clause would allow for the widespread concerns to be met, not by emasculating the Bill but by ensuring that, if those concerns turn out to be well founded, the Bill could be adapted accordingly without having to go through this whole ponderous procedure again. The Minister's legal advice does not change my belief that accepting new clause 2 and the amendments would be to follow a precautionary principle, if I may use an environmental term.

There is another reason why the new clause and the amendments should be accepted. It is notable that, during our discussions, the differences of opinion have led to considerable alterations to the Bill. I am sure, Mr. Deputy Speaker, that you will see the relevance of new clause 2 to that. Those in favour of the Bill believed that the Bill, as originally drafted, was considerably flawed, so they talked out that Bill in Committee, so that they could introduce the Bill we are considering now.

I add, parenthetically, that I am a little tired of having to answer on television and radio the question whether we are over-speaking on the Bill by explaining that we have not had the chance to discuss this Bill, because there was a wholly different Bill in Committee. Indeed, just a moment ago, Madam Speaker made a statement on what was, in fact, a suggested third way in which to deal with the issue.

New clause 2 and the amendments would enable a Minister to take into account post hoc the problems that had been foreseen. In all the years that I have been in the House, I have known no Bill that has been subject to such transmogrification on so many occasions—[HON. MEMBERS: "What?"] If Labour Members do not know the word "transmogrification", I suggest that they read F. Anstey's "Vice Versa", which I am sure is a better read than the many versions of the Bill.

Mr. Geoffrey Clifton-Brown (Cotswold): Can my right hon. Friend confirm that the Bill contains wider powers to seize property and chattels than any that he has seen? If the property and chattels were seized on the suspicion of a constable, but that suspicion proved to be incorrect, could not that be regarded as a breach of the European convention on human rights?

Mr. Gummer: I shall come to that point, but I am trying to keep closely to the context of new clause 2. I suggest that the experience of those who want to ban hunting with hounds—who have needed, in a short period, to produce three different versions of the Bill—should show them the need for the new clause and amendments.

[Mr. Gummer]

Those who are unhappy about the Bill would also benefit if the new clause and the amendments were accepted. The purpose of the House is, above all, to ensure that proposals that will affect the liberty of Her Majesty's subjects should be carefully scrutinised to ensure that there is no unfair discrimination against any section of the population. The Labour party has made a great fuss about that, and I have considerable sympathy with it in many areas of civil liberties.

I am speaking for my constituents, a significant number of whom would be imperilled by particular provisions in the Bill. This is a constituency, not a general, matter, although it has a general application. A significant number of my constituents are involved in hunting. The Bill will bear heavily on the three hunts which, in different ways, cover parts of my constituency. New clause 2 and the amendments would ensure that, if my fears are well founded, remedial action can be taken.

Let me give an example. As I said in a previous debate, a peculiarity of the Bill, as interpreted by many lawyers, is that it would mean that, if people hunted on one's land without one's express permission, but one had not forbidden them to do so, one could be deemed to have permitted them to do so. Labour Members said that that was not how the law would be interpreted, but it has been widely stated by significant figures in the legal profession that that is precisely how it would be interpreted.

Many of my constituents are small farmers, and others have a certain amount of land. They would not be able to say in advance that someone was coming hunting, so if someone hunted illegally across their land, they would be caught by the legislation. The new clause would enable the Government to stand up for their rights; so the Government could not be taken to the European Court of Human Rights because of flawed Home Office advice.

Mr. Streeter: I was brought up on a dairy farm, and my father never gave permission to the local hunt to ride over his land, but from time to time the hunt did so. Is not my right hon. Friend's point that the Bill might have made a criminal of a law-abiding farmer who did not give express permission, but did not put up barricades to stop the hunt?

Mr. Deputy Speaker: Order. The right hon. Member for Suffolk, Coastal (Mr. Gummer) may have made that point, but the debate is about whether the Secretary of State should have powers.

Mr. Gummer: I have kept strictly to the reasons why I feel it right for the Secretary of State to have those powers. One is that there is a real concern on the point that I was making. The Bill's supporters have not been willing to give way on that concern. Because there is a serious disagreement among lawyers, added point is given to the argument that the Secretary of State should have those powers, so that, were it to be found that the significant body of lawyers whose view I happen to share were right, the Secretary of State could properly protect the rights of the individual.

I am keeping closely to the new clause and its purpose. I would not stretch into the area about my hon. Friend's father, but I would say to you, Mr. Deputy Speaker, that it is one of the most jealously guarded duties of the House to protect those who are least likely to have a voice.

The new clause would avoid the problem of ordinary people taking a case to the European Court of Human Rights. I am genuinely concerned that we in the House should not place that huge onus on people if we can avoid it. If the Bill's supporters are right, and it does not have those widely expected effects, they should not mind the new clause, which would not prevent the Bill from operating, but would merely provide a safety net.

Many of those who attacked hunting most passionately have changed their minds with experience. We always mention James Barrington and Richard Course, but there are many others. They have shown that one can be passionate on one side of an argument and find that one is wrong. The new clause would simply give the Government the chance to make changes in those circumstances. I hope that the House will support it.

Sir Brian Mawhinney: The right hon. Member for Berwick-upon-Tweed (Mr. Beith) made an excellent speech last Friday. He said:

"I am pretty cautious about what I am prepared to send my fellow citizens to prison for. Whatever our individual views, likes and dislikes may be, and however strong they are, we must think carefully before we turn activities into criminal offences."

He linked that with the new clause by saying:

"A statutory instrument, even one subject to affirmative resolution, is normally debated for only an hour and a half—almost invariably by a Committee rather than by the whole House.

In Committee, it is not possible to amend the statutory instrument in any way . . . The House has sought to recognise on many occasions—certainly if this House does not, the other place, in its revising role, does—that that is not an adequate process by which to create new criminal offences."—[*Official Report*, 6 March 1998; Vol. 307, c. 1352.]

In Committee on the Bill—or the previous Bill, or whatever it was—my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) said:

"We all know that secondary legislation puts considerable power into the hands of the Secretary of State and the Executive in a way that primary legislation does not . . . I have sat on the Government Front Bench in many a Committee and been asked . . . 'Why are you dealing with matters in secondary legislation? Is it not just a way of bypassing the House?'"

She added:

"In future, any manifesto promise can be dealt with in secondary legislation. We shall not have to go through the horrible bore of bringing primary legislation before the House to prove the case line by line and subjecting it to the various parliamentary stages."—[*Official Report, Standing Committee C*, 17 December 1997; c. 32-33.]

That is at the heart of the new clause. The general case against statutory instruments, that they bypass discussion in the House, is stronger than ever when the subject matter of the legislation is controversial, as the Bill is. Statutory instruments are unsuitable when there is controversy, because the suspicion always lingers that they will be used by partisan members of the Executive in underhand ways, and that decreases the confidence of the House in its own effectiveness.

The Bill is intended to be criminal law. What happens by virtue of any statutory instrument created under the terms of the new clause would involve the scope of the criminal law. It is wrong for the Bill to be framed in terms of criminal law at all, but if it is to be criminal law, it is inappropriate that statutory instruments should be used to modify it.

10.15 am

I would expect any statutory instrument on hunting that is laid before the House to be debated, and I think that the House would agree. It is a matter of concern that the scope of debate on statutory instruments is severely limited, as the right hon. Member for Berwick–upon–Tweed said. When statutory instruments are being debated, no criticisms of the provisions of the parent Act are permitted, according to page 548 of "Erskine May".

The whole purpose of the new clause is to rescue the situation in the countryside if the Bill does not work. Debating a possible solution without debating the source of the failure is just not good enough for a Bill that is intended to improve animal welfare, but could easily end up having the reverse effect.

Mr. Gummer: Does my right hon. Friend agree—I say this as a strong supporter of our membership of the European Union—that one of the glories of the British constitution is that, in comparison with any of the assemblies and Parliaments in the rest of Europe, we sit longer and go through legislation in greater detail, in order to protect the rights of minorities? Should we not be exporting that to the rest of Europe, rather than denying it to our people?

Sir Brian Mawhinney: My right hon. Friend is absolutely right. I have a memory of the mechanisms by which the House debated the Maastricht treaty, and any comparison is greatly to the disadvantage of almost every other legislature in the European Union. The defence of minorities and unfashionable views is one of our primary roles.

Two former chiefs of the League Against Cruel Sports, Richard Course and James Barrington, predict that the Bill will have the reverse of its intended effect. I would not be satisfied by the permitted scope of debate on statutory instruments, and nor would the Bill's supporters. It is an abolitionist Bill, and the House would expect to re-run the entire debate on it whenever the Secretary of State attempted to introduce any statutory instrument that reduced its effect, because, according to its supporters, every little part of it concerns matters of principle.

Even if the Secretary of State wished to modify the ban in respect of one species in one small area for a limited time for a special reason in favour of a small number of people, the Bill's supporters would not accept that the change was small. They would choose to see it as a breach of principle.

With a breach of principle, it does not matter whether the breach is a hairline crack or a hole the size of a fist. At the first sign of a statutory instrument, anti-hunting Members will be on their feet again, trying to reassert the so-called principle of this abolitionist Bill. I am happy to debate with them in private, but, if a future Secretary of State were to lay a statutory instrument, the House would have better things to do than have a debate on hunting—just as it has better things to do today.

I said that I would be brief. I have addressed the issue of statutory instruments, and I wish to turn briefly to the question of the European convention, about which the Minister spoke. I was grateful to the Minister for considering the issue again. The point that I sought to make in my intervention was that the advice that he had been given was that article 1 dealt with possessions. A respectable body of legal opinion takes the view that possessions, per se, are not the exclusive remit of article 1, but that it extends to the fact that possessions have a value.

It was in that sense that I said to the Minister that his interpretation was narrow. His response to the legitimate question I asked him—whether value was not also a part of article 1—was to say that my point was narrow. I am happy to concede that it was narrow, but that was not an answer to my question.

My question is whether the value of possessions is also incorporated in article 1 of the convention. That is important, because the Bill would deprive people of value. I gave the Minister two examples in my intervention. It is clear from the Minister's body language that he will not seek to intervene to answer my question, and my right hon. and hon. Friends will draw the conclusion that the Bill's validity as against article 1 of the European convention is dubious.

Because I undertook not to speak for long on the subject, and because it is clear to the House that the Bill faces a problem under article 1, I shall not go through the other articles that the Minister covered. In Committee, the Minister said:

"the advice that I have received is that clause 1 is indeed defective and that if it were to proceed in its present form, the Bill would not be in a reasonable state to go on to the statute book. That said, the Government accept that we have a responsibility to ensure that the Bill is in good order before it leaves the House of Commons."—[*Official Report, Standing Committee C*, 4 February 1998; c. 162.]

The Minister took on some responsibility for the Bill, and produced Bill 2, which is what we are debating today, Madam Speaker having ruled Bill 3 out of order. If the Minister is not prepared to address the questions about the European convention in the detail necessary, given that he has—foolishly, I believe—assumed some responsibility for the Bill, my right hon. and hon. Friends and all those who oppose it can only come to the conclusion that the co-sponsors of the Bill, the Government and the hon. Member for Worcester (Mr. Foster), have something to hide.

That is a matter for serious concern, and I have no doubt that we will return to the subject when the Human Rights Bill is considered in Committee on the Floor of the House. In the meantime, I advise my right hon. and hon. Friends to think carefully about the Minister's reticence before they determine how they will vote on new clause 2.

Mr. Andrew F. Bennett (Denton and Reddish) *rose in his place and claimed to move,* That the Question be now put.

Mr. Nick Hawkins (Surrey Heath): On a point of order, Mr. Deputy Speaker. Several of my hon. Friends and myself have sat throughout the debate on the clauses—

Mr. Deputy Speaker: Order. Accepting or refusing a motion on closure is entirely a matter for the Chair, and is not a matter of argument.

Question put, That the Question be now put:—

The House proceeded to a Division—

Mr. Denis MacShane (Rotherham) (*seated and covered*): On a point of order, Mr. Deputy Speaker. I am

[Mr. Denis MacShane]

making this point of order, wearing this ludicrous hat, so as not to take up debating time. Can you give me guidance? In the light of last week's filibustering, and the unspeakable behaviour of the Tories, who pursued indefensible tactics against the will of the people and of Parliament, do you have power under the procedures laid down in *Erskine May* to ensure that debate on the Bill is completed by 2.30 pm, and that it passes to the House of Lords?

Mr. Deputy Speaker: The hon. Gentleman knows that he is expecting far too much of the powers of the Chair. The Chair presides over the orderly conduct of debate, according to well-accepted rules. We shall make such progress as is possible, according to how many hon. Members seek to catch my eye, and the manner in which they pursue the discussion of the content of the groups of amendments that are before us. We shall proceed through the amendments in an orderly manner—there is no short cut that the Chair can impose.

The House having divided: Ayes 132, Noes 42.

Division No. 205] **[10.24 am**

AYES

Ainger, Nick
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Austin, John
Ballard, Mrs Jackie
Barnes, Harry
Begg, Miss Anne
Benn, Rt Hon Tony
Bennett, Andrew F
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Campbell, Alan *(Tynemouth)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Cooper, Yvette
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Darvill, Keith
Davis, Terry *(B'ham Hodge H)*
Dobbin, Jim
Dowd, Jim
Etherington, Bill
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Gale, Roger
Gibson, Dr Ian
Gilroy, Mrs Linda
Gordon, Mrs Eileen
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Henderson, Ivan *(Harwich)*
Hill, Keith
Home Robertson, John
Howarth, George *(Knowsley N)*
Hughes, Kevin *(Doncaster N)*
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jones, Dr Lynne *(Selly Oak)*
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Lepper, David
Lloyd, Tony *(Manchester C)*
Love, Andrew
McCabe, Steve
McDonagh, Siobhain
McFall, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Marshall-Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheffld Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Olner, Bill
Palmer, Dr Nick
Pickthall, Colin
Pike, Peter L
Pound, Stephen
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Ruane, Chris
Russell, Bob *(Colchester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
White, Brian
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Mr. John Heppell and
Mr. Joe Benton.

NOES

Arbuthnot, James
Blunt, Crispin
Boswell, Tim
Brooke, Rt Hon Peter
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Colvin, Michael
Curry, Rt Hon David
Duncan, Alan
Emery, Rt Hon Sir Peter
Forth, Rt Hon Eric
Garnier, Edward
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gray, James
Greenway, John
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hogg, Rt Hon Douglas
Johnson Smith, Rt Hon Sir Geoffrey
Lansley, Andrew
Leigh, Edward
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
Maginnis, Ken
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
Prior, David
Robathan, Andrew
Spring, Richard
Streeter, Gary
Taylor, Ian *(Esher & Walton)*
Wilkinson, John
Woodward, Shaun
Yeo, Tim

Tellers for the Noes:
Mr. Peter Atkinson and
Mr. Owen Paterson.

Question accordingly agreed to.

Question put accordingly, That the clause be read a Second time:—

The House divided: Ayes 44, Noes 136.

Division No. 206] **[10.36 am**

AYES

Arbuthnot, James
Baldry, Tony
Blunt, Crispin
Boswell, Tim
Brooke, Rt Hon Peter
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Colvin, Michael
Curry, Rt Hon David
Duncan, Alan
Emery, Rt Hon Sir Peter
Forth, Rt Hon Eric
Garnier, Edward
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gray, James
Greenway, John
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hoey, Kate
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Johnson Smith, Rt Hon Sir Geoffrey
Lansley, Andrew
Leigh, Edward

Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
Maginnis, Ken
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
Prior, David
Robathan, Andrew
Spring, Richard
Streeter, Gary
Taylor, Ian *(Esher & Walton)*
Wilkinson, John
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. Peter Atkinson and
Mr. Owen Paterson.

NOES

Ainger, Nick
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Austin, John
Ballard, Mrs Jackie
Barnes, Harry
Begg, Miss Anne
Benn, Rt Hon Tony
Bennett, Andrew F
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coleman, Iain
Cooper, Yvette
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Darvill, Keith
Davis, Terry *(B'ham Hodge H)*
Dobbin, Jim
Dowd, Jim
Etherington, Bill
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Gale, Roger
Gibson, Dr Ian
Gilroy, Mrs Linda
Gordon, Mrs Eileen
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Henderson, Ivan *(Harwich)*
Hill, Keith
Hughes, Kevin *(Doncaster N)*
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jones, Dr Lynne *(Selly Oak)*
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Lepper, David
Lloyd, Tony *(Manchester C)*
Love, Andrew
McCabe, Steve
McDonagh, Siobhain
McFall, John
McIsaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Marshall–Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheff'd Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Olner, Bill
Palmer, Dr Nick
Pickthall, Colin
Pike, Peter L
Pound, Stephen
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Rooker, Jeff
Ruane, Chris
Russell, Bob *(Colchester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
White, Brian
Whitehead, Dr Alan
Williams, Alan W *(E Carmarthen)*
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. John Heppell and
Mr. Joe Benton.

Question accordingly negatived.

New clause 3

MINK

'.—(1) Subject to compliance with subsections (2) and (3), hunting of feral mink with dogs shall be permitted on any land, river, lake, waterway or coastal area at the request of the owner or occupier thereof where that person reasonably believes that mink need to be controlled there in order to protect or conserve fish (whether required for angling or human consumption), waterfowl, ground nesting birds or other wild life.

(2) Any person hunting mink under subsection (1), should take all reasonable steps to avoid unnecessary damage to habitat or wild life.

(3) When any otter is located during the course of hunting all dogs under the control of the person hunting shall be withdrawn from the vicinity immediately.

(4) Hunting of feral mink shall not be permitted in any area certified by the Environment Agency or the Scottish Environment Protection Agency as unsuitable for hunting because of likely disturbance to the habitat of wild life, provided the relevant Agency controls the mink in such area by other means.

(5) For the purpose of this section "owner" shall include riparian owner.'.—*[Kate Hoey.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House proceeded to a Division—

Angela Smith (Basildon) (*seated and covered*): On a point of order, Mr. Deputy Speaker. May I ask the Serjeant at Arms, through you, why it is taking so long to clear the Aye Lobby? Can the Serjeant at Arms be sent into the Lobby to see why the delay has occurred?

Mr. Deputy Speaker: I shall keep an eye on the situation, but the length of time taken for the Division, 12 minutes, has not yet been excessive—it has taken one minute longer than the previous ones. Certainly, if any further time passes, I shall send the Serjeant in.

The House having divided: Ayes 42, Noes 139.

Division No. 207] **[10.47 am**

AYES

Blunt, Crispin
Boswell, Tim
Brooke, Rt Hon Peter
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Colvin, Michael
Curry, Rt Hon David
Emery, Rt Hon Sir Peter
Forth, Rt Hon Eric
Garnier, Edward
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gray, James
Greenway, John
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heald, Oliver
Heathcoat–Amory, Rt Hon David
Heseltine, Rt Hon Michael
Hoey, Kate
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Johnson Smith, Rt Hon Sir Geoffrey
Lansley, Andrew
Leigh, Edward
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David

Maginnis, Ken
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
Prior, David
Robathan, Andrew
Spicer, Sir Michael
Spring, Richard
Streeter, Gary
Taylor, Ian *(Esher & Walton)*
Wilkinson, John
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. Peter Atkinson and
Mr. Owen Paterson.

NOES

Ainger, Nick
Anderson, Janet *(Rossendale)*
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Austin, John
Ballard, Mrs Jackie
Barnes, Harry
Begg, Miss Anne
Benn, Rt Hon Tony
Bennett, Andrew F
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coleman, Iain
Cooper, Yvette
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Darvill, Keith
Davis, Terry *(B'ham Hodge H)*
Dobbin, Jim
Dowd, Jim
Eagle, Angela *(Wallasey)*
Etherington, Bill
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Gale, Roger
Gibson, Dr Ian
Gilroy, Mrs Linda
Gordon, Mrs Eileen
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Henderson, Ivan *(Harwich)*
Hill, Keith
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jones, Dr Lynne *(Selly Oak)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Lepper, David
Lloyd, Tony *(Manchester C)*
Love, Andrew
McCabe, Steve
McDonagh, Siobhain
McFall, John
Mcisaac, Shona
Mackinlay, Andrew
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Marshall–Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheff'ld Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Olner, Bill
Palmer, Dr Nick
Pickthall, Colin
Pike, Peter L
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Rendel, David
Rooker, Jeff
Ruane, Chris
Russell, Bob *(Colchester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
White, Brian
Whitehead, Dr Alan
Williams, Alan W *(E Carmarthen)*
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. John Heppell and
Mr. Joe Benton.

Question accordingly negatived.

New clause 6

GUN PACKS

'.—(1) A person does not commit an offence under section 1(1) if as a member of a gun pack:

(a) he hunts foxes with dogs for the purpose of culling, whether or not foxes are killed by dogs in the process, or

(b) he hunts an injured fox in order to kill it with dogs where it is reasonably believed by the person in control of those dogs to be the most effective method of killing it.

(2) In this section "Gun Pack" means any club or association registered with the Welsh Farmers Fox Control Association or any like Fox Control Association with similar purposes established in England, Scotland or Northern Ireland and which operates according to the code of practice prescribed by that Association'.— *[Mr. Öpik.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 43, Noes 138.

Division No. 208] **[11.2 am**

AYES

Arbuthnot, James
Blunt, Crispin
Boswell, Tim
Brooke, Rt Hon Peter
Chope, Christopher
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Colvin, Michael
Curry, Rt Hon David
Duncan, Alan
Emery, Rt Hon Sir Peter
Forth, Rt Hon Eric
Garnier, Edward
Gill, Christopher
Goodlad, Rt Hon Sir Alastair
Gray, James
Greenway, John
Gummer, Rt Hon John
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heald, Oliver
Hoey, Kate
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Johnson Smith, Rt Hon Sir Geoffrey
Lansley, Andrew
Leigh, Edward
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
MacKay, Andrew
Maclean, Rt Hon David
Maginnis, Ken
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
Prior, David
Robathan, Andrew
Spicer, Sir Michael
Spring, Richard
Streeter, Gary
Taylor, Ian *(Esher & Walton)*
Wilkinson, John
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. Peter Atkinson and
Mr. Owen Paterson.

NOES

Ainger, Nick
Anderson, Janet *(Rossendale)*
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Austin, John
Ballard, Mrs Jackie
Barnes, Harry
Begg, Miss Anne
Benn, Rt Hon Tony
Bennett, Andrew F
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Cable, Dr Vincent
Campbell, Alan *(Tynemouth)*
Caplin, Ivor
Casale, Roger
Caton, Martin
Cawsey, Ian

Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Charles *(Norwich S)*
Clarke, Tony *(Northampton S)*
Clwyd, Ann
Coaker, Vernon
Coleman, Iain
Cooper, Yvette
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Darvill, Keith
Davis, Terry *(B'ham Hodge H)*
Dobbin, Jim
Dowd, Jim
Eagle, Angela *(Wallasey)*
Etherington, Bill
Ewing, Mrs Margaret
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Foster, Don *(Bath)*
Foster, Michael J *(Worcester)*
Gale, Roger
Gibson, Dr Ian
Gilroy, Mrs Linda
Gordon, Mrs Eileen
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Henderson, Ivan *(Harwich)*
Hill, Keith
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Jones, Dr Lynne *(Selly Oak)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Lepper, David
Lloyd, Tony *(Manchester C)*
Love, Andrew
McCabe, Steve
McDonagh, Siobhain
McFall, John
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Marshall-Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheffd Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Olner, Bill
Palmer, Dr Nick
Pickthall, Colin
Pike, Peter L
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Reed, Andrew *(Loughborough)*
Rendel, David
Rooker, Jeff
Ruane, Chris
Russell, Bob *(Colchester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
White, Brian
Whitehead, Dr Alan
Williams, Alan W *(E Carmarthen)*
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. John Heppell and Mr. Joe Benton.

Question accordingly negatived.

New clause 18

HUNTING BEGINNING IN THE REPUBLIC OF IRELAND

'A person does not commit an offence under section 1(1) if he hunts a wild mammal with a dog on land in Northern Ireland in circumstances where his hunting of that mammal begins in the Republic of Ireland and continues over the border into Northern Ireland.'.—*[Mr. Maginnis.]*

Brought up, and read the First time.

Mr. Ken Maginnis (Fermanagh and South Tyrone): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following: New clause 32—*Incidental hunting in Northern Ireland—*

'.—(1) An offence shall not be committed pursuant to section 1(1) if a wild mammal is hunted in Northern Ireland only incidentally to a hunt which begins and ends in the Republic of Ireland.

(2) A hunt begins in the Republic of Ireland if the pursuit of the wild mammal begins there.

(3) A hunt ends either by the wild mammal being killed or by the decision to stop hunting provided always that no offence is committed pursuant to section 1(1) if the wild mammal is killed in Northern Ireland and the hunt began in the Republic of Ireland.

(4) A wild mammal may not be dug out or bolted in Northern Ireland in the course of a hunt which incidentally crosses into Northern Ireland as described in subsection (1).

(5) In circumstances where section 1(1) is excepted by subsection (1), no offence can be committed by any person under section 1(2), (3) or (4).

(6) If a dog or dogs should become lost in the course of a hunt excepted by subsection (1) then a person who finds, keeps and returns that dog or those dogs within a reasonable period to its owner or keeper shall not be guilty of an offence under section 1(4).'.

Amendment No. 101, in clause 14, page 5, line 37, leave out 'extends' and insert 'does not extend'.

Mr. Maginnis: New clause 18 stands in my name and those of my hon. Friend the Member for East Londonderry (Mr. Ross) and others. The new clause reads:

"A person does not commit an offence under section 1(1)"—

Mr. Michael J. Foster: Having considered new clause 18, on this occasion I am perfectly willing to accept it.

Mr. Maginnis: I am heartened that common sense is to prevail, but for the benefit—

Mr. Gray: The hon. Member for Worcester (Mr. Foster) may be prepared to accept new clause 18 but I am not, and I shall happily try to speak to that effect shortly.

Mr. Maginnis: I shall try to proceed at least to the stage where I have read the new clause.

"A person does not commit an offence under section 1(1) if he hunts a wild mammal with a dog on land in Northern Ireland in circumstances where his hunting of that mammal begins in the"

Irish Republic

"and continues over the border into Northern Ireland."

11.15 am

As supporters of any legislation to abolish hunting appear to have limited knowledge of hunting and of rural communities where hunting is practised, it is necessary for me to enhance their understanding of the situation in Northern Ireland, especially when such hunting occurs adjacent to the land border with the Irish Republic.

When Bills do not apply to Northern Ireland, politicians from Great Britain usually have the luxury of legislating for clearly defined sea borders and, fortunately, most can still recognise water, even if it is seldom imbibed by

[Mr. Maginnis]

some. Even Bills that do apply to Northern Ireland will generally regulate activities that do not, by their nature, involve our land frontier with the Irish Republic.

However, hunting does involve cross-border activity. I am disappointed to see that the hon. Member for Hull, North (Mr. McNamara), who was in his place earlier, has not returned—*[Interruption.]* Oh, there he is, and I am delighted to see him arrive: I know that, with his cross-border interests, he will give considerable support to the new clause.

The Bill fails absolutely to distinguish properly between what is lawful and what is a criminal offence when the activity of hunting crosses from one landowner's property to another. It allows the hot pursuit of quarry species from land where a request to hunt is in force on to "neighbouring land". "Neighbouring land" is poorly defined. It could mean the adjacent parcel of land that is all under one possessory title.

Mr. Richard Spring (West Suffolk): I believe that the hon. Gentleman will confirm that part of the considerable difficulty about this matter is that the border is not fenced or marked clearly, and huntsmen might inadvertently cross it, with all the difficulties that would then arise.

Mr. Maginnis: The hon. Gentleman is absolutely right, and I shall deal with that point as I progress.

"Neighbouring land" could also mean the adjacent parcel of land that is under the same agreement for sporting rights. It could mean the adjacent county or national park. However, it was never clear what effect, for example, roads or rivers would have on the definition of "neighbouring". What is neighbouring, and how far does it extend? What impediments in the path of a hunt mean that land is no longer neighbouring? I am dwelling on the complexities of the issue.

Mr. Edward Leigh (Gainsborough): The hon. Gentleman mentions the complexities of the issue. In fact, they go further than may seem apparent at first sight. As he knows, because of the common travel area, it is perfectly legal to cross the border on lawful business, but my legal advice is that, if the Bill became law, it would be perfectly legal for a hunt to meet in Northern Ireland and to move to the Republic of Ireland to start hunting, but it would be illegal for a hunt to meet in the Republic and to hunt in Northern Ireland. So there would be confusion and anomalies and we need to discuss the new clause to resolve the matter.

Mr. Maginnis: The hon. Gentleman is absolutely right. I am dwelling on the complexities of the issue—and the failure of the Bill to get to grips with the dilemma—so as to caution hon. Members that those complexities are 10, 20 or 50 times worse when two neighbouring jurisdictions, not merely two neighbouring pieces of land, are involved.

I am concerned about the lack of knowledge about Ireland and Irish hunting displayed by some hon. Members. In Committee, the hon. Member for Brigg and Goole (Mr. Cawsey), in a most impassioned speech, referred to the Irish sport of "crated stag hunting". He drew attention to the terrible plight of stags being brought in crates to be hunted, albeit that they were later released and not shot. The sport to which he referred is carted stag hunting, where stags are brought to the hunt in horse boxes. There is no reference to the imaginary sport of crated stag hunting anywhere in literature or mythology. It appears only in the hon. Gentleman's speech. The fact that some hon. Members are still handicapped by their lack of knowledge of Irish hunting is derived exclusively from briefings from the League Against Cruel Sports, including typographical errors. I am determined to bring some enlightenment, and I would be happy to help the hon. Gentleman further.

Mr. Cawsey: I am enjoying the hon. Gentleman's arguments for a united Ireland. He appears to have undergone a pleasing conversion. However, in respect of hunting carted or crated stags, I remind him that both terms can be used.

Mr. Maginnis: Of course the House has the power to legislate over certain matters, but I am not sure that individuals have the authority to change the English language and traditional terms quite as glibly as the hon. Gentleman seeks to do.

Sir Michael Spicer (West Worcestershire): The hon. Member for Brigg and Goole (Mr. Cawsey) raises a serious point about the Bill representing all sorts of precedents to unity between the two countries. Does he agree that the measure involves not just two jurisdictions, but two different countries? Will the huntsmen need to wave their passports as they charge by? That, at least, would make some sense.

Mr. Maginnis: The hon. Gentleman touches on a pertinent point. I suspect that huntsmen will be required not only to carry their passports, but to sign a declaration as they enter Northern Ireland from the Irish Republic saying, "I am now entering Northern Ireland with the express purpose of breaking the law," so that their purpose is absolutely clear.

Mr. Lembit Öpik (Montgomeryshire): My understanding is that people do not have to carry a passport to travel between Northern Ireland and the Irish Republic. Cattle do, of course, but to the best of my knowledge no cattle in Northern Ireland enjoy the pursuit of fox hunting.

Mr. Maginnis: Indeed. Although cattle are required to have passports, it is exceedingly difficult to arrange passports for foxes. I am afraid that we are getting into deeper water.

Sir Brian Mawhinney: The hon. Gentleman has got to the heart of the new clause, which is about making people into criminals. With the typical gay abandon that we have come to associate with the hon. Member for Worcester (Mr. Foster) and his supporters, they are seeking to criminalise citizens of the Irish Republic. However, the hon. Gentleman and I both know that under the terms of the Anglo-Irish Agreement, matters that are of importance to both to the Republic and to Northern Ireland—matters much less significant than turning citizens of the Irish Republic into criminals—are required to be debated under the terms of that agreement at Maryfield and perhaps at

intergovernmental conferences. What intergovernmental discussions have taken place over the Bill's proposal to criminalise Irish citizens?

Mr. Maginnis: The right hon. Gentleman does not go far enough. The Bill would criminalise not only those in the Irish Republic who inadvertently crossed the frontier into Northern Ireland but people from Northern Ireland who took the advice that they had been given and interacted with people in the Irish Republic. If a person from Northern Ireland joined a hunt in the Irish Republic which then inadvertently crossed into Northern Ireland, he would be committing an offence in pursuit of developing a good relationship with people in the Irish Republic.

Mr. Michael Colvin (Romsey): Although not a legislative body that can legislate jointly in respect of laws that apply to Northern Ireland and to the Republic of Ireland, the British-Irish Inter-Parliamentary Body debates such matters. I must apologise to the hon. Gentleman for the fact that I cannot stay in the Chamber to hear the rest of his speech because I am currently chairing a committee of the British-Irish Inter-Parliamentary Body on another subject. Does he agree that this matter could usefully be on that body's agenda? Does he agree that, if the Unionist parties joined that body, it would carry very much more weight? Does he also agree—

Mr. Deputy Speaker: Order. The hon. Gentleman may have made a sacrifice by leaving one meeting to come to this one, but he must not make a speech on an intervention.

Mr. Maginnis: The hon. Gentleman has raised a matter that involves various aspects. The length of his intervention enabled him to make several points—

Mr. Kevin McNamara (Hull, North): Yes or no?

Mr. Maginnis: I am delighted to respond to the sedentary intervention by the hon. Member for Hull, North. He might well apply that requirement to his friends in the Irish Republic in respect of the need for a referendum on whether articles 2 and 3 of the constitution of the Irish Republic should be abolished. However, I digress.

Mr. Colvin: I thank the hon. Gentleman for giving way again. Is he aware that members of the Dail and members of the Senate in Dublin have debated fox hunting? They thought that the House would be very unwise to proceed with the Bill. Will he speculate on what might happen if the former Taoiseach, the very sporting Mr. Charles Haughey, were to cross the border into the Province in pursuit of a fox?

Mr. Maginnis: The hon. Gentleman's latter point is intriguing. I acknowledge that the former Taoiseach, Mr. Haughey, is much engaged in field sports activities. Only recently he fell off his horse, breaking his leg. If, in the circumstances outlined by the hon. Gentleman, Mr. Haughey strayed across the frontier—which he has always had a predisposition to do—I wonder whether, being confronted by a 6ft member of the Royal Ulster Constabulary who, as Mr. Haughey would obviously be breaking the law, would call on him to desist, and the same former Taoiseach of the Irish Republic, possibly having his mind on other matters, such as why the local grocer has not added to the £1.3 million contribution that has enabled him to pursue many sports, including—

11.30 am

Mr. Deputy Speaker: Order. The hon. Gentleman would be advised to come back to the substance of the matter, and not to indulge in the discussion of personalities.

Mr. Maginnis: I thought you might advise me that that would be a wise course of action, Mr. Deputy Speaker. I was about to say that the former Taoiseach might be preoccupied with other things, and might fall off his horse again, perhaps breaking the other leg. Other legislation would have to be enacted because of the possibly litigious reaction of the former Taoiseach. During the past weeks I have been sitting on the Committee that is considering the Police (Northern Ireland) Bill. There we have dealt with the very situation in which, if a policeman causes death or injury to a person, he can face a charge and the Police Authority can face a claim for damages. That would create the most embarrassing situation.

I must not digress; I want to make progress. I assure the House that hunting is legal in Ireland and is not subject to anything like the same organised slander and vituperation from career lobbyists as it is in Great Britain. This is a good point at which to remind the House that no other European country gives house room to the excesses of animal rights zealotry that we seem to tolerate in the United Kingdom.

Opening the Royal Dublin horse show in August last year, the Irish Agriculture Minister, Mr. Walsh, spoke strongly against a ban on hunting in the United Kingdom, warning that it would seriously harm Ireland's horse industry. He said:

> "A ban on foxhunting in Britain would severely affect Ireland's £100 million sports horse industry and place in jeopardy the livelihoods of the 10,000 people involved in it. Banning the sport in Britain would directly affect the Irish horse industry as many of the horses used in hunts in Britain were purchased over here"—

that is, over in Ireland. Mr. Walsh continued:

> "As far as I am concerned, foxhunting is not a cruel sport and I support all rural pursuits."

Mr. Hawkins: Does the hon. Gentleman agree that, particularly in relation to national hunt racing, the sports in Ireland and in the rest of the UK are intimately connected? Given the importance to national hunt racing of the Cheltenham festival and the huge Irish involvement in that, does he agree that it would have a huge impact on legitimate sport in this country if national hunt racing were damaged, as it would be by the Bill's application in Ireland?

Mr. Deputy Speaker: Order. That may be the case, but it is nothing to do with the new clause.

Mr. Maginnis: There is an inter-relationship between hunting and horse breeding. The industry, which means a great deal both to the Irish Republic and to Northern

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Ireland, and in which there is a natural interface between Irish nationalists from the Irish Republic and members of the United Kingdom, would be harmed.

Mr. Deputy Speaker: Order. The new clause is about hunting and going across the border between the Republic of Ireland and Northern Ireland. That is the matter to which the hon. Gentleman should direct his remarks.

Mr. Maginnis: I have made my point about the inter-relationship.

Mr. Leigh: I wonder whether the hon. Gentleman has thought through his own new clause. He has dedicated his life to the cause of Unionism. We are discussing an activity that would be banned throughout the United Kingdom. If his new clause were accepted, that activity would not be banned simply because it emanated from the Irish Republic. Is he happy with that state of affairs?

Mr. Maginnis: I hope that most hon. Members recognise that Ulster Unionists are not against normal social relationships between us and our neighbours south of the frontier. It is political interference to which we object. Despite our annoyance at political interference, we are generous enough not to allow that to inhibit normal social relationships. I take the hon. Gentleman's point, but I hope that he will not confuse political interference with normal good neighbourliness, which Ulster Unionists have always endeavoured to show to those in the Irish Republic.

Mr. Tim Boswell (Daventry): What troubles me about the situation that the hon. Gentleman describes is the possibility that the Bill might be seen to constitute British political interference in the affairs of the Irish Republic, on the ground that activities that were banned in Northern Ireland were bound to have an impact across the land border into the Irish Republic. Would that not send entirely the wrong signals with respect to Irish political and general relations?

Mr. Maginnis: We must, of course, legislate for our own jurisdiction. We must be conscious of how that might impact on the good neighbourliness that we wish to show to those who live in the Irish Republic, but that cannot dominate our approach to a problem.

In Northern Ireland and the Irish Republic combined, there are 40 packs of fox hounds registered with the Irish Masters of Foxhounds Association, 33 harrier packs, 23 beagle packs and two mink packs. There are, perhaps, 140 additional unregistered quarry packs. Interestingly, there are no drag hunts, despite all the attractions that we are told that that equestrian sport may have—an argument advanced persistently and, I suspect, insincerely, by the anti-hunting lobby.

There is no question but that hunting generates employment in Ireland in the same way as it does in Great Britain, but the contribution of hunting to the development of human and equine talent is significantly and proportionally more important to the respective Irish economies than it is to the mainland's. There is no prospect that, if the United Kingdom implements anti-hunting legislation, the Irish Republic will reciprocate with anti-hunting legislation. That will have long-term consequences for hunts that cross the border. Last Saturday, the South Tyrone hunt met at Glaslough in County Monaghan—which, for those who may be unaware of it, is in the Irish Republic—and it pursued a fox that crossed the border into my constituency in County Tyrone, with hounds and the field following behind.

In pointing out the issues that arise from cross-border hunting, I want hon. Members to realise that it is not a theoretical situation put up to expose abstract, logical flaws in the draft legislation. Cross-border hunting happens continually, and the legislation will have practical consequences for farmers, hunts and individuals, and the unique social status quo that exists along the border.

Mr. Hawkins: I can reinforce the hon. Gentleman's claim that he is not talking about a theoretical situation. During my career at the Bar, I came across a gentleman from County Monaghan who was acquitted in the United Kingdom courts. He was asked by a police officer to produce his driver's licence at a police station and he told the officer that he would produce it at the police station in Monaghan, County Monaghan. The police officer did not realise that Monaghan was in the Irish Republic, and thus the gentleman was acquitted of a criminal offence.

Mr. Maginnis: Many do not appreciate the realities of the land frontier between Northern Ireland and the Irish Republic. That frontier is not all marked or fenced and it is easy to cross inadvertently. Hounds and foxes are unaware that such a border exists.

One could make the case that, if the United Kingdom adopts anti-hunting legislation, the situation would be tough but fair—or would it? It would be all right to hunt in the Irish Republic, but, if one were to hunt in the United Kingdom—including Northern Ireland—one would be a wicked criminal and liable to arrest. It is hard luck if people do not know where the frontier is between the Irish Republic and Northern Ireland. I know that there are absolute offences on the statute book where inadvertent activities have been punished with the full force of law. That would certainly be the case if one were found in possession of an article that required a licence in the United Kingdom but not in the Irish Republic.

Mr. Jeremy Corbyn (Islington, North): Is the hon. Gentleman not in danger of making the case for a united Ireland?

Mr. Maginnis: I never cease to be amazed by the naivety of those who would promote the concept of a politically united Ireland. I emphasise to the hon. Gentleman that the Ulster Unionists have never intended to do anything to inhibit the natural social relationships that have existed traditionally over the centuries between those who live in what is now the Irish Republic and those who live in Northern Ireland. I would be disappointed if the hon. Gentleman sought to inhibit that social relationship on the pretext that to have social interaction is to concede a political principle. However, judging from the hon. Gentleman's record in the House, I am not sure how much he knows about political principles.

11.45 am

I am sorry, I must regain my train of thought. The difficulty is that hunting is a much more complicated activity than carrying a shotgun, which requires a licence and which people know requires a licence. A ban on hunting would infringe a traditional and social activity that has been commonly carried out for centuries without regard to jurisdiction or frontier—in fact, there was hunting before the frontier was established.

Hunting involves multiple participants—one could argue that some participate actively in the hunting and others are merely spectators. There is fast movement, and the hunt may cross and recross the border so that the activity may end in the jurisdiction where it began. However, in the interim, it may infringe the other jurisdiction. There is also the still unresolved question of what "to hunt" means, and whether that includes picking up a scent, how and where a huntsman instigates the activities of dogs, and the tendentious problem of whether dogs are instruments or agents—that is to say, whether the huntsman uses the dogs to hunt or whether the dogs would have an instinctive capacity to make their own decisions even if they were set a different task, such as drag hunting or flushing out.

What will happen if someone sends a dog after a rabbit in the Irish Republic and that dog crosses the border—or vice versa—and begins to chase a hare? The question is baffling enough in one jurisdiction without the added complexity of considering its implications in another. What will happen if the legislation is made to apply to Northern Ireland and someone initiates a hunt in the Republic and remains there while the hounds cross the border and hunt? Will the offence of hunting be treated in the same way as drugs offences in some jurisdictions, whereby activities in one jurisdiction that have an effect in a second jurisdiction may be tried under the laws of that second jurisdiction?

Do not imagine that I am describing a contrived situation, Mr. Deputy Speaker. If United Kingdom-wide hunting legislation is adopted, the anti-hunting pressure groups will not waste the opportunity to assert their moral triumphalism and extract publicity for themselves by urging the prosecution of Irish hunt followers under United Kingdom law. In December last year, the *Irish Independent* reported the plans of British hunt saboteurs to cross to the Irish Republic and harass British hunt followers who hunted in Ireland if hunting were banned in the United Kingdom. Those saboteurs would still enjoy an anarchy awayday.

The many foot packs that hunt along the border inform me that they frequently cross over. The master of the West Down beagles is insistent that his beagles cross the border all the time, as do the hounds of the Oriel Harriers, which are kennelled at Walterstown in County Dondalk—for the uninitiated, County Dondalk is in the Irish Republic. Real people stand to be prosecuted for pursuing a traditional rural pursuit that is not an offence in their own country. They could be prosecuted for chasing the same fox or hare on the same field owned by the same farmer because that farmer's field may be situated partly in the Irish Republic and partly in Northern Ireland. We could hardly engineer a situation that would offend natural justice and common sense more.

Mr. Hogg: Is there not another problem to which the hon. Gentleman has not yet drawn attention? If fox hunting is prohibited on the Northern Ireland side of the frontier but allowed on the Republic side, that may displace foxes from one side to the other, which would certainly irritate enormously farmers on the side of the frontier to which the foxes go.

Mr. Maginnis: Indeed. Anyone with a knowledge of rural pursuits, who has grown up as I have in the country, will realise that animals migrate towards the most secure area. The hooded crow, which does such damage to game birds by robbing their nests and destroying their young, was seldom seen in Northern Ireland in my youth because it sought uninhabited areas such as mountainsides. That is where we went to shoot those carrion. Now, because of the security situation, fewer people carry weapons for sporting purposes and people go less often to remote areas, and it is not uncommon to see the hooded crow in the centre of urban areas.

Mr. Colvin: My hon. Friend raises the question of firearms. Is there not a case to be made, when shooting is an alternative method of controlling foxes, for reducing the number of firearms in Northern Ireland—

Mr. Deputy Speaker: Order. I see no connection between that point and the question whether hunting with hounds crosses the border.

Mr. Maginnis: In the case of a hunt where the huntsman remains in the Irish Republic but the followers cross the border, how will the existing extradition arrangements between the United Kingdom and the Irish Republic be applied to the suspects? If the huntsman, who, after all, controls the hounds, remains south of the border, but the field of followers crosses into the United Kingdom, who will be prosecuted and with what principle of fairness?

I now wish to deal with possible solutions. First, I acknowledge the ethical problem that Northern Ireland presents to the Bill's supporters. They conceive of hunting as a moral wrong and of their Bill as a matter of principle, even if it is a principle that they apply selectively to certain attractive mammal species such as foxes and not to unattractive ones such as rats. They know that they cannot make a law that would apply in the Irish Republic, but that it is within the powers of this House to apply laws—indeed, to apply moral precepts—to Northern Ireland.

The Bill's supporters must want the legislation to apply to Northern Ireland—it is impossible to believe otherwise. If they think that fox hunting is cruel, wicked and wrong in every county in England, why would they not think it wrong in the six counties of Northern Ireland? If they fail even to try to apply their imagined moral principle wherever they can, they will betray that principle. That is what puzzled me about the willing acceptance of this clause by the hon. Member for Worcester (Mr. Foster) at the beginning of my speech.

Do the Bill's supporters maintain that the experience of hunted animals in Northern Ireland is subjectively different from the experience of those on the mainland? That is the only justifiable reason for not applying the Bill throughout the United Kingdom. Perhaps they maintain that the motivations of those who hunt differ on each side

[Mr. Maginnis]

of the Irish sea. Some supporters of anti-hunting legislation are obviously motivated by the class or cultural associations of hunters who wear red coats and have posh voices. Whether or not they admit it, such people form a tiny minority of the hunting scene. Perhaps the critics of hunting imagine that they are excused from disliking hunters in my part of the world because they are cut from a different cloth and are not quite as posh as hunters from the home counties.

Mr. Gray: Is the hon. Gentleman aware of recent remarks by the hon. Member for Worcester (Mr. Foster), who said that one of his main objections to the act of fox hunting was that those who take part in it are from class A1—the nobs? Does he agree that, by those remarks, the hon. Gentleman exposed his true class hatred?

Mr. Deputy Speaker: Order. That is well outside the scope of the amendment. I hope that the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) will bring his speech back within the confines of the amendment quickly and concisely.

Mr. Maginnis: I shall certainly endeavour to do so. However, first I must say that those self-same people to whom the hon. Member for North Wiltshire (Mr. Gray) refers are far more likely than poor hunting enthusiasts to go hunting in Northern Ireland after a selective ban on the mainland. The richer people are, the less a limited territorial ban will inconvenience them. Conversely, the poorer people are and the more they rely on hunting for free pest control, the more affected they will be.

Dr. Desmond Turner (Brighton, Kemptown): Would the hon. Gentleman support the reintroduction of boar hunting in Northern Ireland?

Mr. Maginnis: Of course. However, you would not permit me to go into that, Mr. Deputy Speaker.

The issue of domesticated animals must include the question whether the original crime was to domesticate dogs. Had we not done so, dogs would have hunted freely throughout the length and breadth of Northern Ireland and we would have had to find a way of hunting them to limit the destruction that they would carry out. I fear that you will rule me out of order, Mr. Deputy Speaker, if I continue down that route.

The Bill's proponents will grind their teeth with frustration if those whom they dislike most are allowed to continue hunting, so I should be extremely surprised if the opportunity were not taken to extend the ban to Northern Ireland. That is how the Bill has been drafted. Do the proponents of the Bill no longer want to extend it to Northern Ireland? The hon. Member for Worcester will no doubt tell me.

Tentatively, I am suggesting a compromise in the way in which criminal law should be drafted to ban hunting in Northern Ireland. If it is to be drafted at all, it must be done to protect cross-border hunting from the tangle of legal jeopardy which would arise. I shall welcome any amendment that excludes the offence of hunting in Northern Ireland—first, where the person or persons accused of hunting believed they were in the Irish Republic at the time they initiated hunting and, secondly, where hunting is initiated in the Republic but crosses into Northern Ireland.

In a case where the defendant is accused of hunting in Northern Ireland, the burden of proof must properly rest with the prosecution, and it should be up to the prosecution to establish that the defendant must have reasonably known that he was in Northern Ireland. All the circumstances would be properly taken into account, along with the defendant's experience of hunting in the area and the presence of landmarks known to the people in the locality. If that initially appears to favour the home counties set who may go to the Irish Republic if a ban on hunting is enacted in the UK, so be it—in so far as they would be a minute element of those so engaged in the pursuit.

12 noon

Mr. Leigh: This is a ridiculous argument. Hunts go across the unmarked border in the midst of a chase. How can the police prove beyond reasonable doubt that a hunter knew or did not know that he was in Northern Ireland at any time?

Mr. Maginnis: The hon. Gentleman makes my point well. The complexities of this nonsensical legislation would be such that we would find ourselves in that ridiculous situation. Can you imagine, Mr. Deputy Speaker, the traffic jams in our court system when these cases are brought, one after another? I have suggested the number of packs of hunting dogs registered in Ireland as a whole. Can you imagine the logjam when this sort of prosecution occurs?

Any warning that the hunt was given that it was crossing the border—such as verbal warnings and signs—would need to be taken into account, so it is not even as simple as the hon. Member for Gainsborough (Mr. Leigh) suggests. We must decide also whether it could be reasonably assumed that the warning signs or verbal warnings were coming from hunt saboteurs, rather than a genuine source. It should be possible, knowing the ingenuity of those who draft legislation, to draft the law such that any hunt that continues hunting after a genuine warning that it has crossed into Northern Ireland will be committing an aggravated offence.

In the circumstances, care must be taken that only the hunt followers who have heard or seen and disregarded such a warning are prosecuted, and that those who dissociate themselves from the cross-border hunting are spared from prosecution. Someone harvesting in a field in an area where a hunt is taking place who stops to view the spectacle of the hunt must not be deemed to be participating in or aiding and abetting the process of illegal hunting.

I recognise that prosecutions and defences under such terms will have difficulty in establishing where the suspects believed they were at the material time, but it will always be possible to detect a flagrant breach of the exemption I am suggesting. As my argument has illustrated, that is a simple matter for those who will draft the legislation.

I am coming towards the end of what I have to say, Mr. Deputy Speaker. Perhaps in a few years, it will be possible to exclude the tricky problem of establishing the defendant's knowledge, state of mind and understanding

by obliging the field master of every cross-border hunt to carry a global positioning system satellite navigation aid, pre-programmed with the map co-ordinates of the border. As you know, Mr. Deputy Speaker, the border weaves its way north, south, east and west and turns back in on itself frequently. However, I expect that scientists will be able to provide such a warning device to be used by hunts approaching the frontier.

In the meantime, hunts must be given the benefit of the doubt. In so far as this Parliament has banned the passive sport of pistol shooting and paid a huge amount of public money so to do, it may ultimately be possible for those who can prove that they are genuinely involved in hunting to obtain a grant from public expenditure to purchase GPS satellite navigation aids, but that is for the future.

When hunting is initiated in the Republic but continues or concludes in Northern Ireland, it should be exempted from the offence. I am aware that opponents of hunting have vivid imaginations and will immediately speculate on what might happen. They will imagine protracted hunts, arranged to start in the south within yards of the border and penetrating up to 90 miles into Northern Ireland. That would be plausible to the supporters of the Bill, judging by the touching belief of the hon. Member for Worcester in the 90-mile fox hunt that he read about in dusty chronicles from hundreds of years ago. In the realms of reality, cross-border hunting would not impose more than a mile or two into the north and could not in practice lead to such heavy exploitation of the exemption that hunting would continue throughout Northern Ireland. The range of hunts is naturally limited by territorial obstacles and the sheer practicalities of hunting.

I admit that providing for cross-border hunting raises difficult questions of jurisdiction and jurisprudence, but so does not providing for it, so I make no apology for having taken some time to outline the alternatives available to hon. Members when they are considering the ramifications of anti-hunting legislation.

I appeal to the hon. Member for Worcester to reconsider the entire project. Look across the border—the Republic of Ireland and France have failed to find any compelling reason to ban hunting and a ban is not even on their agenda. I hope that he will accept that those are civilised countries and that we have something to learn from our nearest neighbours. The hon. Gentleman has dropped his definition of hunting and dropped clause after clause in favour of Home Office drafting. Now, he has dropped his redrafted Bill. He should take one last little step—he should just drop it.

Kate Hoey (Vauxhall): I am genuinely pleased to be following the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) in his detailed and accurate outline of the difficulties that would be imposed in Northern Ireland and the Republic if the Bill were enacted unamended.

I welcome the comment by the hon. Member for Worcester (Mr. Foster) that he is prepared to accept the new clause, and I hope that he means that he intends to accept amendment No. 101, which would mean a complete exemption for Northern Ireland. He did not make it clear whether he would accept the whole exemption or simply redefining the exceptions from the Bill. I expect that he will contribute and make that clear.

Mr. Hogg: Does the hon. Lady agree that the hon. Member for Worcester (Mr. Foster) should bear in mind the fact that the Act to which he wants to annex the provisions in new clause 35 does not apply to Northern Ireland? Therefore, he can have no objection in principle to amendment No. 101, which disapplies the Bill to Northern Ireland.

Kate Hoey: The right hon. and learned Gentleman is right. His point shows that the details and technicalities of the Bill were not carefully thought out. It is all very well to propose legislation, but legislation that is unenforceable will bring Parliament into total disrepute, especially in the context of Northern Ireland. We are facing a difficulty.

As the Bill has been considered in Committee and on the Floor of the House, many hon. Members—including many who are not here today—have become more and more concerned about the way in which the Bill would be implemented; they do not believe that a ban would be the way forward.

I say, in response to what the hon. Member for Fermanagh and South Tyrone said, that I know the Fermanagh area well—indeed, I have driven around it with the hon. Gentleman. When driving a car, one can suddenly find that one is not in Northern Ireland but in the Republic of Ireland—even people who live in the area can become confused. The fox or the huntspeople from the Republic cannot possibly work out exactly where they are at any time, so I do not believe that the proposals to place reasonable restrictions on the exemptions go far enough—I want the exemption to be general.

Hon. Members who are in favour of the Bill often talk about public support, but they and the public have not begun to understand what the Bill would mean in practice—even in the House, that has been difficult to put across. There has been no consultation with the political parties or the people of Northern Ireland. If legislation is to be acceptable—even if some people do not agree with it—there must be a general feeling that it is reasonable and can work, but the Bill, particularly as it relates to Northern Ireland, would be nonsense.

It may seem reasonable to exempt a hunter who, when he realises that he is hunting in Northern Ireland, takes steps to stop the hunting, but in practice that would create considerable difficulties. The prosecution would have to prove—which is difficult in law—that the hunter knew that he was hunting in Northern Ireland. Given that there is not a clearly marked border, it would be difficult to establish that the hunter had such knowledge. The police would have to explore his state of mind, in the same way that they would have to interview a person suspected of handling stolen goods to establish whether he knew or believed the goods to be stolen.

Given all the problems that Northern Ireland faces, it would be wrong to put such an additional huge demand on police resources, which are already stretched, especially in the border areas. Even if extra resources were to be granted, most investigations would not produce conclusive results. It would be extremely difficult for anyone to police the proposed measures. Even those who do not want any exemptions must know that the Bill could not work in practice.

The House should not enact legislation prompted by the emotion of those who believe that they can advance the cause of animal welfare. We in the Middle Way Group do not believe that the Bill will help animal welfare.

[Kate Hoey]

When the Bill fails, we can work with those who genuinely want to improve animal welfare and care about the rights of minorities and about the countryside.

The new clause will take us a step forward. The hon. Member for Worcester has listened today, because he now accepts this very sensible new clause and amendment, and I am pleased about that. I hope that he will give a little more thought to everything else that has been said, and especially some of the comments from people who have thought seriously about the issue and who, although they approached it from different positions, all came to the view that the Bill is nonsense and cannot work.

Mr. Bennett *rose in his place and claimed to move,* That the Question be now put, *but* MR. DEPUTY SPEAKER *withheld his assent, and declined then to put that Question.*

12.15 pm

Sir Nicholas Lyell (North-East Bedfordshire): New clause 32 is an attempt to deal with the problem elucidated by the hon. Member for Vauxhall (Kate Hoey). She and the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) know the location much more intimately than I do, but I know it to some extent, because my duties as a Law Officer led me to travel regularly in Northern Ireland. I frequently visited the hon. Gentleman's constituency, and I know how the border zig-zags across the country.

I do not know exactly how long the border is, but I know that, although it is only about 70 to 90 miles as a crow might fly, the actual length, along the boundaries of the old counties, is about 300 miles. The border, wending its way along the edges of the counties of Armagh, Monaghan, Tyrone and Fermanagh, creates a real problem.

Many hunts operate in the area. The larger clubs—as hunts over there call themselves—are Navan and Armach, Maddena, Middletown, Derry Noose, Trillick, Keady Carrick, Longfield, Lisbellan, Drumcramp, Newtown Butler, Derryline, Roslea, Corraney and Lackey. That is just the larger clubs north of the border. In the Republic of Ireland, the large clubs include Castleblaney, Clontdiret, Tullycorbe, Castleshame, Ardachey, Tappach, Tyholland, Ballinode, Scotstown, Knockatallon, Emyvale, Glaslough, Carrickroe, Scotchhouse, Redhills, Connons and Butlersbridge.

There are a great many smaller clubs. The Irish hunts tend to use smaller packs of dogs than those used in Britain. They hunt partly using ordinary packs of dogs to chase a fox, and partly with followers acting as gun packs, operating pest control in the area. Therefore, with so many hunts operating in that area, it is essential, if the Bill—which, I hasten to add, I am radically opposed to in principle—were ever to be enacted, that the problem should be tackled.

I welcome the indication from the hon. Member for Worcester (Mr. Foster) that he is minded to accept one of the amendments. I do not know whether he has yet decided which amendment he will accept, or whether he is simply minded to accept some amendments in principle.

New clause 18, tabled by the hon. Member for Fermanagh and South Tyrone, deals with a hunt that begins in the Republic of Ireland. New clause 32 deals with a hunt that begins and ends in the Republic, and the key words are:

"if a wild mammal is hunted in Northern Ireland only incidentally".

In that case, there would be no deliberate attempt to hunt in Northern Ireland, but the new clause recognises that a mammal being hunted, probably a fox, would pass to and fro across the border with no knowledge of what it was doing. The hon. Member for Worcester recognises that hunt followers will pass across the border without necessarily knowing where they are. I mention those points because they highlight the real legislative and legal difficulties that are bound to arise in such situations.

My hon. Friend the Member for Gainsborough (Mr. Leigh) pertinently asked whether the hon. Member for Worcester intends to accept amendment No. 101, which would provide that the Bill would not extend to Northern Ireland. If the hon. Gentleman accepts that amendment, he will be consistent only with the inconsistency that he has shown in the remarkably inept way in which he drafted the Bill. He subsequently redrafted it and attempted, at dead of night only 36 hours ago, wholly to reframe it through new clause 35, which was rightly not selected.

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg), in an earlier intervention, rightly pointed out that if new clause 35 were to be considered, it would propose to abolish hunting by adding an offence to the Wild Mammals (Protection) Act 1996, which the House passed by common consent two years ago. That would have been totally out of order, but the relevant point is that the Wild Mammals (Protection) Act 1996 does not extend to Northern Ireland. I do not know whether the hon. Member for Worcester now intends that the Bill should extend to Northern Ireland.

Mr. Garnier: He does not know, either.

Sir Nicholas Lyell: The hon. Member for Worcester could intervene to clarify the position. It may be helpful to the hon. Gentleman if I outline, briefly but in a little detail, the problems that he has to tackle and the reasons why he has tackle them.

The reason why we must make an exception for the border is founded on comity of nations and on the ability of two nations—both, in this case, members of the European Union—to live peaceably together and ensure that their laws amalgamate satisfactorily. This is not the point at which to discuss the effects of the European convention on human rights, although I am sure that we shall discuss it further. The border between Northern Ireland and the Republic of Ireland is open, there is a common travel area, people are free to pass and repass lawfully, there are no fences and customs points, and most of it is not marked up. Passing the Bill would be discriminatory and disproportionate.

Another problem of this badly drafted Bill, which is equally relevant to new clause 35, is that hunting is not defined. One does not know whether subscribers to the pack, followers on foot, on horseback or in cars, or only the huntsmen, would be hunting. How would people who were riding, driving or walking across the border and anxious not to transgress the law, show their intent to

return to the Republic of Ireland after the hunt? Is it the duty of someone on horseback to whip the hounds off when the border is crossed, notwithstanding that he is not the whipper-in? Should people disengage entirely from the hunt when the border is crossed and go back across the border, therefore depriving themselves of their right to pass and repass?

Mr. Barry Gardiner (Brent, North) *indicated dissent.*

Sir Nicholas Lyell: The hon. Member for Brent, North (Mr. Gardiner) shakes his head, sniggers and giggles. It is plain that he has not begun to think through these important issues. He does not recognise the seriousness of the fact that we are dealing with criminal law, and willingness to criminalise people. Let us keep away from the point of principle; we are dealing with a point of detail.

Mr. Gardiner: The right hon. and learned Gentleman must appreciate that, if hunting with dogs became illegal, people would not engage in it, so innocent bystanders would not face the problem of being brought into it.

Sir Nicholas Lyell: The hon. Gentleman has clearly only just entered the debate, and does not even know what it is about, which epitomises the difficulty the country faces with the Bill: it criminalises hunting, and is supported by people who do not know what they are doing, who wander into a debate without taking the trouble to listen—

Mr. Cawsey: Three quarters of the people of this country support it.

Sir Nicholas Lyell: I understand that the hon. Gentleman has been the cheeky chappie throughout. He says that three quarters of Britain supports the Bill, but it is as little understood by those people, whom he bogusly claims support his position, as it is by the hon. Member for Brent, North, who is known in the House as a man of considerable expertise in the areas that he understands. We usually listen to his contributions with respect, but today he has seen fit to arrive late and to giggle with his hon. Friends, and he made an intervention that showed that he does not know or care what he is talking about.

The hon. Gentleman is talking about criminalising fellow United Kingdom subjects, and citizens of the Republic of Ireland, who would have lawfully started a hunt in their own country, and crossed the border after a fox and the chasing hounds.

To give him credit, the hon. Member for Worcester has at least begun to realise that there is a problem, and, for the very first time in the long and turgid course of the Bill, has given the first signs that he is prepared to discuss seriously with those who disagree with him some of the problems related to his Bill. I genuinely welcome that.

The hon. Member for Vauxhall, who is not in her place, describes herself as a member of the Middle Way Group. I am not, but I am willing to look sensibly at this problem. I want—here I attract the attention of the hon. Member for Brigg and Goole (Mr. Cawsey) again—the country better to understand the problem. I do not believe that fox hunting is any more cruel than other methods of pest control. That is well illustrated by the fact that ordinary people living just north or just south of the border in Northern Ireland have many small packs in a closely confined area operating as a form of pest control.

12.30 pm

What we are concerned with now is how to deal with the problem in the most effective way. I am grateful for the indication that it will be looked at more fully. I recommend that the provisions of the Bill be kept away from Northern Ireland altogether, but that is a matter for further discussion. I do not wish to speak for too long in this comparatively short debate. I know that others want the opportunity to speak, so I shall sit down now.

Mr. Hogg: I shall speak briefly. I want to concentrate on amendment No. 101, tabled in my name, the purpose of which is to provide that the Bill should not apply to Northern Ireland. I rather hope that the hon. Member for Worcester (Mr. Foster) might in due time try to catch your eye, Mr. Deputy Speaker, to state that that is his view. It certainly was his view 36 hours ago.

As my right hon. and learned Friend the Member for North–East Bedfordshire (Sir N. Lyell) said, in the dead of night right up against the last moment, the hon. Gentleman slunk into the House and tried to incorporate his Bill into the Wild Mammals (Protection) Act 1996, which does not apply to Northern Ireland. It would be extremely odd if he said that his Bill should apply to Northern Ireland when, but a day and a half ago, he was prepared to concede that it should not.

Mr. Gray: That would not be out of character. My right hon. and learned Friend may recall that, in Committee, the hon. Gentleman proposed an amendment, spoke in favour of it, and then voted against it.

Mr. Hogg: My hon. Friend makes a sound point. I hope that the hon. Member for Worcester will in due time rise in his place and say that he accepts amendment No. 101, but I should like to say why he should do so.

Some of the arguments that I shall briefly make are in fact the same as those made by the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) and my right hon. and learned Friend the Member for North–East Bedfordshire. The border between Northern Ireland and the Republic of Ireland is a porous one. People cross to and fro, and it is not marked. It would be an absurdity if people who were lawfully doing an activity in the Republic and inadvertently crossed into Northern Ireland should be considered to have committed a criminal offence. It is much worse when one reflects that the Bill enables a court to make forfeiture orders that would deprive persons from the Republic who had acted lawfully of their possessions.

The problem goes further. I think that it was my right hon. and learned Friend the Member for North–East Bedfordshire who raised the question of what constituted hunting. I should have thought that, if the fox hounds crossed the border even though the hunter did not, the offence would be deemed to have been committed. One is also obliged to ask what would be the position of the landowner on the Northern Ireland side on to whose land a hunt from the Republic had inadvertently crossed. Under

[Mr. Hogg]

clause 1(2), a landowner who permits the hunt—albeit an Irish hunt—to take place on his land in Northern Ireland will be committing an offence.

Mr. Owen Paterson (North Shropshire): May I remind my right hon. and learned Friend that, throughout the Bill's consideration in Committee, we on the Opposition Benches pressed the Bill's promoter, the hon. Member for Worcester (Mr. Foster), and his helper, the hon. Member for Brigg and Goole (Mr. Cawsey)—to define "hunt"? They continually came back to the concept that this must be left to the common sense of magistrates. Will my right hon. and learned Friend, as an eminent lawyer, consider that point?

Mr. Hogg: Indeed. I should have thought that anybody associated actively when the hunt goes out is hunting. It is not just the person on the horse, but the foot supporter, the person on the bicycle or in the car, the person who attends the meet just to see the fox hounds. I think that many people would be deemed to be hunting within the scope of the Bill, albeit they may not be riding to hounds. The narrow arguments advanced by my right hon. and learned Friend the Member for North-East Bedfordshire and the hon. Member for Fermanagh and South Tyrone are wholly correct.

There is also the question of displacement. If one prohibits fox hunting in Northern Ireland but it remains lawful in the Republic, as will be the case, the foxes will migrate to Northern Ireland. I should have thought that the farmers of Northern Ireland would be extremely cross to see a greatly increased fox population on their land.

There is a further point, which the hon. Member for Fermanagh and South Tyrone raised: we all support inter-community relations across the border. Fox hunting is an extremely popular activity. The idea that one should prevent people from the Republic from coming into the north to do something that both communities want to do—something that promotes community relations—is absurd.

I shall raise one or two broader issues before I sit down. I am not in favour of accentuating the differences between the Republic and the north. Relations are sometimes fraught enough without making serious differences between them in the criminal law. In any event, it should be a matter for discussion with the Government and the institutions of the south before we pass laws that could criminalise the activities of their citizens.

My final point is about authority. The House is talking about devolution in the United Kingdom, and the creation of assemblies. It is likely—I hope that it will be the case—that we shall see an assembly in Northern Ireland. This is precisely the issue that should be left to that assembly, and, in particular, to the people of Northern Ireland.

I echo the point made by the hon. Member for Vauxhall (Kate Hoey), who made it plain that, in her view, there is no support in Northern Ireland for the Bill. That observation was supported by the hon. Member for Fermanagh and South Tyrone. It is intolerable, in terms of democracy and liberality, that the House should seek to prohibit an activity in Northern Ireland when we all know that there has been no consultation in Northern Ireland, and the House has no authority from the people of Northern Ireland to support the proposal.

I would venture a bet—I am looking at the hon. Member for Fermanagh and South Tyrone—that almost all the elected Members from Northern Ireland are opposed to the Bill. It does not have their authority. It is not for us to seek to impose its provisions on the people of the Province.

Sir Brian Mawhinney: I do not plan to make a long speech; I want to focus on just two points. Before I do so, may I say that I was impressed by the way in which my hon. Friend the Member for Fermanagh and South Tyrone (Mr. Maginnis) introduced the new clause. I suspect that he knows that I have never owned a red coat and I never will. I have never had a posh voice and I never will, but I am proud of my accent. That accent gives me a legitimacy over and above my membership of the House to say a few words about the new clause.

Let us cut to the bottom line. The hon. Member for Worcester (Mr. Foster) wants to see a number of his fellow citizens put in prison for up to six months for doing what has legitimately, constructively and helpfully been done and enjoyed in the countryside for generations. That is what the Bill is about. We now understand that he wants to do the same thing for citizens of the Irish Republic.

The hon. Member for Worcester intervened at the beginning of the debate to say that he was willing to accept something, but it was not clear what it was. My right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell) welcomed that gesture, in a typically generous way. But the incident told the House something about the hon. Member for Worcester. I do not think that he maliciously wants to put Irish citizens in prison; I think that that possibility never occurred to him. That trivialisation of the criminalising of people is perhaps the single greatest charge that can be laid against the hon. Gentleman and his Bill.

We have been told repeatedly in the debate that the hon. Gentleman clearly knows nothing about Northern Ireland. There is a 300-mile border, which—as the hon. Member for Vauxhall (Kate Hoey) so vividly described—has no regular indication to show someone whether he is north or south of it or whether his journey criss-crosses it. Local people have difficulty, so it is no wonder that the hon. Member for Worcester does not begin to understand the consequences of his own legislation. As the fox moves backwards and forwards across the border, unaware that it is doing so, and the hunt follows it, the huntspeople will be exposed to the threat of multiple arrest. The hon. Gentleman neither knows nor cares about that.

As the hon. Member for Vauxhall said, people own land that straddles both sides of the border. Sitting in his kitchen, a resident of Northern Ireland may be innocent of an offence, but people on his property may be variously innocent of an offence and guilty of an offence, as people move across the field, without ever moving off his property. The hon. Gentleman does not care about that.

Mr. Gray: Will my right hon. Friend give way?

Sir Brian Mawhinney: No, if my hon. Friend will forgive me, I shall not give way, as I said that I would not keep the House long, and I do not intend to.

Numerous problems and legal difficulties will be created by the indistinct nature of the border. My hon. Friend the Member for Fermanagh and South Tyrone

and I will both be able to recall many occasions when cows crossed the border. In some cases, the cows got dizzy moving backwards and forwards across the border—every time they did so, Brussels paid another £70 per head to some farmer. But the hon. Member for Worcester does not know, does not understand and does not care.

Clause 8 gives a constable the right to arrest without warrant, so we face the prospect of Irish citizens being summarily arrested—not that the hon. Member for Worcester cares. He is not even listening to the debate, and nor is the Minister of State, Ministry of Agriculture, Fisheries and Food, the hon. Member for Birmingham, Perry Barr (Mr. Rooker), who might have an interest; but the House is, and, more importantly, the country is. Members of the Royal Ulster Constabulary will be empowered by the Bill summarily to arrest Irish citizens who may not even realise that they are in Northern Ireland.

Clause 8 also gives the constable of the Royal Ulster Constabulary a right to detain the animals—the horses and the dogs—as evidence in subsequent trials. What thought has the hon. Member for Worcester given to that? Absolutely none, because he does not care.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): The right hon. Gentleman is not as nice as he looks.

Sir Brian Mawhinney: I agree. I should not have had the nerve to say that about the hon. Member for Worcester, but, as the Minister describes him in those terms, I will agree with the Minister that his hon. Friend is not nearly as nice as he looks. The reason we know that is the Bill, and the contempt for the House that he shows in promoting it.

I said that I would be brief, and I want to address my second point. Earlier in the Bill's passage, the Minister said that he had assumed, on behalf of the Government, some responsibility for it. We understand why, because the hon. Member for Worcester is not safe to be let out alone.

However, the consequences of the Bill will affect Anglo-Irish relations. My question to the hon. Member for Fermanagh and South Tyrone was not a time-wasting question. The relationship between the north and south of Ireland is one of the most contentious issues that the Government are facing, and they are facing that issue with Opposition support, because we all recognise the deep significance to the lives of people who are British citizens as well as Irish citizens, of—historically—getting things right for the first time in generations.

12.45 pm

The Government sit there, without a Northern Ireland Minister on the Treasury Bench, willing to contemplate, on the back of supporting the Bill, all the consequences that will flow for the relations between the two countries—

Mr. McNamara *rose in his place and claimed to move,* That the Question be now put, *but* MR. DEPUTY SPEAKER *withheld his assent, and declined then to put that Question.*

Mr. Gray: On a point of order, Mr. Deputy Speaker. Having heard that there is likely to be a closure motion, may I point out that those of us who are passionately opposed to new clauses 18 and 32 and amendment No. 101 have not so far had an opportunity to explain why?

Mr. Deputy Speaker (Mr. Michael J. Martin): The hon. Gentleman should know that a closure is within my gift, and he does not know what is likely to happen.

Sir Brian Mawhinney: I said that I would not be long, and I tell the hon. Member for Hull, North (Mr. McNamara) that I am almost finished, but I am making a serious point. The Bill addresses issues concerning the liberty of the individual, and we have examined them in detail. We are now examining questions of the liberty of Irish citizens who come into Northern Ireland, who may not even know that they are in Northern Ireland.

There are four Ministers on the Treasury Bench. It is worrying that they can sit there and not say that the Bill may have negative consequences for Anglo-Irish relations, and for relations between Northern Ireland and the rest of Ireland, stemming from the implications and the application of the Bill in this context. I say to the Minister that, in whatever time is available before the Chair exercises its authority, it would be helpful to hear the Government's view at least on this aspect of new clause 18, even if the Minister does not want to get into the broader issues that so exercise the House.

Mr. Bennett *rose in his place and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The House divided: Ayes 150, Noes 40.

Division No. 209] **[12.48 pm**

AYES

Abbott, Ms Diane	Cooper, Yvette
Ainger, Nick	Corbyn, Jeremy
Ainsworth, Robert *(Cov'try NE)*	Corston, Ms Jean
Anderson, Donald *(Swansea E)*	Cousins, Jim
Anderson, Janet *(Rossendale)*	Cox, Tom
Atkins, Charlotte	Cranston, Ross
Atkinson, David *(Bour'mth E)*	Darvill, Keith
Austin, John	Davis, Terry *(B'ham Hodge H)*
Barnes, Harry	Dobbin, Jim
Benn, Rt Hon Tony	Dobson, Rt Hon Frank
Bennett, Andrew F	Dowd, Jim
Bermingham, Gerald	Eagle, Angela *(Wallasey)*
Boateng, Paul	Efford, Clive
Bradley, Peter *(The Wrekin)*	Etherington, Bill
Bradshaw, Ben	Fitzpatrick, Jim
Brake, Tom	Flint, Caroline
Brown, Rt Hon Nick *(Newcastle E)*	Flynn, Paul
Buck, Ms Karen	Foster, Michael J *(Worcester)*
Burden, Richard	Gale, Roger
Butler, Mrs Christine	Gapes, Mike
Campbell, Alan *(Tynemouth)*	Gardiner, Barry
Caplin, Ivor	Gerrard, Neil
Casale, Roger	Gibson, Dr Ian
Caton, Martin	Gilroy, Mrs Linda
Cawsey, Ian	Godman, Norman A
Clapham, Michael	Gordon, Mrs Eileen
Clark, Rt Hon Dr David *(S Shields)*	Hall, Mike *(Weaver Vale)*
Clark, Dr Lynda *(Edinburgh Pentlands)*	Hancock, Mike
	Henderson, Ivan *(Harwich)*
Clarke, Tony *(Northampton S)*	Hill, Keith
Coaker, Vernon	Home Robertson, John
Coffey, Ms Ann	Hughes, Kevin *(Doncaster N)*
Coleman, Iain	Hurst, Alan

Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Johnson, Alan *(Hull W & Hessle)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Lepper, David
Lloyd, Tony *(Manchester C)*
Love, Andrew
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McFall, John
McIsaac, Shona
McNamara, Kevin
McNulty, Tony
MacShane, Denis
Mallaber, Judy
Marshall–Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheffd Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Oiner, Bill
Palmer, Dr Nick
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Rendel, David
Rooker, Jeff
Ruane, Chris
Russell, Bob *(Colchester)*
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Ayes:
Mr. John Heppell and
Mr. Joe Benton.

NOES

Rt Hon Sir Geoffrey
Arbuthnot, James
Baldry, Tony
Boswell, Tim
Brooke, Rt Hon Peter
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Colvin, Michael
Curry, Rt Hon David
Emery, Rt Hon Sir Peter
Fallon, Michael
Forth, Rt Hon Eric
Garnier, Edward
Gill, Christopher
Gray, James
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heald, Oliver
Heseltine, Rt Hon Michael
Hoey, Kate
Howarth, Gerald *(Aldershot)*
Johnson Smith,
Lansley, Andrew
Leigh, Edward
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
Maclean, Rt Hon David
Maginnis, Ken
Maples, John
Mates, Michael
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
St Aubyn, Nick
Spring, Richard
Streeter, Gary
Taylor, Ian *(Esher & Walton)*
Tyrie, Andrew
Woodward, Shaun
Yeo, Tim

Tellers for the Noes:
Mr. Owen Paterson and
Mr. Peter Atkinson.

Question accordingly agreed to.

Question put accordingly, That the clause be read a Second time:—

The House divided: Ayes 31, Noes 154.

Division No. 210] **[1 pm**

AYES

Rt Hon Sir Geoffrey
Baldry, Tony
Boswell, Tim
Brooke, Rt Hon Peter
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Colvin, Michael
Curry, Rt Hon David
Emery, Rt Hon Sir Peter
Fallon, Michael
Forth, Rt Hon Eric
Garnier, Edward
Greenway, John
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heseltine, Rt Hon Michael
Hoey, Kate
Howarth, Gerald *(Aldershot)*
Johnson Smith,
Luff, Peter
McIntosh, Miss Anne
Maclean, Rt Hon David
McNamara, Kevin
Maginnis, Ken
Maples, John
Mates, Michael
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
Robathan, Andrew
Taylor, Ian *(Esher & Walton)*
Tyrie, Andrew
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. Peter Atkinson and
Mr. Owen Paterson.

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Atkins, Charlotte
Atkinson, David *(Bour'mth E)*
Austin, John
Barnes, Harry
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Boateng, Paul
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Burden, Richard
Butler, Mrs Christine
Campbell, Alan *(Tynemouth)*
Casale, Roger
Cawsey, Ian
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cooper, Yvette
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cox, Tom
Cranston, Ross
Darvill, Keith
Davis, Terry *(B'ham Hodge H)*
Dobbin, Jim
Dobson, Rt Hon Frank
Dowd, Jim
Eagle, Angela *(Wallasey)*
Efford, Clive
Etherington, Bill
Fitzpatrick, Jim
Flint, Caroline
Flynn, Paul
Gale, Roger
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Norman A
Gordon, Mrs Eileen
Grieve, Dominic
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Henderson, Ivan *(Harwich)*
Heppell, John
Hill, Keith
Hughes, Kevin *(Doncaster N)*
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Johnson, Alan *(Hull W & Hessle)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Martyn *(Clwyd S)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lansley, Andrew
Lawrence, Ms Jackie
Leigh, Edward
Lepper, David
Lloyd, Tony *(Manchester C)*
Love, Andrew
Lyell, Rt Hon Sir Nicholas
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McFall, John
McIsaac, Shona
McNulty, Tony
MacShane, Denis
Mallaber, Judy
Marshall–Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheffd Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan

O'Brien, Mike *(N Warks)*
Oiner, Bill
Palmer, Dr Nick
Perham, Ms Linda
Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Pound, Stephen
Prentice, Ms Bridget *(Lewisham E)*
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Rendel, David
Ruane, Chris
Russell, Bob *(Colchester)*
St Aubyn, Nick
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Smith, Llew *(Blaenau Gwent)*
Southworth, Ms Helen
Speller, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stewart, Ian *(Eccles)*
Stinchcombe, Paul
Streeter, Gary
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Todd, Mark
Turner, Dr Desmond *(Kemptown)*
Turner, Dr George *(NW Norfolk)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. James Gray and
Mr. Richard Spring.

Question accordingly negatived.

Mr. Leigh: On a point of order, Mr. Deputy Speaker. At the beginning of the debate, the hon. Member for Worcester (Mr. Foster) said that he was minded to accept new clause 18, but, in the recent Division, he did not bother to vote, and encouraged his hon. Friends to vote against it. Does that not portray his casual attitude to the Bill and to the rights of 250,000 people who wish to hunt, and to the situation in Northern Ireland? Why did he not vote for the new clause, having advised the House that he wanted it passed?

Mr. Deputy Speaker: No hon. Member has a casual attitude to the business of this House.

New clause 19

CIRCUMSTANCES IN WHICH SHOOTING IS UNSAFE OR IMPRACTICAL

'A person does not commit an offence under section 1(1) if he hunts any wild mammal with dogs on land where the owner or occupier thereof reasonably considers that such hunting is necessary in order to kill, control or disperse such mammals and either:—

(a) because the public have rights of access thereto or such land is in close proximity to a highway or public right of way or otherwise the owner or occupier reasonably considers it unsafe to kill or control such mammals by shooting, or

(b) the owner or occupier of such land reasonably considers that it is impractical to kill or control such mammals by shooting.'.—*[Mr. Luff.]*

Brought up, and read the First time.

Motion made, and Question put, That the clause be read a Second time:—

The House divided: Ayes 42, Noes 128.

Division No. 211] **[1.13 pm**

AYES

Arbuthnot, James
Baldry, Tony
Boswell, Tim
Brooke, Rt Hon Peter
Chope, Christopher
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Colvin, Michael
Curry, Rt Hon David
Emery, Rt Hon Sir Peter
Fallon, Michael
Forth, Rt Hon Eric
Garnier, Edward
Gill, Christopher
Gray, James
Greenway, John
Grieve, Dominic
Hamilton, Rt Hon Sir Archie
Hawkins, Nick
Heald, Oliver
Heseltine, Rt Hon Michael
Hoey, Kate
Hogg, Rt Hon Douglas
Howarth, Gerald *(Aldershot)*
Johnson Smith, Rt Hon Sir Geoffrey
Lansley, Andrew
Luff, Peter
Lyell, Rt Hon Sir Nicholas
McIntosh, Miss Anne
Maclean, Rt Hon David
Maginnis, Ken
Mates, Michael
Mawhinney, Rt Hon Sir Brian
Öpik, Lembit
Paterson, Owen
Robathan, Andrew
St Aubyn, Nick
Spring, Richard
Streeter, Gary
Taylor, Ian *(Esher & Walton)*
Tyrie, Andrew
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. Edward Leigh and
Mr. Peter Atkinson.

NOES

Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Anderson, Janet *(Rossendale)*
Atkins, Charlotte
Austin, John
Barnes, Harry
Benn, Rt Hon Tony
Bennett, Andrew F
Bermingham, Gerald
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brown, Rt Hon Nick *(Newcastle E)*
Buck, Ms Karen
Butler, Mrs Christine
Caplin, Ivor
Casale, Roger
Cawsey, Ian
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Cooper, Yvette
Corbyn, Jeremy
Corston, Ms Jean
Cousins, Jim
Cranston, Ross
Darvill, Keith
Davis, Terry *(B'ham Hodge H)*
Dobbin, Jim
Dobson, Rt Hon Frank
Dowd, Jim
Eagle, Angela *(Wallasey)*
Efford, Clive
Etherington, Bill
Fitzpatrick, Jim
Flint, Caroline
Foster, Michael J *(Worcester)*
Gale, Roger
Gapes, Mike
Gardiner, Barry
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Norman A
Gordon, Mrs Eileen
Hall, Mike *(Weaver Vale)*
Hancock, Mike
Henderson, Ivan *(Harwich)*
Hill, Keith
Hughes, Kevin *(Doncaster N)*
Iddon, Dr Brian
Jackson, Ms Glenda *(Hampstead)*
Jackson, Helen *(Hillsborough)*
Johnson, Alan *(Hull W & Hessle)*
Jones, Dr Lynne *(Selly Oak)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kennedy, Jane *(Wavertree)*
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Lawrence, Ms Jackie
Lepper, David
Love, Andrew
McCabe, Steve
McCafferty, Ms Chris
McDonagh, Siobhain
McFall, John
McIsaac, Shona
McNulty, Tony
MacShane, Denis
Mallaber, Judy
Marshall-Andrews, Robert
Martlew, Eric
Merron, Gillian
Michie, Bill *(Sheffld Heeley)*
Miller, Andrew
Moffatt, Laura
Morgan, Ms Julie *(Cardiff N)*
Morley, Elliot
Mountford, Kali
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
Oiner, Bill
Palmer, Dr Nick
Perham, Ms Linda

Pickthall, Colin
Pike, Peter L
Pollard, Kerry
Prentice, Ms Bridget *(Lewisham E)*
Primarolo, Dawn
Prosser, Gwyn
Quinn, Lawrie
Rammell, Bill
Rapson, Syd
Raynsford, Nick
Rusnak, Chris
Russell, Bob *(Colchester)*
Savidge, Malcolm
Sawford, Phil
Sedgemore, Brian
Shaw, Jonathan
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Jacqui *(Redditch)*
Southworth, Ms Helen
Spellar, John
Stinchcombe, Paul
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Sir Teddy
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Turner, Dr Desmond *(Kemptown)*
Twigg, Stephen *(Enfield)*
Vis, Dr Rudi
Walley, Ms Joan
Watts, David
Whitehead, Dr Alan
Wicks, Malcolm
Winnick, David
Winterton, Ms Rosie *(Doncaster C)*
Wright, Anthony D *(Gt Yarmouth)*

Tellers for the Noes:
Mr. John Heppell and
Mr. Kevin McNamara.

Question accordingly negatived.

Mr. Peter Brooke (Cities of London and Westminster): On a point of order, Mr. Deputy Speaker. I tried to catch your eye in the aftermath of the vote on new clause 18. I was one of those hon. Members with Northern Ireland experience who rose to speak at that stage. I make no complaint whatever about the closure, not least because the question that I wanted to ask was the last question asked by my right hon. Friend the shadow Home Secretary, but one of the consequences of your accepting the closure was that the Minister, who also rose, was unable to reply to that question. As it is a question of no little importance in the context of the Northern Ireland talks, I wonder whether, through you, I could ask the Minister to write to my right hon. Friend and place a copy in the Library.

Mr. Deputy Speaker: That is not a matter for the Chair, but perhaps the Minister has heard the right hon. Gentleman's comments.

Mr. Kenneth Clarke (Rushcliffe): On a point of order, Mr. Deputy Speaker. While the Minister is reflecting on that, may I ask whether you would allow a vote on new clause 20 if it were now to be moved formally? It was selected for debate by Madam Speaker and formed part of the subject matter of our longest debate so far today.

I know that we have already had a debate on new clause 2, but the substance of new clause 20 is different, as the former would have allowed the activities defined in the Bill to be reduced by an order of the Secretary of State, whereas the latter would simply allow the definitions to be changed if they proved inaccurate. On that basis, I think that the opinion of the House should be tested, and I wonder whether you will allow a vote.

Mr. Hawkins *rose—*

Mr. Deputy Speaker: Order.

Mr. Hawkins: It is further to the point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. Let me answer the point of order.

It is for the Chair to decide whether to allow a vote, and I have decided that we will not have a vote on the matter. We must move on to the next new clause.

New clause 21

Local Referendums

'.—(1) The provisions of this Act shall not apply in those parishes where a local referendum has been held and a simple majority of those voting support the continuation of hunting in their area.

(2) Referendums organised under this section will be financed by the hunt seeking permission to hunt in the area in question, and not from public funds.'.—*[Mr. Öpik.]*

Brought up, and read the First time.

Mr. Öpik: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this, it will be convenient to discuss amendment No. 97, in clause 14, page 5, line 34, leave out from 'force' to end of line 35 and insert

'upon the making of an order by the Secretary of State which shall be made by statutory instrument and shall not be made unless a draft has been approved by each House of Parliament.'.

Mr. Öpik: An earlier point of order cast aspersions on the reasons of the hon. Member for Worcester (Mr. Foster) for not voting in favour of the Northern Ireland changes. I take a more charitable view. At an early stage in the debate, the hon. Gentleman said that he was willing to take our position on board, and he eventually abstained. That shows that he changed his mind twice owing to the merits of the debates that he heard.

Mr. McNamara: Is it possible that his mind was changed by the fact that none of those who said how keenly they felt about the matter, such as the right hon. Member for Cities of London and Westminster (Mr. Brooke) and the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis), could be bothered to refer it to the Maryfield secretariat, which deals with precisely such matters affecting Northern Ireland citizens that the British Government might be acting on? The Unionists had a perfect opportunity to put all their grievances to the secretariat.

Mr. Öpik: No. I wish to point out that, assuming those in favour of the Bill are not playing games, the hon. Member for Worcester has himself shown the importance of having a deep and considered debate on the issues involved. That is why we propose local referendums. They would ensure that justice was done if hunting were to be banned. *[Interruption.]*

Mr. Deputy Speaker: Order. I wish to point out to the House that it is unfair to the hon. Gentleman speaking if so many conversations are taking place.

1.30 pm

Mr. Öpik: I thank you for exercising control, Mr. Deputy Speaker, but I take a positive view of the conversations taking place. I believe that my earlier comments aroused such excitement that Members are conducting an informal referendum among themselves

and trying to predict the matters that I will raise. I thank hon. Members, especially Labour Members, for their evident support in word and deed.

My first point is about the importance of the democratic mandate. We have heard many times from the hon. Member for Worcester and his colleagues that there is a democratic mandate for his Bill and that that should be sufficient to carry it through the House.

Mr. Andrew Lansley (South Cambridgeshire): I apologise if I anticipate a point that the hon. Gentleman will address later in his speech, but he referred to referendums to be held locally. Having read the new clause, I am not clear what is meant by "local" in this context. The relationship between democratic mandates and the definition of a locality is very important.

Mr. Öpik: The hon. Gentleman makes a good point and I shall return to it later, because one important aspect of holding local referendums would be the need to establish their geographical extent.

We have heard many times today—and in Committee—that there is an overwhelming feeling that the Bill should be passed and that fox hunting should be banned. The hon. Member for Brigg and Goole (Mr. Cawsey), who is unfortunately not in his place at the moment, claimed that 75 per cent. of the United Kingdom population support the Bill. *[Interruption.]* I apologise to the hon. Gentleman, who is present, but he appears to have promoted himself to the Front Bench and that is why I did not see him. His statistic means that 25 per cent. of the population, or 15 million people, are opposed to the Bill. Let us think about the consequences of that. Either we are to believe that those 15 million people support barbaric acts and should be prevented from doing so by the moral majority, or we could postulate that those 15 million people represent a sizeable—and, more to the point, reasonable—group of the British population with a genuine right to expect their views to be heard.

Mr. Corbyn: Before the hon. Gentleman pursues that argument any further, can he tell the House what precedent exists for national legislation on a national welfare issue to be the subject of local referendums? We have just had a debate about foxes crossing the border between the Republic of Ireland and Northern Ireland. What does the hon. Gentleman propose to do about foxes that escape from a hunting area into a non-hunting area, when the hounds, the horses and, possibly, the huntsmen are unaware of the county, parish or district boundaries?

Mr. Öpik: I agree with the hon. Gentleman that that is a key problem and I shall return to the question. I wish to correct him on one point, because it is not right to say that the Bill is a matter of national welfare. If we were debating whether to allow sick foxes to avail themselves of the national health service, it would be a welfare question, but the Bill is a moral issue. It is about the rights and wrongs of our treatment of animals. Anyone who believes that the Bill is about whether we should kill foxes is wildly off the mark. It is not about that because all three political parties established a long time ago that they accept the need for foxes to be culled; it is about process, about the most humane way of culling them. It is legitimate to have such a debate, and completely correct for hon. Members to establish where to draw the arbitrary line between acceptable and unacceptable countryside pastimes and ways of controlling the fox population.

I regret that debate in the House and in Committee has deviated from the core question of process. There is a crying need for the public to participate in an informed debate that focuses on the question in hand: what processes should be regarded as acceptable and humane in a modern society? That question is the core of our request that local people's views be canvassed.

The key issue is local circumstances. Foxes are not negotiators, and there is no quid pro quo: they do not say, "If you don't hunt us in such and such a way, we won't eat your chickens." To a fox, a chicken coop is the equivalent of a run-through fast food takeaway. Foxes take the easiest route to feeding themselves and their dependants, and that includes taking chickens and lambs at will. I must thank the hon. Member for Brigg and Goole, the cheeky chappie, for sharing his wisdom and wit with an all-party group earlier today.

Mr. Spring: The hon. Gentleman is correct about the activities and behaviour of foxes. They take the lives of chickens or any sort of bird without eating what they have killed.

Mr. Öpik: Killer foxes, as anyone with countryside experience knows, might kill 18 chickens and take only one for food which, aside from being unfair to the British chicken population, is a great inconvenience to people who raise chickens for economic reasons.

Mr. Corbyn: Will the hon. Gentleman give way?

Mr. Öpik: I shall give way to the increasingly excited hon. Gentleman.

Mr. Corbyn: I am not excited, but puzzled. Many people, including me, keep chickens. It is incumbent on them to lock the chickens up at night so that foxes cannot eat them. That is a well-known fact, and perhaps the hon. Gentleman will address it.

Mr. Öpik: I must be cautious and not deviate too far, but I can already imagine that in a year or two a private Member's Bill will call for the liberation of chickens that have been locked up as a result of the draconian action proposed by the hon. Gentleman. More seriously, his remark underlines the philosophical inconsistency of the Bill. Why should chickens suffer because foxes are allowed to roam free? Chickens would undoubtedly prefer a happy free-range and unincarcerated life.

The assumption that chicken farmers can build effective cages ignores the fact that farmers do not think that they should construct monstrous cages around the countryside. Many hon. Members buy free-range eggs. If farmers choose to raise free-range chickens that can run happily around—

Mr. Malcolm Savidge (Aberdeen, North): On a point of order, Mr. Deputy Speaker. Does the new clause deal with referendums or with chickens and foxes? Would chickens and foxes vote in the referendums?

Mr. Deputy Speaker: The hon. Gentleman is allowed to express himself. He is within the scope of the new clause; I would not allow him to discuss these matters otherwise.

Mr. Öpik: I have veered into a debate on chickens because hon. Members have raised some serious and

[Mr. Öpik]

genuine concerns about the degree to which we should incarcerate chickens in the interest of fox freedom. I shall return to the point about a referendum in a moment. The questions that have been raised about chickens underline the massive list of unresolved questions that relate to the inconsistencies of the Bill.

Mr. Corbyn: The hon. Gentleman has expressed deep concern about the activities of foxes in eating other animals. Is he calling for the extermination of all foxes or does he propose the continued breeding of foxes to enable hunts to go around hunting them? That is a matter of some concern to many of us.

Mr. Öpik: Once again, I believe that I am seeing the beginnings of an all-party committee that may like to pose the questions that I should like to have debated in referendums around the parishes. The sort of questions that the hon. Gentleman asks relate directly to the unresolved questions that have arisen in the past three months since the Standing Committee first sat.

You would be correct, Mr. Deputy Speaker, in preventing me from entering into a wider diatribe about the number of foxes that we should permit around the United Kingdom. I am here to debate not the rights and wrongs of having hundreds of thousands of foxes but a process by which local people can decide the issue for themselves.

I wish to make some progress. Let me move on to what may seem a subsidiary point but is in my view the central point with regard to local circumstances. We all know that local farms, especially small farms, are in crisis. They genuinely suffer significant economic hurt when a fox takes lambs, especially during the lambing season. Let us be in no doubt and let me say again for the record—I am sure that farmers who avidly read *Hansard* in their spare time will nod approvingly when they hear this—that foxes take lambs. They take lambs especially in hilly and inaccessible areas such as Montgomeryshire, but they take lambs throughout Britain. That is an economic cost to farmers. If we ignore the local circumstances that I describe, we must recognise that we are costing farmers money.

Mr. Gray: I am grateful to my hon. Friend—I call him my hon. Friend today. Is he aware of the detailed research by Cambac Associates in my constituency, a leading pig breeding research organisation in the United Kingdom, into the concept of outdoor farrowing, of which many people, especially Labour Members, are strongly in favour, believing it to be kinder to the pigs, although not all of us would necessarily agree with them? Is he aware that that organisation is rapidly coming to the conclusion that the more outdoor farrowing there is, the more piglets will be lost because foxes hang around the outdoor farrowing pens and eat the piglets as they are born?

Mr. Öpik: I was not aware of that, but I am all too aware of the costs to smallholders and sheep farmers. They have repeatedly shown me not only the cost in their balance books but the corpses of animals killed by foxes. Let us be in no doubt. There is an economic cost to preventing farmers from controlling foxes as they see fit.

Dr. Doug Naysmith (Bristol, North-West): Is the hon. Gentleman aware of further research at Bristol university—an institution that he knows well—which concedes that foxes take the occasional lamb, but which, having studied the matter fully, concludes that farmers could protect their lambs by better husbandry and in many other ways, and that foxes play a small part in deaths of lambs?

Mr. Öpik: I have heard many figures and statistics bandied about in the past three months. One reason why I have joined the hon. Members for Vauxhall (Kate Hoey) and for Mid-Worcestershire (Mr. Luff) in setting up the Middle Way Group is that we need to have a level playing field in these debates. Otherwise, my referendum proposals are pointless.

Dr. Naysmith: Will the hon. Gentleman give way?

Mr. Öpik: So I welcome the contribution that the hon. Gentleman has made—

Dr. Naysmith *rose*—

Mr. Öpik: Well, I—

Dr. Naysmith: The research was performed by Professor Stephen Harris—

Mr. Deputy Speaker: Order. Please be seated. The hon. Gentleman should not intervene unless he has the agreement of the hon. Member for Montgomeryshire (Mr. Öpik)—*[Interruption.]* Order. I think that the hon. Member for Montgomeryshire sat down out of politeness.

1.45 pm

Mr. Öpik: Indeed. Courtesy is my middle name. I apologise if I misled the hon. Gentleman into thinking that I wished to enter into a dialogue about statistics.

Mr. Michael J. Foster: Further to the point that my hon. Friend made about the research carried out by Bristol university, I should make the hon. Gentleman aware of the exact statistics on the number of sheep and lamb losses so that there is no confusion in his mind: 40 per cent. of lambs die through abortion or stillbirth; 30 per cent. through exposure and starvation; 20 per cent. through disease; 5 per cent. through congenital defects; and 5 per cent. through misadventure and predation, including by dogs and foxes. Clearly the amount lost through fox predation is small. Should not the farmers for whom the hon. Gentleman cares so dearly look at the other reasons why lambs die?

Mr. Deputy Speaker: Order. The hon. Gentleman should bear it in mind that the new clause is about referendums.

Mr. Öpik: On this occasion, Mr. Deputy Speaker, I am more grateful for your intervention than words can say.

Let me steer a course back to the core of the debate. The 5 per cent. cited by the hon. Member for Worcester is one in 20, which is a large attrition rate in any industry, certainly in farming. His statistics and the fact that,

yet again, we are wrangling about numbers underline the need for a clear and agreed statistical base before we proceed with the proposals for referendums.

Farmers in Montgomeryshire would be grateful for a referendum because in some areas the attrition rate is between 10 and 15 per cent. It is simply not good enough to say that, because the national average—I am using the hon. Gentleman's figures—is 5 per cent. we need not worry about areas that are already on their knees owing to the rural crisis and the deep recession that they are experiencing, which will be exacerbated. I heard no suggestion of compensation for the 5 per cent. attrition rate.

Mr. Lansley: Will the hon. Gentleman give way?

Mr. John Greenway (Ryedale): Will the hon. Gentleman give way?

Mr. Öpik: I shall give way, but I hope that these will be brief interventions, as I want to bring my remarks to a close.

Mr. Lansley: I am most grateful to the hon. Gentleman. Local referendums would lead to distinctly different provision across the country, and some farmers would be adversely affected by not being able to have hunts on their land to relieve fallen stock and to keep down the fox population. Others would also be badly affected if the provisions of the Bill were imposed on their areas.

Mr. Öpik: I shall immediately give way to the hon. Member for Ryedale (Mr. Greenway) and then move on.

Mr. Greenway: I am most grateful to the hon. Gentleman. May I bring him back to the 15 million to which he referred? Is it his view that, in parts of the country—in his constituency as in mine—a substantial majority in some parishes are opposed to the Bill because it affects their livelihoods? Is that what he is saying?

Mr. Öpik: Absolutely. I know that to be a fact. That is at the heart of why I propose that we should look forward to a referendum.

If the hon. Member for Worcester genuinely recognises the importance of having a democratic mandate to implement the proposals, he should recognise the importance of acknowledging the outcome of that democratic mandate in a local area or parish, even if it goes against his preferred outcome. Whatever our differences in the House, I do not for a moment question that the hon. Gentleman is committed to the democratic process—and if he is a committed democrat, he should be willing to stand by the outcome of local referendums.

As I have said, 15 million people—to use the statistics of the hon. Member for Brigg and Goole—oppose the Bill. I speculate that they are concentrated in the countryside, and almost certainly in the areas where the predation problem is greatest. I am in no doubt that the overwhelming majority of people in Montgomeryshire, mid-Wales and many other areas oppose the Bill because they believe that it has a special impact on them. That is where the referendum comes in, which is why the hon. Member for Worcester should not be afraid of the proposal. It will ultimately enable him to advance the arguments, which he believes to be so strong, at local level so that local people can decide whether they agree with them.

Let us be in no doubt that there is a debate to be had. The referendum is not a pointless or empty vessel, because so many of the questions were not even answered in Standing Committee. I asked numerous questions about the Bill's philosophical foundations, but they were not answered once. [*Laughter.*] I hear laughter from Labour Members, so I shall give an example of the sort of debate that has led me to believe that a public referendum is necessary.

On 17 December, there was an exchange between the hon. Member for Brigg and Goole and me. He was saying that there was evidence to show that mammals experience pain and that that could be shown statistically. I said:

"Does the hon. Gentleman realise that similar data exist on fish?"

The hon. Gentleman replied:

"Fish are not the subject of the Bill. There is evidence that cold-blooded animals do not feel pain in the same way as mammals."

So far, so good. At that point, the hon. Member for Norwich, North (Dr. Gibson) said:

"Fish are not mammals."

Then it all fell apart, because the hon. Member for Brigg and Goole said:

"I realise that—at least they are not yet."—[*Official Report, Standing Committee C*, 17 December 1997; c. 39.]

I knew that I would be serving on the Committee for three months; the hon. Gentleman seemed to be thinking of a time frame approaching 500 million years. I fully acknowledge the wit and wisdom that he has contributed to the Committee, and I do not say that he has not made a valuable contribution to the debate, but I wanted to show to the public and to the House that we need to have a sensible debate where we do not talk in those terms.

Mr. Garnier: I do not wish the hon. Gentleman to be detained by the hon. Member for Brigg and Goole (Mr. Cawsey), but will he explain why he believes that the parish is the best unit in which to have the referendum? Other new clauses have been tabled, but not selected, which deal with districts and counties. Will the hon. Gentleman address his mind to those?

Mr. Öpik: I shall return to the problems highlighted by hon. Members on both sides of the House, but I shall first finish my point.

The core of the referendum debate would have to centre on finding a philosophical justification for banning hunting as described in the Bill, because it is a moral issue. The referendum might want to address four key matters. The first relates to suffering—to what extent we should prevent suffering in the animal kingdom and to what extent that objective is achieved by banning hunting with hounds.

Mr. Cawsey: I thank all hon. Members for their continual reference to Brigg and Goole, which has never been as famous as it is now. We like to call it the pig capital of Britain.

I wish to take up the important point on parishes which was raised by the hon. and learned Member for Harborough (Mr. Garnier). Parts of north Lincolnshire are

[Mr. Cawsey]

unparished, so how would the new clause work in those circumstances? The hon. and learned Gentleman raised an important point and I seek an answer to that question.

Mr. Öpik: I shall return to the contribution made by the pig king of Britain, the porcine prince, but I shall first finish my point about which matters the referendum might address. The first relates to suffering. The second involves pest control; I shall not go into that subject in detail now, as it is not the purpose of the new clause to re-run that debate, but I have no doubt that there is a genuine, sensible and rational debate on pest control to be had with those affected by the Bill.

I imagine that, in the heart of Birmingham, most people would feel that pest control is not an issue, whereas in the heart of Wales it would be.

Mr. Paterson: I thank the hon. Gentleman, whose constituency borders mine, for giving way. This morning, without notice, the hon. Member for Worcester (Mr. Foster) doubted the veracity of a statement that I made about matters around Lake Vyrnwy in Montgomeryshire, concerning pest control and the Royal Society for the Protection of Birds. I talked to Mr. Einian Evans—

Mr. Deputy Speaker: Order. The hon. Gentleman is not going to get away with that in an intervention.

Mr. Paterson: On a point of order, Mr. Deputy Speaker. What is the protocol on this matter? This morning, the hon. Member for Worcester intervened on a speech by the Minister. He gave no warning. He said that he doubted the veracity of what I said, which was a direct quotation from a constituent of the hon. Member for Montgomeryshire (Mr. Öpik). I did not intervene on the Minister, as I did not think at the time that the intervention of the hon. Member for Worcester was relevant to the new clause discussed by the Minister. I just wanted to clear my name—

Mr. Deputy Speaker: Order. It is a matter for debate, but the hon. Gentleman was seeking to get in on an intervention, and that is not the way to go about clearing his name, as he puts it.

Mr. Öpik: So much for pest control. I shall move on quickly.

The third question—that of natural processes—also came up in Committee. Is there a case for restoring natural processes in the countryside that necessitates banning certain types of fox control process?

The fourth question is the more general one of animal rights. That is so nebulous that we cannot start on it now, but I acknowledge—I hope that all hon. Members, whatever their opinions on the Bill, do so—that there is a direct link between the rights of animals, whether they be domestic, livestock, pets or wild, and the Bill. I have said—again I summarise—that there have not been proper or sufficiently deep debates on the subject during the Bill's passage.

Penultimately, I shall respond to two questions which have been asked: why new clause 21 chooses parishes as the geographical unit and whether the foxes recognise parish boundaries and abide by them.

To answer the first question, perhaps we should have given a wider spread of geographical areas, not just parishes. There is a strong case for suggesting that the areas covered by the Welsh assembly, the Scottish Parliament and—if there is one—a Northern Ireland assembly should be the geographical areas for a referendum. I fully accept that, and I acknowledge that there may be other boundaries, but I am advancing the principle that local groupings, local geographies, to a wider or narrower extent, should be entitled to take that decision.

Mr. Lansley: I am grateful to the hon. Gentleman for seeking to answer the question that I asked in an intervention, but, as he is moved the motion, perhaps I may explore what the new clause is intended precisely to mean. It appears to be intended to apply the disapplication of the Bill to parishes, but by reference to a local referendum. Am I to understand from the hon. Gentleman, therefore, that the use of the adjective "local" simply implies that the referendum takes place within that parish, or is the locality referred to wider than the parish?

Mr. Öpik: The hon. Gentleman understands correctly that, naturally, the referendum must be within the same geographical boundaries as the enforcement or lifting of the ban. However, I accept that we might have drafted the new clause slightly better.

I move on to the bigger problem, which was raised earlier—whether foxes can respect borders. As in the previous debate, this is a difficult problem with our proposals. Foxes are not good geographers. In fact, in the previous debate I was thinking that, in these tense times in Northern Ireland, many people are debating the meaning of borders, and some of the greatest minds in Northern Irish politics have tried to debate what a border means. I include the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis) in that category.

That debate has taken decades, and I can hardly expect a fox to take a split-second decision, in the blink of an eye, on the location of a boundary crossing a field, especially when it is pursued by hounds. In fact, if there was a fox that was capable of doing that in Northern Ireland, not only would it be reasonable to ban the hunting of that fox, but that fox could reasonably expect to be appointed Secretary of State for Northern Ireland. My point casts no aspersions on the current Secretary of State, but underlines the difficulty of defining borders.

The issue is, to what extent is it meaningful to have a referendum in parish A, which bans fox hunting, and another in parish B, which does not? My only response is that there is likely to be a pattern of banning or protecting it. I expect that large parts of the countryside would vote against banning fox hunting, and that cities and urban areas would favour such a ban. There would also be grey areas, which would probably cause the most difficulty.

2 pm

Mr. Gray: I am grateful to the hon. Gentleman for giving way. I agree that, if particular parishes were able to ban fox hunting, we might end up with a curious patchwork of some parishes banning fox hunting and others not. That might make it difficult to control foxes; therefore, it might have been better had the new clause been in respect of counties rather than parishes. None the

less, does the hon. Gentleman accept that a pack of hounds is always under the control of the master and that the meet would be held in such a place—*[Laughter.]* The fact that Labour Members are laughing reveals the depth of their ignorance about hunting. As a pack of hounds is constantly under control, it might be possible to confine it within a parish or district boundary.

Mr. Öpik: I acknowledge the hon. Gentleman's point. Nevertheless, hounds occasionally run off and there is a genuine problem in relation to facilitating the administration of the boundaries.

Dan Norris (Wansdyke): I thank the hon. Gentleman for giving way. I was puzzled to hear him refer to the need for a referendum. I cannot understand the need for that, so soon after a general election which produced such an overwhelming result. I certainly stood for Parliament on the basis of supporting a ban on hunting and consequently received the biggest increase in the Labour vote in the south-west.

I was also surprised to hear the hon. Member for North Wiltshire (Mr. Gray) say that the hounds were always under the control of the huntsmen. That is absolute nonsense. He should know that, only a week or two ago, exactly the opposite happened in his own county: the hounds ran out of control and many local people complained. Perhaps the hon. Gentleman does not read his own local newspapers.

Mr. Öpik: I have already addressed the hon. Gentleman's second point, and I have some sympathy with him. Of course hounds sometimes run off. They always come back eventually, but that does not mean that they will not impinge on the boundary of another parish. Having said that, they would have to be very close to a parish boundary for that to occur.

On the hon. Gentleman's first point on whether there was a mandate to such an extent that referendums were unnecessary, he may be shocked to learn that the Government did not win 659 seats—

Mr. Cawsey: Will the hon. Gentleman give way?

Mr. Öpik: I shall in a moment, as I am always intrigued to know what the porcine prince has to say.

Many constituencies simply did not support the Government's position. I remind the hon. Member for Wansdyke (Dan Norris) that the Government's position was not to ban fox hunting, but simply to allow a free vote on the subject, and, to their credit, they have facilitated the achievement of at least that early electoral promise. Whatever one may think about the hon. Member for Worcester, he has provided the Government with a genuine vehicle to fulfil that electoral requirement.

Mr. Cawsey: I thank the hon. Gentleman for yet a further description of my position in Brigg and Goole. Given that he has made a long speech with a wide context, can we assume that, like his speech, he supports the right to roam?

Mr. Öpik: I would be immediately ruled out of order if I were to embark on a diatribe or any other comment on that point. In the interests of honesty, I believe that it should be based on voluntary arrangements, but that has nothing to do with the debate on the new clause.

Mr. David Maclean (Penrith and The Border): In respect of the new clause and the Government's position, the hon. Gentleman will be aware of the article in *Animal Action* on 10 March, in which the Prime Minister said:

"I will be there to vote against hunting. It ought to be banned."

Mr. Deputy Speaker: Order. That has nothing to do with the new clause.

Mr. Eric Forth (Bromley and Chislehurst) *rose—*

Mr. Deputy Speaker: Order. The intervention had nothing to do with the new clause, Mr. Forth. I have made my case.

Mr. Öpik: I agree with the hon. Member for Brigg and Goole that the debate has been wide ranging. I see him racing off, presumably to set up an informal referendum of his own in the land of the pig.

We have had a pretty constructive debate on new clause 21. There have been sensible and reasonable contributions, which add value to the quality of the debate. That is a far cry from much of the debate in Standing Committee, which was lamentably destructive and went nowhere. Debate of the kind that we have had for the past 40 minutes should be continued through the referendum process which I propose.

I have acknowledged that there are some problems, but, if we accept the principle that we live in a democratic society and that fox hunting is a moral issue, there is every reason to move away from dictating what local people around the UK should believe and do, and for allowing them the responsibility to make that decision for themselves.

The middle way is concerned not with winning a victory, but with finding a solution. The hon. Members for Vauxhall and for Mid-Worcestershire and I are inviting contributions from all sides, including the hon. Member for Worcester and the League Against Cruel Sports, so that we can have the kind of referendum debate that I outlined. If we trust the public to participate directly in the debate, we will not have a slanging match or yah-boo politics. People will at long last be able to express their views on a fundamental matter of great concern to the countryside.

Mr. Michael J. Foster: I have read new clause 21 with interest, and listened with patience to the hon. Member for Montgomeryshire (Mr. Öpik) trying to sell it to the House.

The new clause is neither well written nor technically competent, compared with a new clause written by the hon. and learned Member for Harborough (Mr. Garnier).

Mr. Luff: That is because I drafted new clause 21, and my hon. and learned Friend the Member for Harborough (Mr. Garnier) is a lawyer.

Mr. Foster: Usually, I would defend constituents of mine, but in this case I shall make an exception.

[Mr. Foster]

The new clause states that the hunt will pay for the organisation of the ballot, but it makes no reference to who will organise it. Should we assume that the hunt would organise the ballot, as well as pay for it? Imagine the question mark that would be placed over the democratic outcome of the referendum, if the hunt both organised and paid for it. There is no reference to whether it would be a secret ballot, whether there would be postal votes, how often the ballot would be taken, or for how long it would be binding. Because there are so many flaws in the new clause, I urge the House to vote against it.

We do not need to bother with local referendums. We already know what British public opinion supports.

Mr. Paterson: The hon. Gentleman is replying to the hon. Member for Montgomeryshire (Mr. Öpik). This morning, in an intervention, the hon. Member for Worcester (Mr. Foster) queried the activities of the Berwyn hounds around Lake Vyrnwy.

Mr. Deputy Speaker: Order. The hon. Gentleman must try some other time. He will not get away with that today.

Mr. Foster: We have always said, and no one who disagrees with our argument has denied, that overwhelmingly British public opinion is against hunting wild mammals with dogs.

Mr. Garnier: I wish to explore the hon. Gentleman's point a little further. I think that he said that, as a result of the general election, we are aware of overwhelming public opinion—*[Interruption.]* He claimed that the overwhelming majority of the United Kingdom population opposes hunting.

In the event of a referendum—I agree that there are difficulties with parish referendums—we may face the same situation as occurred with the Welsh assembly referendum. A tiny majority of people support the Welsh assembly, but that majority support was built up by county or constituency areas. Will the hon. Gentleman apply his mind to the evidence behind his assertion, which may be undermined if a referendum—rather than a general election—were conducted across the nation?

Mr. Foster: My understanding of British public opinion is derived not simply from the general election result but from the well-established opinion polling that has gone on.

Mr. Gray *rose—*

Mr. Foster: I should like to make a little more progress.

Mr. Gray: My point is directly related to the credence we give to polls. Is the hon. Gentleman aware of the recent MORI polls that showed that 76 per cent. of people favour the return of the death penalty, and 55 per cent. believe that gays should not have the same rights as heterosexuals? Does the hon. Gentleman subscribe to those views? Does he believe, therefore, that MORI works?

Mr. Deputy Speaker: Order. That point is a little wide.

Mr. Foster: My initial response is that, if the hon. Gentleman is so concerned, he should introduce a private Member's Bill on the subject.

I must address the point about findings regarding countryside issues, particularly with reference to hunting with dogs. I refer to an article that appeared in *The Daily Telegraph*—I confess that I occasionally read that newspaper, usually to find out whether Quentin Letts has said anything nice about me, although I am yet to find such an article—entitled "Propaganda victory for country march". I am sure that Conservative Members will agree that they may have scored a propaganda victory—I see a few nods of agreement from the other side. Respondents were asked about new developments in rural areas and existing towns and cities. An overwhelming number of people—some 76 per cent.—said that housing should be built on brown-field sites or in towns and cities.

Mr. Lansley: Does the hon. Gentleman agree that trading statistics from national opinion polls is not relevant to this new clause? Whatever its difficulties might be in practice, the new clause is designed to allow the expression of opinion in local areas. The hon. Gentleman should address the question of the balance of opinion in areas where hunts take place.

Mr. Foster: If the hon. Gentleman will be patient, I shall come to that point very shortly.

Mr. Savidge *rose—*

Mr. Foster: I shall give way one last time.

Mr. Savidge: On the subject of expressions of overwhelming public opinion, has my hon. Friend noticed that the two causes at which the Tories have directed their most prolonged and determined efforts at frustrating public opinion—hunting with hounds and poverty pay—

Mr. Deputy Speaker: Order. We are considering only the clause before us. The hon. Gentleman cannot discuss any other matter.

Mr. Foster: Thank you, Mr. Deputy Speaker. It is important that we take note of referendum results, because at present they provide the only evidence available of British public opinion in both rural and urban areas.

Mr. Hawkins: Will the hon. Gentleman give way?

Mr. Foster: I said that I have taken my last intervention.

I am pleased to see the name of the hon. Member for Mid-Worcestershire (Mr. Luff) on this proposed new clause. It would appear that he has had a sudden conversion to the benefits of a referendum. The House might be interested to learn that the Worcester Referendum Society conducted a referendum in his

constituency in 1993. That opinion poll found that some 72 per cent. of people within the old city boundary wanted to see a ban on fox hunting.

Hon. Members will retort that that includes the city of Worcester, so it is bound to be urban-dominated. However, if we take a referendum that looks at just the rural parts—the same rural parts that gave the hon. Member for Mid–Worcestershire the justification for moving his seat—*[Interruption.]* It is fair to point out that, when the hon. Gentleman moved his seat, he did so on the basis that a large proportion of his votes went to a new boundary—the Wychavon aspect of the old city of Worcester boundary. Of the 50.2 per cent. who took part in the referendum, 62.2 per cent. were in favour of a ban on hunting, while 32 per cent. wanted hunting to continue.

Mr. Nick St. Aubyn (Guildford): Will the hon. Gentleman give way?

Mr. Foster: No, I said that I will allow no more interventions.

A referendum in a rural area where hunts take place came up with that result, yet the hon. Member for Mid–Worcestershire professes to be pro-hunt. Conservative Members should listen to voters and the results of referendums, and take note of public opinion.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. The hon. Gentleman has said that he will not give way.

Mr. Foster: I am pleased to see Conservative Members' conversion to referendums as an indication of what people in rural areas want. A majority of two to one support a ban on hunting, and I look forward to having the hon. Member for Mid–Worcestershire with us the next time we walk through the Lobby.

2.15 pm

Mr. Peter Luff (Mid–Worcestershire): Before your ruling, Mr. Deputy Speaker, I had thought that the hon. Member for Worcester (Mr. Foster) was going to give way. Had he done so, I would have said that he was entirely right about that referendum.

The trouble with the hon. Gentleman is that he often misses out other bits of the truth that do not suit him. That referendum was organised by some passionate anti-Europeans who sought to secure evidence for their position against Europe. If the hon. Gentleman wishes to be bound by the outcome of that aspect of the referendum, he should look at the other questions asked in the referendum, and decide whether he is bound by those as well. It was a multi-question referendum on a range of issues, although I concede that the figures he quoted were accurate.

Mr. Maginnis: Does the hon. Gentleman agree that referendums are dangerous when the facts are not honestly put before the public? In the new clause that was not selected, the hon. Member for Worcester (Mr. Foster) was suggesting a measure that would have led to the extermination rather than the control of foxes. If the public had to choose between those two, they would have an entirely different opinion.

Mr. Luff: I entirely agree with the hon. Gentleman.

My motive in tabling this new clause was to encourage at parish council level the informed debate which has conspicuously failed to take place nationally. The debate has been dominated by those with money—the Royal Society for the Prevention of Cruelty to Animals and the League Against Cruel Sports—which have spent a fortune deceiving people about the reality of hunting. Referendums conducted locally would lead to intelligent and informed debate between those who know and trust each other, and would lead to some facts emerging, rather than to blind prejudice.

Mr. Öpik: Does the hon. Gentleman accept that the League Against Cruel Sports and other organisations that oppose hunting have an important role to play in setting out both sides of the argument?

Mr. Luff: Yes. I hope that, if the Middle Way Group's proposals succeed, we shall listen carefully to what the RSPCA and the League Against Cruel Sports have to say. I hope that they will be prepared to engage in that intelligent debate.

Mr. Hawkins: I am grateful to my hon. Friend for giving way, because the hon. Member for Worcester (Mr. Foster) would not give way to many Conservative Members who sought to intervene to answer some of the points that he was making.

Does my hon. Friend agree that what was interesting about the 300,000 people who joined the countryside march was that almost every banner and placard showed their strong opposition to the view of the hon. Member for Worcester? The Labour party used to believe that it represented minority rights. Even if the hon. Gentleman is right—I do not agree with him—that he represents the majority, has not the Labour party abandoned its traditions?

Mr. Luff: I entirely agree. Minorities have rights, too—something the supporters of the Bill often choose to ignore. At a local level, we could have an intelligent debate. If a parish voted against hunting, all well and good. If it voted for it, that would be good also, but we should give people that choice.

Mr. Gerald Howarth (Aldershot): I am slightly concerned by my hon. Friend's line of argument. It is no better if a referendum is held in a confined area—whether that is a parish or a county—if the rights of law-abiding, intelligent people with a perfect understanding of moral issues are rubbed out by the tyranny of the majority. Surely that is what is so offensive about the Bill—it seeks to assert a moral superiority over ordinary, decent people. I do not believe that my hon. Friend's new clause would help to get that message across.

Mr. Luff: I make no secret of the fact that I do not wish the Bill as it stands to succeed, but the House must proceed—even now, at the eleventh hour—on the basis that there is a chance that it could scrape through to the other place. If that is the case, we must make sure that it is as unexceptionable and inoffensive as possible.

I dislike referendums, and I stand by the things I said in response to the referendum alluded to by the hon. Member for Worcester. I do not like them in principle, but there have to be exceptions to rules. Desperate diseases

[Mr. Luff]

sometimes call for desperate remedies, and that is the situation we are in. I stand with Edmund Burke's famous remarks to the electors of Bristol. He said, in respect of constituents and their representatives, that their wishes

"ought to have great weight with him; their opinion high respect; their business unremitted attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions to theirs; and, above all, ever, and in all cases, to prefer their interests to his own. But his unbiassed opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living . . . Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion."

That goes to the heart of the debate and the new clause.

I had harsh words for the hon. Member for Worcester last week, as some of his remarks were intemperate, but this week he has contributed helpfully to the debate. I am grateful to him for that, and for the spirit in which he has done so. However, he once again made great play of the use of opinion polls. My hon. Friend the Member for North Wiltshire (Mr. Gray) made the obvious point that he picks and chooses his opinion polls, and we do not have the right to do that. The hon. Gentleman refused to give an answer on capital punishment. If this House felt bound by opinion polls, it would vote to reintroduce capital punishment—but it has not done so.

We need an opinion poll that really counts—not one in which a complete stranger with a clip board walks up to you in the street and asks whether you are in favour of killing little furry animals. We need an opinion poll where voters are given the chance to express their opinion on a mature and anonymous basis.

Mr. St. Aubyn: Does my hon. Friend agree that, when one is approached by a person with a clipboard, one may not hear the question precisely?

Mr. Cawsey: Is this why the Tories lost the election?

Mr. St. Aubyn: Labour Members would do well to listen to what is being said.

Mr. Deputy Speaker: Order. I hope that hon. Members are listening to the debate. If they want to engage in another conversation, they should leave the Chamber. I ask the hon. Gentleman to make his intervention brief.

Mr. St. Aubyn: Thank you, Mr. Deputy Speaker. Does my hon. Friend agree that, if a person is asked if he wants to ban the thing he is against, he might pause before agreeing just because he disapproves of it?

Mr. Luff: My hon. Friend is right. The House should listen to opinion polls—we are right to do so. But they should be just one of the issues that we should bear in mind in reaching a judgment on an issue. The new clause seeks a better way of reaching a judgment at local level.

I fully concede to the supporters of the Bill that most people in this country are probably vaguely uncomfortable about the principle of hunting. That vague discomfort manifests itself in the opinion polls. A local referendum conducted at parish level would produce a different result. Typically, a small minority who were passionately against hunting would express that view at the ballot box, a much larger group but still a minority who were passionately in favour of hunting would support that view, and a rather larger group would stay at home.

Kate Hoey: May I ask my hon. Friend—[HON. MEMBERS: "Hon. Friend!"] The hon. Gentleman and I are associated in an all-party group on the issue. Many people feel that, by supporting the Bill, they will save the fox. Does he agree that that is the greatest fallacy of the Bill, and that, in fact, we will see greater—

Mr. Deputy Speaker: Order. I hope that the hon. Member for Mid–Worcestershire (Mr. Luff) will not respond to that question, because we are talking not about the Bill in its entirety but about a new clause.

Mr. Luff: I will not respond, Mr. Deputy Speaker, as I respect your ruling. The advantage of local referendums at parish council level, as the new clause suggests, would be to force people to confront the reality in a harsh way. They would be not merely responding to opinion polls in the street, but casting a vote in private and in response to a campaign of fact. The sort of issue that the hon. Member for Vauxhall (Kate Hoey) raised would feature large in the debate that led up to a referendum, so it would make for better decision making.

Mr. Lansley: When my hon. Friend reflects on the point made by my hon. Friend the Member for Guildford (Mr. St. Aubyn), will he, as the author of the new clause, observe that, at the moment, it disapplies the provisions? In truth, it might be better to present the question to people in terms of whether they want to ban other people from engaging in something that they had previously engaged in legitimately. Although the new clause has merits, it is the other way around, and proposes the disapplication of a general law.

Mr. Luff: I have considerable sympathy with my hon. Friend's point, although I somehow doubt whether, if I had drafted the new clause as he recommends, it would have been acceptable to you, Mr. Deputy Speaker, or to Madam Speaker, as it would have been seen to go against the spirit of the Bill. I would be happy to draft such an amendment, because I do not agree with the approach adopted by the hon. Member for Worcester, but I doubt whether a clause drafted as my hon. Friend suggests would have been acceptable to the Chair.

Mr. Garnier: I agree that the way in which my hon. Friend's new clause has been drafted is to some extent defective. I would draw to his attention my new clause 39, which unfortunately has not been selected for debate, but which might deal with some of the problems that he and the hon. Member for Montgomeryshire (Mr. Öpik) are facing. My new clause sets out a number of detailed points that are not dealt with in his, and it would have been preferable if he had signed up to my new clause.

Mr. Deputy Speaker: Order. As I have said, I will not allow discussion on new clauses that have not even been selected.

Mr. Luff: I understand that, Mr. Deputy Speaker. If the Bill is to be reported, I hope that it will be with new clause 21 as a part of it and that in another place the

defects in the new clause that probably do exist, could be ironed out and the clause improved. I happen to agree with my hon. and learned Friend that his new clause is probably preferable in many ways.

Mr. Hawkins: In my hon. Friend's proposals for local referendums, does he agree that one of the concerns that constituents have expressed to me could still be a danger? There is a concern that the more extreme so-called animal rights organisations have, in attempting to obtain evidence to bolster the side of the argument of the hon. Member for Worcester (Mr. Foster) sought to intimidate people to sign up to petitions. I have had complaints about the heavy-handed tactics used by people with clipboards in the street to put people under pressure to sign petitions that they have not wished to sign, but have signed to get away from the animal rights extremists.

Mr. Luff: We often hear allegations from the supporters of the Bill that those who support hunting use heavy-handed tactics. Regrettably, in my experience the majority of the heavy-handed tactics have come from its supporters, which makes me pause to think about the merits of the new clause. It may well be that such tactics would be employed in the debate before the referendums, but I hope that, typically in country areas where the debates would take place, that would not be the case.

Mr. McNamara: How about those threatened with losing their tied cottages?

Mr. Luff: That is the oldest red herring—it is totally untrue, and I will not be dragged down that path.

I was pleased to read of the Prime Minister's strong support for the principle of referenda at local level, and I should have thought that he would have been in the House today to vote, but I expect that he is at Chequers, his tied cottage.

Mr. Colvin: I wish that my hon. Friend would get his grammar right. "Referendum" is a gerundive, and the plural is "referendums", not "referenda".

Mr. Luff: I think that common usage has changed.

In his interesting pamphlet, "Leading the Way: A new vision for local government", the Prime Minister says:

"it is not just representative democracy that needs to be strengthened. We also need to look at other democratic initiatives that will strengthen community leadership."

He talks about what councils can do to achieve that, and says:

"And the local referendum could become part and parcel of a council's tool kit to help it exercise its leadership function."

One does not have to share Conservative Members' reservations on referendums to know that that is what the Labour party seems to be committed to. The Prime Minister was clearly thinking about county and district councils, but I think that the rules—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 20 March.

Mr. David Winnick (Walsall, North): On a point of order, Mr. Deputy Speaker. The Bill was carried on Second Reading by a very substantial majority, which in our view reflects the feeling in the country. Given that overwhelming majority, is there any protection against the parliamentary vandalism that we have seen throughout the Bill's consideration that could enable it to go through Parliament? *[Interruption.]*

Mr. Deputy Speaker: Order. Let me answer the hon. Gentleman. The hon. Gentleman has been here for a long time, and he knows the procedures of the House. That is not a matter for the Chair.

Mr. St. Aubyn: On a point of order, Mr. Deputy Speaker. I have listened to the three days of debate on the Bill. I have found our discussions very informative; I have learnt a great deal more about the issue, and I want to make points that deserve to be heard.

Mr. Deputy Speaker: That is not a matter for the Chair.

Remaining Private Members' Bills

WATER CHARGES (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

ELECTIONS (VISUALLY IMPAIRED VOTERS) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

CHRONICALLY SICK AND DISABLED PERSONS (AMENDMENT) BILL [*LORDS*]

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

WELFARE OF BROILER CHICKENS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 3 July.

SCHOOL ABSENTEEISM BILL

Mr. Deputy Speaker (Mr. Michael J. Martin): Not moved.

COMPANIES (MILLENNIUM COMPUTER COMPLIANCE) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

REPRESENTATION OF THE PEOPLE (AMENDMENT) BILL

Order for Second Reading read.

Hon. Members: Object.

Mr. Deputy Speaker: Objection taken. Second Reading what day?

Mr. Harry Barnes (North-East Derbyshire): To give the Government time to reflect, Friday 3 July, Sir.

Second Reading deferred till Friday 3 July.

REFORM OF QUARANTINE REGULATIONS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

PROHIBITION OF BULL BARS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

VOLUNTARY PERSONAL SECURITY CARDS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 20 March.

Waste Minimisation Bill [*Money*]

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Waste Minimisation Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums which under any other enactment are payable out of money so provided.—*[Mr. Dowd.]*

2.34 pm

Mr. Eric Forth (Bromley and Chislehurst): On a point of order, Mr. Deputy Speaker. One of my colleagues has received a notice to attend a Standing Committee to consider the Bill next Wednesday. I understand that, in order for a private Member's Bill to go to into Committee, its money resolution must first be passed. How can Members be invited to a Committee next week, before the House has even considered the money resolution? That strikes me as premature, to say the least.

Mr. Deputy Speaker (Mr. Michael J. Martin) *rose—*

Mr. Nick Hawkins (Surrey Heath): Further to—

Mr. Deputy Speaker: Order. The hon. Gentleman has a terrible habit of interrupting the Chair. He should not do that.

I have been the Chairman of a Standing Committee, and I know that it often happens that Members are invited, subject to any decision that will be made in the House. If the decision was negative, the meeting would be cancelled.

Mr. Hawkins: I apologise for rising too soon, Mr. Deputy Speaker. Further to that point of order, I am one of those hon. Members who received notification about the Committee. I wanted to let you know that I was in the position to which my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) referred.

Mr. Deputy Speaker: I am pleased to hear it.

Mr. Forth: We are considering a money resolution in support of a private Member's Bill. It is difficult to assess the merits of the case if a Bill has not received a proper Second Reading and has gone through on the nod.

It is perfectly acceptable for private Members' Bills to receive a Second Reading on the nod, but it leaves us at a disadvantage in subsequent stages, because we are unaware of the rationale behind the Bill and of the thrust of its contents. That will be a considerable handicap to us today in giving proper and detailed consideration to the money resolution, although it seems that the Bill could have considerable spending implications.

I remember, as no doubt will my right hon. Friend the Member for East Devon (Sir P. Emery), that in the good old days private Members' Bills were supposed not to carry significant spending implications. Recently, however, we have had a series of examples of private Members' Bills—they may be Government handouts for all I know—with considerable spending implications and requiring money resolutions before going into Committee.

Sir Peter Emery (East Devon): It is certainly true that, in the past, private Members' Bills were normally expected to be so worded as not to require money resolutions. It is very unusual, and a more modern structure, for them to require money resolutions. When that is the case, one is led to believe that those Bills are not so much private Members' Bills as Government-sponsored Bills under the name of a private Member.

Mr. Forth: My right hon. Friend confirms what I suspected: that this is in effect a handout Bill, as we call them in the trade, which a private Member has been persuaded to take up. That has important implications, one of which is this resolution.

It is relevant, although not crucial, that not many of the Bill's numerous sponsors are present today. It seems odd that hon. Members are prepared to sponsor Bills, perhaps because they sound attractive, but are mysteriously absent at a crucial stage of their progress. I will let that point go for the moment, because it is not relevant. We will see who is here when we vote on the issue, instead of speculating now.

The wording of the motion left me somewhat puzzled, and I hope that the Minister will be able to clarify the position. The motion contains the words:

"it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums which under any other enactment are payable out of money so provided."

It always makes me suspicious when I read the words "any increase", because that is our old friend the blank cheque. We are being asked to approve any expenditure. That might not be too difficult to accept if the Bill were a Bill in the modern sense, with a statement of financial implications attached. I look in vain for such a statement in the Bill. All it says under "Money" is this:

"There shall be paid out of money provided by Parliament any increase attributable to any provision of this Act".

In other words, we receive no guidance whatever about the expenditure implications of the Bill. If that is added to the fact that we have had no Second Reading debate, I am sure my hon. Friends will be as anxious as I am about the possible spending implications of the Bill and, therefore, about the money resolution before us.

It seems that a certain slackness is entering the proceedings of the House, because we are being expected to approve the motion and other motions on the Order Paper that carry the same implications—as I hope to point out when we reach them. We are being asked, as a House of Commons responsible to the electorate for the raising of moneys through taxes and the expenditure of taxpayers' moneys, to approve of unspecified expenditure.

Sir Peter Emery: I am sorry to interrupt my right hon. Friend again, but I wish to point out that the House acted, some years ago, to ensure that Bills contained a paragraph on finance in the introduction, so that the House would know the likely financial cost of legislation. It seems strange, when the House has introduced that change, to have a retrogressive Bill that does not include such a paragraph—

Mr. Deputy Speaker: Order. The right hon. Gentleman's intervention is far too long.

Sir Peter Emery: I shall make my point on a point of order, if you prefer, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. The right hon. Gentleman knows better than that.

Sir Peter Emery *rose—*

Mr. Deputy Speaker: Order. My ruling is that interventions must be brief. I gave the right hon. Gentleman a lot of leeway and it is not on for him to say that he will use a point of order to make his point.

Sir Peter Emery: On a point of order, Mr. Deputy Speaker. Is it not correct to point out the normal procedure of the House so that we all understand it?

Mr. Deputy Speaker: I do not need to reply to the right hon. Gentleman, because he knows the procedure of the House and I was addressing my remarks to him.

Mr. Forth: I am grateful to my right hon. Friend the Member for East Devon, who makes an important point. I believe that we are witnessing a change in the nature of private Members' Bills. That is happening because hon. Members—legitimately—are accepting Bills from Government Departments. I have no difficulty with the principle of that, because hon. Members are free to adopt whatever subject they choose for a Bill if they are

[Mr. Forth]

fortunate enough to come high enough in the ballot. However, as my right hon. Friend emphasised, if, in the process, we lose the discipline that the House has sought to apply to Government Bills—that the financial implications should be clearly laid out—we are entitled to be more suspicious of what is laid before us.

If that is complicated by the fact that we have not had the benefit of a Second Reading debate and therefore do not know in detail what is going on, we are entitled to be doubly suspicious. However, holding this short debate allows us to explore the implications of the Bill and the expenditure that would arise from it, and we will be better able to judge it.

I shall discuss the Bill briefly, because my colleagues want to contribute. The Bill gives me little encouragement or confidence on the issues that I have mentioned—quite the reverse. Clause 1(1) deals with

"minimising the quantities of controlled waste, or controlled waste of any description, generated in its area."

It authorises authorities to

"do, or arrange for the doing of, or contribute towards the expenses of the doing of, anything which in its opinion is necessary or expedient for the purpose".

My reading is that authorities would be given unlimited scope to interpret what minimisation of waste generation means and to come up with ideas for implementing that aim. However, the words "waste", "minimise" and "generation", all of which are crucial to understanding the meaning of the Bill, have not been satisfactorily defined. The Bill seems to authorise authorities to do anything they see fit to fulfil its broad aim, and that is underpinned by the financial authority of the money resolution.

If ever there was a vehicle for unlimited expenditure, this Bill must be it. The Bill's aims are not adequately defined and although expenditure to underpin them has been requested, its effects have not been explained satisfactorily.

Angela Smith (Basildon): I am the Bill's promoter. The right hon. Gentleman said that I was not present, but I am. The Bill is not a handout from the Government Whips; I took it over from the former hon. Member for Beckenham, who is no longer a Member of Parliament. The right hon. Gentleman said that the Bill's aims are broad. Will he not acknowledge that they are narrow and specific, and that the Bill describes in detail what it is designed to bring about?

Mr. Forth: No, I cannot agree with the hon. Lady. I am delighted that she is here, and apologise if I said that she was not. I hope that I said that few of the Bill's sponsors were here to support it; if I did not, that is what I meant to say. I of course acknowledge that she has taken the trouble to attend, and hope that she speaks in support of the money resolution.

However, I cannot agree with the hon. Lady, because, the phrase

"minimise the generation of waste"

is not specific, but extraordinarily general, and unconstrained. The Bill does not refer to domestic or industrial waste, define the generation of domestic or business wastes, or give us any guidance as to whether the aim is minimisation to zero. I cannot agree that the Bill's specificity gives us comfort. I am arguing the opposite.

Sensibly, the Bill requires an authority to

"consult about the proposal every other relevant authority whose area includes all or part of the area of the first authority."

In this modern era of consultation, that sounds not only sensible, but highly desirable. However, it carries two implications that require explanation. First, the act of consultation is not cost free, as my party is about to find out in its enthusiasm for it. We all know that consultation by any body, whether wide or relatively narrow, is an expensive process. So already the Bill carries implications of costs—the costs of consultation—which I believe are undefined and unlimited, although I accept that the Bill's reference to "every other relevant authority" is something of a constraint. However, that raises another question.

Is there any implication of a veto? If some of those other authorities say, "What you propose to do to minimise the generation of waste in your area is unacceptable to us and carries with it difficulties," that could render the Bill nugatory. We need some sort of explanation of the nature of the consultation process and whether it carries with it any implication of an ability of another authority in some way to veto what the originating authority proposes to do.

I want to give my hon. Friends a chance to speak, so I shall draw my remarks to a close. I have tried to illustrate that, as things stand, the Bill and the money resolution contain inadequate explanations to support the unconstrained and unlimited wording of the money resolution. Unless I am eventually much better persuaded than I am now, I shall be unable to support the money resolution.

2.50 pm

Mr. Nick St. Aubyn (Guildford): I did not intend to speak on the money resolution, but my right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) has made the important point that it could become a blank cheque. It is worrying that we should be asked to support a Bill that may become a blank cheque, especially when I consider the problems of waste in the area that I represent in Surrey.

There is tremendous pressure on Surrey from developers and waste disposal companies to provide more waste facilities. Where, for example, sand has been extracted for commercial use, we find waste companies coming in; yet more and heavier lorries drive along our country lanes to dump waste in our part of Surrey—something for which the infrastructure and roads were not designed.

In Shamley Green—a delightful village in my constituency—we are fighting a tough battle against one firm. First, it said that it wanted to increase its waste disposal activities. Then, when it could not get that past the local authority, it said that it wanted to extract more sand from a pit that has been disused for a decade.

If we sign a blank cheque for waste minimisation, moneys could come forward from some source that would make financially viable waste disposal schemes that would not otherwise be financially viable. We have found, to our bitter cost, that the planning system on its own is not capable of stopping waste schemes that we definitely oppose.

There is another example in Seale—another village in my constituency. The matter went to appeal a year ago—

Mr. Deputy Speaker: Order. The debate is about the money resolution. The hon. Gentleman is speaking about the principle of the Bill. He should talk about the money resolution.

Mr. St. Aubyn: I am grateful for your guidance, Mr. Deputy Speaker.

The thrust of my point is that, if we provide more money for what sounds like a good cause—waste minimisation—we may unintentionally provide incentives to waste disposal companies to make more of a nuisance of themselves in parts of the world where we are fighting hard to restrict their activities.

I notice that the intention is that local authorities should find the money. It is deeply ironic that the Bill has the Government's support, as they well know that, in the most recent revenue settlement, our areas—and all the shire areas—suffered a real loss. More than £100 million was shifted from the shire counties to the metropolitan areas. Where on earth will the shire counties find money for a waste minimisation system? We are under great pressure.

Mr. Forth: My hon. Friend raises a point that I neglected to raise. The implications are clear: the taxpayer will have to pay an unlimited amount to local authorities; local authorities will have to raise more money to pay for what they are doing; or local authorities will have to reprioritise their expenditure under existing powers, to deliver the Bill's aims. It can be only one of those three, and we do not know which one it will be.

Mr. St. Aubyn: In Surrey, the council tax has increased by more than 10 per cent. because of the Government's change in its budget; at the same time, we have had to enforce cuts in social services to meet the Government's targets for increased spending on education. The idea that Surrey will have to find extra money for waste minimisation is appalling. If the Government's intention is that the money should be found by the Treasury, why does the Bill say that the money will be spent by the local authority, without making it clear from where the money will come?

I am concerned about the Bill. I respect the point that has been made, but it is wrong for such a Bill to be introduced by the mechanism of a private Member's Bill, as these should be, by and large, uncontroversial measures. We have already seen today the waste of parliamentary time that can come from controversial private Members' Bills. I am afraid that it is hard to summon the confidence that the Bill requires of us to lend it our support.

2.57 pm

Angela Smith (Basildon): The hon. Member for Guildford (Mr. St. Aubyn) said that private Members' Bills should be uncontroversial. I remind him that this is an uncontroversial Bill which has all-party support. Indeed, it was first brought before the House by the previous Member for Beckenham, who is no longer in the House.

Opposition Members are making heavy weather of the Bill, based on a misunderstanding of what it is about. It is enabling legislation for local authorities to work on waste minimisation. Local authorities are not forced to spend money.

The Bill should be examined fully in Committee and then brought before the House in the proper way. I urge hon. Members to support the money resolution so that the Bill can be examined in Committee.

2.58 pm

Sir Peter Emery (East Devon): I find the hon. Lady's remarks completely unconvincing. She said, "This isn't going to cost anybody anything." If that is the case, why the devil is there a money resolution? It must be there for some purpose. That is why Opposition Members are highly suspicious. Perhaps the hon. Lady will be permitted to speak again to explain. I am highly suspicious of a money resolution on a private Member's Bill anyway. That is not the way in which things should be done.

If the proposal is not going to cost anything, we do not need a money resolution. When the Bill's promoter, the hon. Member for Basildon (Angela Smith), cannot give us a positive explanation about why the money resolution is necessary, I am not only suspicious, but I find myself wanting to ensure that we do not pass it.

2.59 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): I am amazed to find that parts of the Conservative Opposition do not think that waste minimisation is a desirable end, especially as the Bill is a modest measure supported, I thought until today, by all parties. It is clearly not supported by the Conservative party.

I am surprised that the right hon. Member for Bromley and Chislehurst (Mr. Forth) is against the promotion of waste minimisation as, when he was a member of the Conservative Government, they were anxious to pursue recycling and waste minimisation policies, although they were bad at coming up with results.

Mr. Forth: Will the Minister give way?

Angela Eagle: No.

The purpose of the resolution is to authorise the creation of a charge on public funds for the Bill. The Bill is narrow in scope and concerns promoting waste minimisation activities. Local authorities, as the organisations that collect domestic waste, might want to introduce educative processes to show people who live in their area how to recycle waste properly. The Bill merely enables that to happen.

Without what is a modest money resolution, the Bill would have no effect, which is why the resolution is before the House today. Conservative Members are much too paranoid about the effects of public expenditure. The measure duly authorises—merely enables—money to be used for a narrow purpose; the decision has not been taken. As Conservative Members know only too well, the present Chancellor of the Exchequer would not give an open-ended commitment to funding in a private Member's Bill. Conservative Members should stop exaggerating,

[Angela Eagle]

come down to earth and treat the Bill as the modest, all-party—as I thought—measure that it is. I am interested to learn from today's debate that the Conservative Opposition seem to be against recycling.

Question put:—

The House divided: Ayes 55, Noes 3.

Division No. 212] **[3.1 pm**

AYES

Anderson, Janet *(Rossendale)*	King, Andy *(Rugby & Kenilworth)*
Arbuthnot, James	Lepper, David
Bennett, Andrew F	Lloyd, Tony *(Manchester C)*
Brake, Tom	McCabe, Steve
Brown, Rt Hon Nick *(Newcastle E)*	McFall, John
Caplin, Ivor	Mclsaac, Shona
Cassle, Roger	McNulty, Tony
Caton, Martin	McWilliam, John
Cawsey, Ian	Mallaber, Judy
Coffey, Ms Ann	Marshall–Andrews, Robert
Cooper, Yvette	Merron, Gillian
Cranston, Ross	Morley, Elliot
Dobbin, Jim	Naysmith, Dr Doug
Dowd, Jim	Norris, Dan
Eagle, Angela *(Wallasey)*	Palmer, Dr Nick
Fitzpatrick, Jim	Pike, Peter L
Gardiner, Barry	Prosser, Gwyn
Gerrard, Neil	Rooker, Jeff
Gilroy, Mrs Linda	Savidge, Malcolm
Godman, Norman A	Smith, Angela *(Basildon)*
Gordon, Mrs Eileen	Spellar, John
Heald, Oliver	Thomas, Gareth R *(Harrow W)*
Hill, Keith	Timms, Stephen
Hoey, Kate	Twigg, Stephen *(Enfield)*
Iddon, Dr Brian	Vis, Dr Rudi
Jackson, Helen *(Hillsborough)*	Winterton, Ms Rosie *(Doncaster C)*
Jones, Martyn *(Clwyd S)*	
Keen, Ann *(Brentford & Isleworth)*	**Tellers for the Ayes:**
Kelly, Ms Ruth	**Mr. Kevin Hughes and**
	Ms Bridget Prentice.

NOES

Emery, Rt Hon Sir Peter	**Tellers for the Noes:**
Howarth, Gerald *(Aldershot)*	**Mr. Edward Leigh and**
Maclean, Rt Hon David	**Mr. Eric Forth.**

Question accordingly agreed to.

Paper Pulp Spreading (Agricultural Land)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

3.12 pm

Helen Jackson (Sheffield, Hillsborough): I have chosen the right day for my Adjournment debate, which addresses the countryside and waste. We have had quite a Friday.

I am grateful for the opportunity to highlight an important issue for the countryside in my constituency. I remind the House that the countryside north of Sheffield is particularly beautiful, with large numbers of streams, fields, upland areas, ancient ways, footpaths and dry stone walls. It is used by large numbers of walkers and others for their leisure interests. The area is important both for its agriculture and for the people who live in my constituency.

The livestock farmers in that part of the countryside are having an extremely difficult time following the Government's mismanagement of the bovine spongiform encephalopathy crisis in the past few years. The fall in milk prices from 25p a litre to 18p a litre has also had a serious effect.

The difficulties being faced by the farmers contrast with the position of the largest landowner-farmer, who spreads his land with paper pulp waste on a monopoly contract that he has had for many years with the local paper mill. The proceeds have enabled him to buy up farms around my constituency at an accelerating rate as they come on to the market.

Like many people in the constituency, I am concerned that, in this upland countryside area, it seems that the only way to make a living is to use the land as a vast waste disposal site. The paper comes from the Fort James paper mill at Oughtibridge, which is a long-established plant in the constituency. It is engaged in recycling, and produces 40,000 tonnes of paper tissue from 55,000 tonnes of recycled material. In the process, it produces 45,000 tonnes of a grey, soggy paper pulp mass, which is made up of 15,000 tonnes of solids and 40,000 tonnes of water. For years, that substance has been spread over the neighbouring farmland and uplands.

There is nothing wrong in principle with paper waste being used as an organic substance in composting schemes or spread on the land for the benefit of agriculture and the land itself. Where land is acidic, the elements of chalk in the paper pulp waste can have a beneficial effect. However, the waste disposal operation in my constituency has shortcomings that the Government should address. I hope that this debate will help to strengthen the guidelines that the Government are considering.

As the waste substance is spread, it is visually obtrusive. Its greyish-bluish colour is clearly noticeable when it is spread on green fields. The difficulty is that, when it is spread in large quantities, so that it is several inches deep, it coagulates into grey lumps around the edges, and remains like that for several weeks and possibly months, before the grass grows through.

The process leads to the presence of heavy lorries on the narrow country lanes in the area. There is significant change, and even damage, to the ecology and biodiversity of the upland areas. When I first went to live there, there were many skylarks, lapwings, harebells in the autumn, and

a wide variety of other wild flowers and birds. That is no longer the case. There has been a significant loss of grassy semi-moorland uplands. Many stone walls and gateposts have been destroyed or removed to enable the operation to take place.

The concerns go further. Not enough is known about the long-term effect of such intensive treatment on the soil. I am not sure whether sufficient research has been carried out into the long-term effects of traces of chemicals from the ink or other elements that might be in the paper pulp waste and might affect the quality of the grassland for grazing. I am concerned about whether enough is known about the content of the water element, which is substantial, and its effect on groundwater reserves in the area.

One of my constituents described how the process has affected her. Her house is at the back of fields that have been spread with the grey substance. She described how it has seeped on to her garden, and how her asthma has been exacerbated, because the substance remains dry and powdery for many weeks without being ploughed in. Nothing grew for months on the land at the back of her house. Since the walls, hedges and trees dividing the four fields were uprooted when the paper waste was spread, the whole aspect of the landscape has changed dramatically. There were hares and many birds in the area, but she says that they are no longer to be seen.

I am pleased that this debate has been welcomed by the local branch of the Council for the Protection of Rural England, the Peak District national park, the local authorities, the Sheffield Wildlife Trust and, perhaps most importantly, many local conservation groups. We are grateful for the meeting we had with the Minister and her officials earlier this morning. We hope that, as a result of the debate, our concerns will be incorporated in the forthcoming consultation paper on the wider effect of waste spreading. We look forward to reading that document when it is published.

The current legal framework for this type of waste disposal is contained in the waste licensing system established under the European Community framework directive on waste, which, in article 11, exempts from waste regulation and planning control waste spreading that is deemed "agricultural improvement". I believe that those words are defined insufficiently. First, the term "improvement", as applied to the countryside in my constituency, is clearly uncertain and totally inadequate. Secondly, the onus must be on the operator to show, without question, that his purpose is agricultural rather than waste disposal. If the purpose is actually waste disposal, it opens the operation to landfill tax and other issues.

Moreover, the requirements subsequently set out in section 7 of schedule 3 of the regulations must be more specific. Although they mention the rate of spread, that should be spelled out in terms of, first, tonnage per acre or hectare; secondly, the depth of spread and the frequency with which it is advisable to spread to that depth in a particular area; and, thirdly, the manner and the time within which waste should be ploughed into the soil. If those specifications are made more detailed, more detailed recording will be required on the part of the paper industry and the operators to ensure that the regulators—in this case, the Environment Agency—are aware of exactly what is proposed, where, how much and when.

I have been informed by the Environment Agency that the operator at present provides the minimum of information: simply saying who he is and stating that a rough amount of paper pulp waste is to be distributed on various farms in the area at a frequency of about two or three years. That is nothing like enough detail. It does not allow the Environment Agency or the planning authority to monitor adequately, and where necessary to take samples of, the substance to ensure that operations are being conducted in accordance with the regulations.

I also urge the Minister to make it absolutely clear that it makes no difference to the requirements in the regulations whether the operator spreads on his or someone else's land. If the process is so beneficial to the land, I am surprised that other farms in the area do not desperately want the substance spread on their land. At present, the landowner spreads the waste on his own land.

In addition to those specific suggestions, I wish to make some general points. The first is about soil quality. Hon. Members may know that I spent many years in the former Parliament working on water quality and on how sustaining the water cycle makes quality water easily available to us all. After water, soil is probably the most important environmental element on our planet, because it provides us with food, whether it is grown or comes from the animals that graze on it. Future generations will need to focus on and monitor much more closely the quality of soil across all aspects of agriculture, including waste spreading, to make absolutely sure that the food we derive from soil is safe for consumption.

Secondly, it is important that the issues arising from waste spreading on land are given a national framework. Although I have raised this Adjournment debate in the context of a constituency issue, it is important that the guidelines are put in a national framework.

Thirdly, it is important that local people are consulted on all aspects of the environment that affect the countryside. I have mentioned the strength of the conservation groups in my constituency, and I pay tribute to how they keep a watching brief on the welfare of the countryside in their area. That needs to be recognised nationally and locally to ensure that local people have a say and are asked what the processes and operations mean to them, because they are the people who live cheek by jowl with those operations.

Finally, I urge that a partnership approach be taken to countryside issues. I am appalled that the Conservative party has treated the countryside in such a divisive way in the past few weeks. At every turn, on issues that could have brought people together, Conservative Members have attempted to be divisive. I do not approach this issue in a divisive way. Ultimately, responsibility for the country must be shared between Government and business, and between landowners and conservation groups. Unless we work together to protect our countryside, we shall never succeed in caring for it and maintaining its beauty and use for relaxation.

I am grateful for this debate, and I call on the Government to back a partnership approach to deal with the spreading of paper pulp waste.

3.27 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): I congratulate my hon. Friend the Member for Sheffield, Hillsborough (Helen Jackson) on raising some important points about the recovery of waste by landspreading.

[Angela Eagle]

My hon. Friend focused on the spreading of waste paper sludge in the Bradfield area of her constituency. It is unfortunate, but I cannot comment on the incidents that we have heard about today, or on any other landspreading case. There is a good reason for that: my right hon. Friend the Secretary of State has a quasi-judicial role in deciding waste management licensing appeals. As a result, I cannot comment on any individual case that could become the subject of one of those appeals. However, there is much that I can say, and I hope that I can reassure her about the important issues that she has raised today.

My hon. Friend understandably focused on the disadvantages of landspreading, which I fully recognise. There is no doubt that the indiscriminate landspreading of wastes can sometimes cause environmental problems. For example, it can lead to soil damage, water pollution and problems with odour or visual impact. It is vital that we are aware of these risks, and that effective measures are taken to deal with them. I will say more about that in a moment.

We must not lose sight of the fact that there are also advantages to landspreading. Spreading of wastes on land can provide valuable nutrients—and so reduce the need for chemical fertilisers—improve soil condition and structure, and reduce the amount of waste which goes for disposal in landfill sites. Although Conservative Members have decided, after the last debate, that they are against recycling, we believe that recycling and the re-use of wastes where possible is a good thing, as long as it is done in a controlled way which does not affect either human or animal health.

Properly controlled landspreading can be a good way of getting an environmental benefit from wastes which would otherwise be disposed of. Using wastes to provide environmental benefit is a practice which, in the interests of sustainable development, it must be sensible to encourage. It is, of course, best not to produce waste at all. However, the production of waste is, unfortunately, a fact of life. Our first aim must therefore be to reduce the amount of waste that each of us produces. That also means reducing the amount of waste that industry produces.

After reduction comes re-use; that is, putting objects back into re-use so that they do not need to be disposed of as waste. Re-using bottles is a common example. When waste is produced and cannot be re-used, it is vital to recover value from it wherever we can. We are all familiar with waste recovery options, such as composting. The disposal of waste is the least attractive option.

Together, these options are known as the waste hierarchy. Our overall objective is to increase the proportion of waste which is dealt with by the options towards the top of the hierarchy. Whatever option is used to deal with waste, we must ensure that it is done to high standards, and that any risks of pollution or harm to human health are minimised.

No one would deny that, at the moment, we produce too much waste, and do not recover enough value from it. We must strive to reduce the amount of waste we produce, to increase the amount of waste we re-use or recover, and to reduce the amount which has to be disposed of.

The landspreading of waste which is of benefit to agriculture or ecological improvement is a recovery option. Although the recovery of waste may be environmentally beneficial, it also has the potential to cause pollution of the environment and, in some cases, harm to human health. It is therefore essential that controls are in place to ensure that waste recovery operations are carried out in a way which protects the environment and human health.

The framework directive on waste—which my hon. Friend mentioned—provides the basis for these controls. The directive requires, among other things, that businesses which recover or dispose of waste have to be licensed. This is done through the waste management licensing system in force under part II of the Environmental Protection Act 1990 and related regulations. Under this licensing system, businesses carrying out waste disposal or recovery must have a waste management licence issued by the Environment Agency, must comply with the conditions of that licence, and must not cause environmental pollution or harm to human health.

The directive does allow member states discretion to provide exemptions from licensing. This discretion was used by the previous Government to provide a wide range of exemptions. These exemptions were provided with enthusiasm as part of the drive away from environmental controls and towards deregulation. That was too often the behaviour of the previous Government. One of the exemptions provided as part of this so-called deregulation exercise was to allow the landspreading of a long list of wastes. This list includes wastes such as blood and gut contents from abattoirs, and waste paper pulp.

Since the introduction of these exemptions in 1994, we have had the benefit of experience, and we have a new Government who are not obsessed with deregulation but are committed to protecting the environment and human health. Although the exemptions are subject to some conditions, experience suggests that past practice has not always been as rigorous as it might have been. In our view, it is necessary to strike a better balance between protecting the environment and human health, and encouraging the recovery of waste. We are not prepared to tolerate the abuse of exemptions as cheap disposal options—in other words, sham recovery. We need to provide the regulators with a better chance to act against those who are intent on abusing the system.

It is essential that waste is recovered or disposed of in ways that protect the environment and human health. For that reason, the controls on the landspreading of waste and the types of waste recovered in that way, must be based on sound science and the precautionary principle. With those objectives in sight, research into landspreading has been commissioned by my Department, the Environment Agency and the Ministry of Agriculture, Fisheries and Food.

The research project is developing criteria that will determine whether landspreading of particular wastes is likely to benefit agriculture or result in ecological improvement. It is looking at the types and quantities of wastes that are suitable for landspreading. We expect the research project to be completed by the end of next month, and have given a commitment to review the current exemptions from licensing for waste recovery by landspreading on completion of that research project. We will fulfil that commitment, and will take into account the

recommendations of the Environment Agency in doing so. With the agency, we will also publish good practice guidance reflecting the findings of the research.

Our proposals to revise the exemptions will be subject to a consultation exercise before being introduced. At this stage, I can give an indication of some of the issues I would like to see addressed in the review of the exemptions. For example, the present exemption conditions require that the person carrying out the landspreading pre-notifies the Environment Agency. However, there is no time limit on pre-notification. The agency must be given a better chance to act, to judge whether the landspreading is of benefit to agriculture, and to ensure that the environment and human health are protected.

The present exemption conditions do not make particular provision for landspreading in sensitive areas such as sites of special scientific interest or national parks. We need to consider what additional controls may be necessary in those areas. Clearly, biodiversity and habitat protection are important considerations in that respect.

The research project shows that about 1 million tonnes of paper sludge is being landspread each year, but I was surprised to find that the Environment Agency has no central records of when that is happening and where all that waste is going. That is because the previous Government did not want those records to be kept. We need to put that right.

We have made it clear that we expect the agency to be a fair but rigorous enforcer of environmental legislation, but, in order for it to fulfil that role, we must allow it to do its job. Protecting the environment and getting the regulatory balance right may mean the introduction of charges to allow the agency to fulfil its regulatory responsibilities.

Properly controlled landspreading of waste can contribute to sustainable development and bring environmental benefits. Where it is done properly, the landspreading of waste can improve the soil, be of benefit to agriculture and cut the amount of waste going to landfill. However, experience suggests that past practice has not been as rigorous as it might have been. It is necessary to strike a better balance between protecting the environment and human health, and encouraging the recovery of waste.

The controls on landspreading must be based on sound science and the precautionary principle. Research is under way to increase our knowledge of the science. We will review the landspreading controls on completion of the research project, and I have indicated some of the issues that I would like to be addressed. Clearly, my hon. Friend is invited to let us have her views once the consultation process has begun, as indeed are the representatives I met earlier from her constituency.

Our objective is to ensure that the landspreading of waste is of benefit to agriculture and is done in a way that protects the environment and human health, not compromises them. I want the controls to be rigorous, and I want to give the Environment Agency a better chance to act.

I thank my hon. Friend for raising that important issue. Had she done so a couple of months from now, I might have been in a slightly better position to give her some sign of where the Government will go, but I hope that she will support the review and I look forward to seeing her responses to the consultation paper when it is issued.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes to Four o'clock.

House of Commons

Monday 16 March 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Rex Cinema, Berkhamsted

1. **Mr. Page:** If he will visit the Rex cinema in Berkhamsted. [32897]

The Minister for Film and Tourism (Mr. Tom Clarke): I have no plans to visit the Rex cinema. If it were currently showing a good British film, I might be tempted—but, as the hon. Gentleman knows, the Rex has been closed for years.

Mr. Page: I am disappointed that the right hon. Gentleman will not visit the Rex cinema. As he has rightly said, it has been closed for some years. It is in a dilapidated state; £2 million is needed to glue it together. Berkhamsted is an attractive town and the Rex cinema, in the middle of it, is an eyesore.

As I said, £2 million is needed to repair the cinema. If it is used for cultural purposes, it will require £100,000 to £200,000 a year in subsidies. Will the Minister either provide the £2 million that is needed to bring the cinema back to its former glory and the £100,000 to £200,000 a year to maintain it or allow the frieze around the screen and the plaster shells on the side—which, as the Minister will know from his 1930s days are the sort of features that have given the Rex its listing—to be stored elsewhere? Better still, will the Minister take steps to remove the listing, allow the site to be developed for sheltered housing and take the pressure off the green belt, which is so badly needed in Hertfordshire?

Mr. Clarke: I have no intention of intervening. It is true that my Department has received letters, but only two have been opposed to the listing. One such letter was from the hon. Gentleman on 19 May 1997, in which he enclosed a letter from the developers. However, the local authority, the Friends of the Rex, the Ancient Monuments Society and the Cinema Theatre Association all support the listing. The hon. Gentleman will know that there is a presumption in favour of the preservation of listed buildings. We support that view.

World Cup

2. **Mr. Tony Clarke:** What plans he has to co-operate with his French counterparts in respect of the 1998 World cup finals. [32898]

The Minister for Sport (Mr. Tony Banks): The Government are co-operating fully with the French authorities on the World cup finals this year. The Home Office, the Foreign Office and the British police are in close contact with their French counterparts over the arrangements for the safety and security of English and Scottish fans. I recently met the French Minister for Sport, Mrs. Buffet, at the winter Olympics in Nagano—I am a terrible name dropper—when we discussed ticketing arrangements.

Mr. Clarke: I thank my hon. Friend for that response. Does he share my despair and dismay at the inadequate ticket allocations from the French, which mean that genuine supporters will not be able to obtain tickets when they travel with genuine travel clubs, whereas black market profiteers and ticket touts in France will be able to peddle tickets in unsegregated parts of grounds to all and sundry?

Will my hon. Friend join me in urging those supporters from the home countries not to travel if they do not have tickets? Any disturbance, no matter what the cause, can only reflect badly on our bid to stage the 2006 World cup.

Mr. Banks: Yes, I share my hon. Friend's concern. Clearly there is much dissatisfaction with the distribution of tickets in England and Scotland and in many of the other participating countries. Just for the record, for the first match—England playing Tunisia in Marseille—we have 3,790 tickets. We have 2,749 tickets for the match against Romania and 2,589 for the match against Colombia. As England has 32,000 registered travelling supporters, it is clear that that ticket allocation is inadequate.

The extra 160,000 tickets that have been offered by FIFA are for all the countries involved. That allocation will mean only a few hundred more tickets for England and Scotland. However many tickets were put on the market, there would not be enough to go round. That being so, the message remains the same: "If you don't have a ticket for the World cup finals, please don't travel." I record yet again that there is much dissatisfaction with the allocation of tickets. When England gets the 2006 World cup finals, that shortcoming will most certainly not be repeated.

Mr. Maude: But what does the Minister aim to do about the problem? It is all very well saying that the situation is unsatisfactory, but it seems to be continuing. If there is a problem with the behaviour of disappointed supporters in this summer, it will affect our bid to host the 2006 World cup. I understand the Minister's excitement at Dr. Havelange's pledge of support last week, but he is surely aware that similar undertakings have been given to heads of state in Germany and South Africa.

Mr. Banks: This is essentially a matter for FIFA, the French authorities and the English Football Association. The Government have given their full political backing to the FA's efforts to secure more tickets for our fans. In the end, of course, we cannot force either FIFA or the French to release more tickets, but we can certainly learn from this experience to ensure that it is not repeated.

Mr. Maude: So much for leading in Europe.

Mr. Banks: The right hon. Gentleman must realise that I would very much like to wish up more tickets, but unfortunately I cannot do so. Those fans without tickets should not travel. We do not want any difficulties in France. I remind all English travelling fans that they are ambassadors for the country in terms of the bid for 2006.

On the right hon. Gentleman's point about Dr. Havelange, of course I am not so naive as to assume that Dr. Havelange, who is a wily old politician, does not say things to please his hosts whichever country he happens to be in, but I would rather he said that England had a good case and that he supported us than that it was a rubbish case and that he did not want to see the World cup held here.

Ms Ward: What action has my hon. Friend taken in his discussions with the French authorities to ensure that we do not have a repeat performance of the policing and lack of control that we witnessed in Italy? Can he assure us that he has made his views clear to the French authorities so that fans travelling abroad are afforded the necessary protection?

Mr. Banks: More to the point, my right hon. Friend the Home Secretary has made his views quite clear, and a couple of weeks ago in Blackburn there was a constructive seminar on hooliganism, where the views of the British police, the French police authorities and the police authorities of participating countries were all heard, and hooliganism was discussed and debated. As long as our fans behave themselves, there will be no difficulties. We will always seek to protect our supporters travelling abroad, because they do not leave their civil rights in this country when they go, but they must behave and remember that they are ambassadors for the country. The French police do not muck around. They have very strict rules with regard to ticket touting. No one should think they are a pushover, because they are not. Again, the message is: "Don't risk it. If you haven't got a ticket, don't travel."

National Lottery

3. **Mr. Yeo:** What representations he has received on the appointment of a not-for-profit operator for the national lottery. [32899]

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): Nearly half the 71 responses to our White Paper commenting on our proposals on operation favoured a not-for-profit operator. We remain committed to the objective of not-for-profit operation, and the existing legislation allows that to happen.

Mr. Yeo: Regardless of the operator, why are the Government taking powers, through the National Lottery Bill, to use lottery money to pay for schemes that previously were funded out of general taxation? In particular, why will not he accept Opposition amendments that would at least limit the lottery money that he can divert from the good causes that ticket buyers want to support into projects that have been hand-picked by new Labour Ministers?

Mr. Smith: The overwhelming content of the responses to our consultation on the White Paper showed that our proposals were favoured by the general public. If the hon. Gentleman does not believe that lottery funds should be devoted to improving out-of-school-hours provision; to ensuring that we can provide decent child care in this country; to ensuring that we have healthy living centres in high streets and on estates throughout the country; and to ensuring that our teachers and librarians are competent to teach information technology to pupils and to people throughout their lives, I am afraid that he has a poor idea of the nature of our society.

Dr. Iddon: Does the Secretary of State believe that GTech is a fit and proper organisation to be involved in the running of the national lottery?

Mr. Smith: The director general of the Office of the National Lottery has summoned GTech to provide information, and he is considering the matter in great detail and with great care.

Mr. Maude: Given that Camelot is under investigation on this issue, does the Secretary of State regard it as satisfactory that it has been encouraged to become a sponsor of the millennium dome? It has agreed to sell tickets for the dome without recompense, and pressure is reportedly being put on its management for the company to become a full cash sponsor of the dome. To allay fears about a cash-for-licence-renewal deal, will the Secretary of State confirm that no further sponsorship will be accepted from Camelot?

Mr. Smith: That question astonishes me. The agreement is for Camelot to make provision through the lottery terminals for the sale of tickets for the millennium experience. It was sensible and worthwhile to secure such an agreement. There is no question whatever of any lessening of the proper scrutiny that the director general exercises over Camelot's running of the lottery. The forthcoming decision on the franchise in 2001 will not be affected by any such agreement.

Tourism and Leisure Industries

4. **Mr. Cohen:** What estimate he has made of the benefit to the tourism and leisure industries of promotions targeted at gay people. [32900]

Mr. Tom Clarke: I am monitoring the impact of the recent British Tourist Authority-London Tourist Board campaign to attract gay visitors to Britain.

Mr. Cohen: Is there a new attitude in Government circles towards gay and lesbian visitors to these shores, which respects the legitimacy and importance of such tourism? The United Kingdom caters for a diversity of interests and life styles. Will the Minister confirm that the pink pound is welcome here? London is an attractive place to visit. A gay and lesbian film festival is currently being held, but there are excellent clubs and places to visit all year round. Will the Minister disregard past prejudicial reviews and back the London Tourist Board's campaign to reach gay people?

Mr. Clarke: My hon. Friend's points are, as always, well made and well taken, and I am glad that he has drawn the matter to the House's attention. The role of the London Tourist Board is to optimise tourism revenue in the medium and long term for the benefit of London's economy. In fulfilling that role, it is entirely appropriate for the board to target all aspects of the market.

Mrs. Virginia Bottomley: Will the right hon. Gentleman try to be true to the spirit of his Department's original title of Department of National Heritage? I hope that the tourism and leisure industries are full of gay people. If the hon. Gentleman is referring to homosexual people, he should say so.

Mr. Clarke: With respect, the right hon. Lady spent a long time at the Department and has learnt nothing and forgotten nothing. People who work in tourism understand the importance of the role that they play: it is important for the economy, the environment and our social fabric. I do not think that many people will have much regard for the right hon. Lady's view.

Seaside Towns

5. **Mr. Bradshaw:** What plans he has to support the efforts of seaside towns to promote tourism. [32901]

9. **Mr. Barry Jones:** What plans he has to support the efforts of seaside towns to promote tourism. [32905]

Mr. Tom Clarke: Seaside towns are important for the domestic tourism market. The Government's strategy for tourism will benefit all areas, including seaside towns. One of the forum working groups on tourism is helping us to develop the strategy, and is considering these issues in particular.

Mr. Bradshaw: The Minister will be aware of the great importance of tourism to the south-west's economy, which has lately been taking a few knocks. Will my right hon. Friend assure the House that he will do what he can to ensure that a representative of the tourist industry is appointed to the board of the south-west regional development agency? That would do a great deal to further the cause of tourism in the region.

Mr. Clarke: My hon. Friend always makes his point eloquently, and I was very happy recently to visit the south-west. As he said, resorts are key regional assets on which regional development agencies and local authorities can build. Moreover, they contain theatres, museums and other cultural attractions that attract lottery funding. I welcome my hon. Friend's point.

Mr. Jones: Does my right hon. Friend agree that there are countless high-quality seaside resorts in Wales—for example, Llandudno and Rhyl? Does he accept that the prosperity of those towns would be greater if the marine environment—the Irish sea—were better? How can Ministers help? Can they provide any financial help to give those towns a better chance?

Mr. Clarke: My hon. Friend always does a splendid job in addressing problems in a constituency that straddles an area covered by the Welsh and the English tourist boards. I assure him that his comments are very constructive. Seaside resorts can benefit from various grant schemes—including sector challenge, local challenge, the national lottery, the single regeneration budget and the European regional development fund—which I hope will be used fully by resorts, including those where my hon. Friend has an influence.

Mr. Fraser: How many jobs does the right hon. Gentleman estimate will be lost in the tourism industry as a result of the minimum wage?

Mr. Clarke: In common with the overwhelming majority of people in the tourism industry, I think that people who are properly paid, properly motivated and properly trained will contribute to the creation of new jobs. The independent commission—to which the Labour party was pledged, and in which the industry was represented—has made its findings, which we shall soon publish. I am delighted that employers and employees in tourism take a much more enlightened than the hon. Gentleman—thank heavens for that!

Mr. Hancock: I hoped that the Minister would say that tourism funds would in future be directed through regional development agencies. If that is the case—I hope that it is—will he deal with the problem of the changing roles of tourist boards? I know that, last week, the Minister was a guest of the Southern tourist board. I believe that that board has long passed its sell-by date—it needs to change from being predominantly a members' club into being a proactive promoter of tourism. How does he see the future of tourist boards in relation to regional development agencies?

Mr. Clarke: I was pleased, only last week, to be in the hon. Gentleman's constituency, where I saw good examples of best practice. He has raised two points. First, the introduction of regional development agencies will add a more regional focus to development, and that should benefit tourism. Moreover, the English Tourist Board and regional tourist boards have reacted quickly and positively to the Government's RDA proposals, which we are looking forward to implementing in the hon. Gentleman's constituency. Secondly, the forum established by my right hon. Friend the Secretary of State—which is dealing with the matter

of new blood, new input and new ideas in tourism—will soon be making its findings. My right hon. Friend hopes to be able to publish his reaction to those findings in September. I assure the hon. Gentleman and the House that there is great excitement about new ideas in tourism, which is a very positive industry. Those are the views of my right hon. Friend and the Government.

Media (Editorial Independence)

6. **Mr. Corbett:** What proposals he has to safeguard and extend editorial independence in the media. [32902]

Mr. Chris Smith: Responsibility for what is broadcast on the audiovisual media is for the broadcasters and broadcasting regulators, which are independent of Government and accountable for safeguarding the public interest in broadcasting.

Editorial independence of the press is a matter between proprietors and editors. Any direct interference by Government in their relationship would, of course, be inappropriate in a democracy.

Mr. Corbett: Does not my right hon. Friend agree that interference by newspaper owners and book publishers makes a mockery of editorial independence? Does he accept that what may please people in Beijing is likely to displease the rest of us? Will my right hon. Friend ask the Press Complaints Commission to look into recent cases of interference in editorial independence which threaten press freedom, with a view to encouraging newspaper owners to sign up to a code of conduct in respect of that important aspect of the business?

Mr. Smith: My hon. Friend is right to make a robust defence of strong editorial independence. I suspect that his question may have touched on *The Times* newspaper. He will be aware that, when the previous Government took decisions in relation to the ownership of *The Times*, one clear provision was as follows:

"the editor of each newspaper shall retain control over any political comment published in his newspaper and, in particular, shall not be subject to any restraint or inhibition in expressing opinion or in reporting news that might directly or indirectly conflict with the opinions or interests of any of the newspaper proprietors."—[*Official Report*, 27 January 1981; Vol. 997, c. 790.]

That provision remains firmly in place and if my hon. Friend has any evidence that it has been breached, he should draw it to the attention of the independent directors of Times Newspapers, who were appointed for precisely that purpose.

Mr. Hawkins: In the light of the assurance that was given to the previous Government, and bearing in mind what happened recently at HarperCollins, does the Secretary of State accept that it is his job, on behalf of the current Government, to investigate whether that assurance has been adhered to?

Mr. Smith: It is in fact the job of the independent directors of *The Times* to do precisely that. It is the purpose for which they were appointed. There are five of them and I suspect that the hon. Gentleman knows more about them than I do.

Mr. Winnick: Should not my right hon. Friend be willing to learn certain lessons from what happened in respect of Mr. Patten's book as a result of the direct intervention of Mr. Murdoch? Is he altogether satisfied that the selling of *The Times* at a totally non-commercial price on certain days of the week is not undermining other newspapers not controlled by press tycoons?

Mr. Smith: My hon. Friend will be aware that matters relating to loss-leading sales of any item are matters of competition policy that are being addressed by the Competition Bill that is currently before another place. In relation to the discussion concerning HarperCollins and the book by the former Governor of Hong Kong, the net result of the entire exercise will probably enlarge Macmillan's publishing profits.

World Cup

8. **Mr. Randall:** What representations he has received concerning the allocation of tickets for the forthcoming World cup in France. [32904]

Mr. Banks: I have received a considerable number of representations about the ticket allocation for England and Scotland supporters for this summer's World cup finals. The method of allocation is a matter for FIFA and the French organisers, not for the Government, although we have been lending our support to the Football Association's endeavours to get additional tickets.

As I said in reply to an earlier question, our advice to supporters is that if they do not have a match ticket they should not travel to France. I hope that Opposition Members will realise that Ministers are setting a good example by staying at home and I hope that everyone will follow that example. I also said that French laws against ticket touting are very tough.

Mr. Randall: I thank the Minister for his reply and his earlier answer about allocation in 2006, when there will be a Conservative Government. To return to 1998, however, are the Government preparing any specific measures to prevent black market tickets falling into the hands of people with convictions for football offences?

Mr. Banks: I have heard about fantasy football. We now have fantasy politics. I should like to see the hon. Gentleman's team.

Everyone is worried about black market tickets. The problem has arisen partly because French supporters have put in for tickets not knowing where their team will be playing. The organisation of the ticket sales means that a large number of French supporters are likely to be in possession of tickets for matches such as England *v* Romania, which they will not want. They will probably try to sell such tickets. We are still finding out whether it is possible to recycle them so that they can come back on to the market and be sold to supporters of other countries who desperately want to get hold of tickets.

I hope that the hon. Gentleman has noticed that, since my right hon. Friend the Home Secretary reminded the courts of the powers available under various legislation to place restriction orders on those so-called fans who have been convicted of football-related offences, there has been a significant increase in the number of such orders.

That is the way to proceed. We shall ask our fans to behave responsibly. I look optimistically—perhaps naively, but I hope not—to our fans to behave themselves when they travel. As ever, the message remains, "If you don't have a ticket, please don't travel."

Mr. Corbyn: Will my hon. Friend consider the allocation of tickets for other games, not involving England or Scotland, to supporters of countries such as Jamaica? Tour operators are charging huge prices to take people to northern France and back for one match. Will my hon. Friend look into the excessive profits being made by people who have managed to corner a few tickets?

Mr. Banks: There are no tickets yet—they have not been printed. Many of the advertisements that my hon. Friend has read are based on optimistic assessments by unofficial tour operators and others of the number of tickets they will be able to get. My understanding is that French supporters are still in possession of vouchers only, not tickets. The official tour operators have similar vouchers. My hon. Friend is right to draw attention to a scandalous situation. Decent football supporters, seeing advertisements in the newspapers, have a right to feel angry and distressed at the way in which tickets—or the promise of them—are getting on to the market. All sorts of security and financial problems will arise. It is bad enough trying to deal with ticket allocations for England and Scotland. To try to deal with the problem for Jamaica as well would stretch even my ingenuity to breaking point. I take my hon. Friend's point. We shall do all that we can to ensure that decent, ordinary fans get tickets at proper prices.

Digital TV

10. **Mr. Miller:** What plans he has to encourage the take up of digital TV. [32906]

Mr. Chris Smith: On 12 February, I published a consultation paper "Television: The Digital Future", in which we ask a range of questions relating to accelerating the take-up of digital services and seek views from broadcasters, receiver manufacturers, retailers, consumer organisations and the public.

Mr. Miller: My right hon. Friend will be aware of the difficulties faced by people in certain parts of the country who cannot get a decent analogue signal because of line of sight difficulties with transmitters. He will also be aware of the campaign conducted by my hon. Friends the Members for Wirral, South (Mr. Chapman) and for Wirral, West (Mr. Hesford) and me about the west coast of the Wirral peninsula. Will he ensure that the providers of the new digital services take into account the needs of people in such areas during the roll-out of digital television?

Mr. Smith: I understand the issue to which my hon. Friend refers. Several areas of the country do not receive good analogue signals because of particular difficulties. At its launch, digital television should reach 90 per cent. of the country, with about 81 transmission stations. I shall certainly bring my hon. Friend's point to the attention of the broadcasters. As digital rolls out, we want to ensure that it does even better than analogue transmission.

Mr. Evans: In his enthusiasm to ensure that people have several hundred more channels from which to choose, will the Secretary of State consider using the carrot more than the stick in the take-up of digital television? I am thinking of people on fixed incomes, such as pensioners, and perhaps even those who do not want to take up the offer of several hundred more channels. They should not be forced by the switch-off of analogue to take up digital television too soon; they should be able to carry on receiving only five channels—although some think that even that number is far too many. They should not be forced to spend money that they have not got to ensure reception of the current five channels.

Mr. Smith: The hon. Gentleman is clearly misinformed on one point. The hundreds of channels will be available on digital satellite and not digital terrestrial. Some 20 or 25 channels will be available on digital terrestrial. On the hon. Gentleman's substantive point, it is important that we ensure that people who at the moment receive analogue and who wish to carry on doing so for some considerable time will be able to do so, and that no one will be forced unnecessarily to purchase a digital set.

Commercial Television

11. **Mr. Mullin:** What plans he has to maintain programme quality in commercial television; and if he will make a statement. [32908]

Mr. Chris Smith: The terrestrially transmitted commercial channels are subject to a number of programme requirements which are monitored and enforced by the Independent Television Commission. The commission must also seek to ensure that commercial television, taken as a whole, offers programmes of high quality and wide range, appealing to various tastes and interests.

Mr. Mullin: Why is Sky Television exempt from the requirement on ITV and BBC to produce a percentage of output in this country?

Mr. Smith: Sky, like all broadcasters under European provisions, has to move towards a quota of European-made programming. I have to say that Sky is making good progress in moving towards that quota. I was particularly pleased that it recently announced that it would make a substantial investment in UK film production over the coming year.

National Lottery (West Midlands)

12. **Mr. Cranston:** If he will make a statement on the Millennium Commission's spending on projects in the west midlands region. [32909]

Mr. Chris Smith: The Millennium Commission has, to date, awarded more than £80.6 million to eight projects at more than 1,000 sites in the west midlands economic planning region, ranging from an offer of up to £50 million in grant to the Millennium Point learning centre in Digbeth, Birmingham, to a number of grants of less than £10,000 to community halls and Church-based projects around the region.

Mr. Cranston: My right hon. Friend will be aware that one of the projects funded is the black country urban forest, although he may not be aware that the commission is also funding the planting of trees in the Dibdale area of my constituency, which is a new, vibrant and growing community. Does he agree that the latter is precisely the sort of project that should be funded, benefiting not only local people now, but future generations?

Mr. Smith: I am pleased to agree with my hon. Friend. The project is, indeed, very worth while and one of quite a number of tree-planting projects that the Millennium Commission has funded. It will help to reverse the devastation of the natural woodland of the region since the industrial revolution. More than 100,000 people are expected to participate actively in the scheme over five years, and more than 1.1 million people living in the catchment area will benefit. That is a very good example of the many projects that the Millennium Commission is funding. I sometimes wish that our friends in the national newspapers would learn that the Millennium Commission is about a lot more than just the excellent millennium experience in Greenwich.

National Endowment for Science, Technology and the Arts

13. **Dr. Gibson:** How he will determine the balance between the arts and science in the apportioning of funds via NESTA. [32910]

Mr. Chris Smith: The National Lottery Bill, which is currently before Parliament, sets out NESTA's objects in the fields of science, technology and the arts. The balance of funding between NESTA's activities will be for the chair and trustees of NESTA to determine, in line with statutory objects.

Dr. Gibson: My right hon. Friend will be aware of the debate in the heady 1960s between two cultures—arts and sciences—which was fronted by C. P. Snow and F. R. Leavis, and fomented through the common rooms and high tables of Oxford and Cambridge. We have moved on, and this is science, engineering and technology '98 week. Many young people will show their scientific and literary skills in the 5,000 projects that are to be demonstrated across the country. Does my right hon. Friend agree that literate scientists and arts graduates should be equally represented on the board of trustees?

Mr. Smith: I have consulted more than 250 bodies, including many in the scientific and technological fields, to identify candidates for the posts of chair and trustees of NESTA. We shall ensure that all disciplines are adequately and properly represented on the board. I congratulate my hon. Friend on his recent election as chairman of the all-party parliamentary office of science and technology group. I am pleased that we have progressed from the two cultures days of C. P. Snow and F. R. Leavis. NESTA will be charged to help to break down the artificial barriers between the arts and sciences, which have bedevilled this country for far too long.

MINISTER WITHOUT PORTFOLIO

(MILLENNIUM EXPERIENCE)

The Minister was asked—

Millennium Dome (Contents)

29. **Mr. Robathan:** What representations he has received about the contents of the millennium dome. [32926]

32. **Mr. Clappison:** What representations he has received about the proposed content of the millennium dome. [32929]

The Minister without Portfolio (Mr. Peter Mandelson): I have received a huge quantity of correspondence on all aspects of the millennium experience. I am particularly pleased about the many letters of support that I have received following the hugely successful presentation of contents launched by my right hon. Friend the Prime Minister on 24 February.

Mr. Robathan: I understand that the millennium experience is to feature an androgynous figure with a baby at its feet, which is an unlikely, if happy, event. I have been abroad, but I understand that there has been much newspaper speculation about whether the baby is to wear nappies. Is not the Minister concerned, as I am, that the event is becoming an object of ridicule in the press, and that, far from setting up a great exhibition such as the one in 1851, his lasting legacy to the millennium will be known as Mandelson's baby?

Mr. Mandelson: If I were the hon. Gentleman, I should be slightly more concerned that I had no more intelligent question to ask. As for the conception of the millennium experience, he has only to look to the brilliant vision shown by his party when in government to recall that it was the Conservative party's idea in the first place.

Mr. Clappison: Has the Minister given thought to seeking the views of our splendid Lord Chancellor on what to put inside the dome? Better still, has he thought about an exchange of jobs with the Lord Chancellor, who is, as he tells us, in charge of everything in this Government? Would not the Lord Chancellor relish the opportunity to fill the dome with the best of British art and workmanship so as to create a fitting monument to himself, in the style of Wolsey with Hampton Court and Christchurch? Would not it be better for the contents to be the best of British, and to have Lord Irvine and rule Britannia, rather than the tacky cool Britannia contents that seem to have been chosen?

Mr. Mandelson: The contents of the millennium dome will be the best of British and demonstrate considerable pride in our past as well as enormous confidence in our future. It is extraordinary to listen to Conservative Members, who seem to begrudge the progress that we are making; our success is a source of disappointment to them. That is extraordinary, given the importance of this great national event.

Mrs. Dunwoody: I hope that my hon. Friend will not be too dismayed if I ask a serious question. Many of us

are disturbed to hear that large numbers of the general public do not associate the millennium with the birth of Christ. Would not it be appalling if such an important link were not central to the exhibition, because giving the general public the idea that it was not directly connected with a core reason for its existence would set a dangerous precedent?

Mr. Mandelson: I share my hon. Friend's sentiments. The millennium marks a hugely significant moment in the Christian calendar. It is a time for Christian celebration and reflection, and this must and will be reflected in the spirit zone and many other aspects of the millennium celebrations. We must remember that the millennium is a movement for the whole nation. It will bring Christians together, but not just Christians—people of all faiths and none will be involved. In that spirit, it will receive considerable support from the whole country. In that context, I would like to pay tribute to the Churches for generating a proper focus on the significance for them of the millennium experience and its associated activities.

Mr. Pike: May I assure my hon. Friend that although there were many concerns about the festival of Britain and the contents of the dome of discovery, people such as myself enjoyed their visits to the festival in 1951? Is it not likely that people who go to the millennium celebration will enjoy what they see and will remember that occasion for the rest of their lives?

Mr. Mandelson: My hon. Friend is absolutely right. A recent Gallup poll in *The Daily Telegraph* showed that, even without the dome having been built and without the contents having been installed, some 35 per cent. of the population approved of what they had heard so far. Some 60 per cent. showed tremendous confidence that we would get it right on the night. That is a typically British attitude, and people's confidence will be well merited in the final result.

Mr. Baker: Will the atmosphere zone—where we are expected to experience the wonders of our planet—feature the air conditioning system chosen for the millennium dome, which will be powered by a greenhouse gas 1,000 times more effective than carbon dioxide? Why has not a greener gas been used, as recommended by the Deputy Prime Minister and Greenpeace, among others? When will the Minister reply to my written parliamentary question, tabled on 10 February, about this matter?

Mr. Mandelson: The hon. Gentleman will not have to wait much longer for his answer. I recognise, as does the New Millennium Experience Company, the need for environmental protection and integrity in the dome's construction and operation. We acted on that basis in switching from PVC to Teflon for the dome's roofing fabric. The company is doing so again by rejecting CFCs and HCFCs in the chiller system of the dome, and by keeping environmentally harmful HFC emissions down to 1 per cent. That is well within the letter and spirit of the declaration of intent agreed with the refrigeration industry in 1996.

Ms Abbott: Now that there is more clarity about the contents of the dome, when does my hon. Friend intend to make public the business plan for the dome, in line with the recommendation by the Select Committee on Culture, Media and Sport?

Mr. Mandelson: The company will make its business plan public when it said it would in presenting evidence to the Select Committee. It will not be before too long.

Mr. Maude: What responsibility does the hon. Gentleman take for the fact that the Gallup poll to which he referred showed that nearly one in three people thought that the dome was a complete shambles, that nine out of 10 felt uninvolved and excluded and that, so far, only one in five planned to attend—less than half the proportion who planned at an equivalent stage to visit the 1951 festival, which baulks so large in the Minister's mind? Is it not a shocking indictment of his management of the project that three out of four people in that survey believed that this great national project was a complete waste of money? If he can bring his attention back to his own responsibilities for a second, will he acknowledge that he is now the major part of the problem?

Mr. Mandelson: No, I will not. The right hon. Gentleman refers to a similar poll being undertaken at a similar time prior to the 1951 exhibition. That is not the case. The opinion poll was taken at the back end of 1950, so we still have a long way to go before the right hon. Gentleman's equivalence is discovered in any opinion poll. I am sorry if he thinks that the public have been excluded. Perhaps if the Conservative Government had done more to consult them when they hatched the idea, there would be no sense of exclusion.

As for the so-called shambles to which the right hon. Gentleman refers, all that I can do is to point again to the opinion poll's important finding that 60 per cent. of the population have every confidence that we, at least, shall get it right on the night. I am very sorry that he cannot find it in himself to express a little more confidence or to display a slightly less curmudgeonly attitude than we have seen recently.

Mr. Skinner: Will my hon. Friend not make too many comparisons with 1951, when a totally different culture was abroad? Very few people had a chance to travel; they regarded visiting the festival on the bus from Derbyshire as a day out and, if they had a few bob, they would go in their posh frocks. This time, there will not be bus loads of people going down in the middle of the summer. When my hon. Friend opens the millennium experience, there may be 3 deg of frost or 3 ft of snow. He should understand that he has a problem in convincing the same groups that there is something to be more excited about than a boot sale or walking round DFS.

Mr. Mandelson: I thank my hon. Friend for what I think was a helpful question. In the years before the millennium dome opens, many activities will take place under the umbrella of the national programme that is associated with the millennium experience—it will be called the millennium challenge. The activities—sporting, educational, environmental and cultural heritage—will take place in all parts of the United Kingdom, and will involve people from all backgrounds and of all ages. As people learn more about the contents of the dome and associate themselves more with the national programme,

the anticipation and excitement will grow and grow. Our problem will not be attracting people, but finding enough space and opportunity for them all to enter the dome to have the time of their lives.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Social Renewal

38. **Mr. Jenkins:** What steps the Church urban fund has taken to promote social renewal in poorer areas of the United Kingdom. [32935]

Mr. Stuart Bell (Second Church Estates Commissioner, representing the Church Commissioners): Although this is not strictly a matter for the Church Commissioners, I am happy to tell my hon. Friend that the Church urban fund celebrates its 10th anniversary in April. It was set up in 1988 in response to "Faith in the City", a Church of England report which drew attention to the increasing levels of poverty in urban areas.

Mr. Jenkins: I thank my hon. Friend for that answer and also pass on the thanks of many of my constituents who use St. Martin's community centre in Stoneydelph, which has benefited from urban fund finance. Will he also consider finding funds for Glascote Heath, which is in another part of my constituency, where levels of deprivation are as high as in any major city?

Mr. Bell: I am grateful, as will be the Church Commissioners and the Church urban fund, for my hon. Friend's kind remarks. The St. Martin's community centre is in an area with a high proportion of young and one-parent families, as well as above-average unemployment; the Church urban fund is doing its best for those people. On the wider question of areas to be targeted, the fund targets resources to the poorest areas of England's inner cities and outer estates by awarding grants to local community-based projects. I am sure that if the project to which my hon. Friend refers is eligible, it will be considered by the fund.

Mr. Rowe: Does the hon. Gentleman agree that this anniversary constitutes an opportunity to sing the praises of the Church of England, which has not only channelled money into some of the most deprived parts of our cities, but has provided—over many centuries, but especially recently—professional people who do not live in the leafy suburbs and commute into the inner cities, but actually live in the inner cities, and share the difficulties and privations of those among whom they live?

Mr. Bell: I am grateful to the hon. Gentleman for drawing attention to the fact that the fund arose out of "Faith in the City", which was a significant report with considerable consequences. The initial campaign launched as a result of it raised more than £20 million, primarily from the Church community, but with additional support from the corporate sector. The investment and on-going contributions enabled the fund to award more than £3.5 million in grants each year. That is a practical demonstration that the Church as a whole is concerned for, and stands with, the most disadvantaged in our society.

Ashford Great Park

39. **Mr. Baker:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what changes to procedure are being introduced following reports into the Ashford Great Park development project. [32936]

Mr. Stuart Bell: The commissioners' corporate governance has been reviewed and strengthened and an audit committee has been established. The board of governors has developed rules under which the assets committee is obliged to keep it regularly informed of decisions and actions. A property group of the assets committee scrutinises individual holdings and advises on strategic issues; and independent valuers were appointed.

Mr. Baker: I am pleased to hear that answer, as far as it goes; but will the hon. Gentleman confirm that, as a consequence of this fiasco, the Church Commissioners have lost an absolute fortune, not least because they acted as guarantors for unsecured loans of £87 million, against agricultural land valued at £3 million? Does not that represent excessive incompetence, and can he guarantee that such a fiasco can never again occur?

Mr. Bell: I am always grateful for helpful questions. If I may echo my hon. Friend the Minister without Portfolio, that seems to be a helpful question. It is 10 years since the Ashford project, and the commissioners have learnt from their experience. An independent report, published in 1997, concluded that the increased expertise available to the commissioners, combined with the improved internal control systems and administration, has been a contributory factor in our markedly improved investment results.

I can only echo the words of the Archbishop of Canterbury; on 29 July 1997, he said:

"I am satisfied that the right lessons have been learned. We should now draw a line under it. I have full confidence in the strengthened and renewed management of the Commissioners' assets".

Church Buildings (VAT)

40. **Mr. Burns:** What representations the Church Commissioners have made to the Chancellor of the Exchequer about the level of VAT on repairs to churches and church buildings. [32937]

Mr. Stuart Bell: The Church Commissioners have contributed to submissions to the Government's charity taxation review made by the Churches Main Committee, which represents 36 denominations and the Jewish faith. Among our major concerns are the facts that the Church of England will eventually lose £17 million a year as a result of advance corporation tax changes; that Church schools are disadvantaged in relation to local education authority schools because, unlike them, they are liable for

VAT on any repairs; and that the Church of England pays more in VAT than it receives in grants from English Heritage.

Mr. Burns: I am grateful for that reply. Does the hon. Gentleman accept that there is general bafflement among members of the clergy and churchgoers in West Chelmsford about the fact that, if a new church were to be built there, it would have zero-rating for VAT, while buildings that are important as part of our national heritage, such as Chelmsford cathedral, incur 17.5 per cent. VAT on any repairs? Will he continue to press the Chancellor vigorously, to try to end this nonsense, which penalises our national heritage in favour of new buildings?

Mr. Bell: I am grateful to the hon. Gentleman, and I am aware that the Chelmsford diocese has taken a strong interest in the matter. The General Synod voted recently to support a call for a reduction to 5 per cent. VAT on repairs. The Church Commissioners have contributed to the debate and sent a booklet, and I have written personally to my right hon. Friend the Chancellor of the Exchequer. I know that others in the Church will make their own representations. Everything that can be done is being done. This is not special pleading on behalf of the Church, but a response to the request for submissions to the Government's review of charity taxation.

Mr. Pike: Is it not a fact that many church congregations could move to modern buildings, which would be appropriate for their worship and much cheaper to run? However, as they are in historic buildings that are an important part of our heritage and which we have to preserve, there should be a special response to ensure that the buildings, which are of national and local importance, can be retained.

Mr. Bell: Yes, and I am grateful to my hon. Friend for that question. The buildings are of national importance and part of our national heritage. Within the Church, it is thought rather odd that alterations to listed church buildings are zero-rated for value added tax and yet repairs are rated at 17.5 per cent. That is an anomaly which we hope—it may be a pious hope at this stage—will be rectified tomorrow in the Budget.

Investments

41. **Mr. Flynn:** What proposals he has to enlarge the ethical content of the commissioners' investments. [32895]

Mr. Stuart Bell: Implementation of the commissioners' investment policy excludes about 10 per cent. of the United Kingdom stock market.

Mr. Flynn: Can my hon. Friend explain why the Church Commissioners decided to take their money out of MAI when it merged with United Newspapers, on the curious pretext that it did not invest in national newspapers because of potential political bias, but retained investments in Shell, Nestlé and RTZ in spite of their questionable record on human rights and pollution?

Mr. Bell: My hon. Friend is right. The Church Commissioners do not invest in newspapers, as they do not want to be identified with any political viewpoint or to be associated with unacceptable news-reporting standards. Therefore, investment in newspapers and the companies that publish them is normally avoided. On the overall investment policy of the commissioners, they do not invest in companies whose management practices are judged unacceptable. In addition, we avoid investing in any company if the major part of its business activity or focus is gambling or the production of armaments, tobacco products or alcoholic beverages. So, we have a clear investment policy that applies to all the companies in which we invest.

BBC (Scratchcards)

3.31 pm

Mr. Gerald Kaufman (Manchester, Gorton) (*by private notice*): To ask the Secretary of State for Culture, Media and Sport if he will make a statement about the responsibilities of the BBC under its charter in relation to its decision to promote the sale of Camelot scratchcards on BBC 1 next week.

The Secretary of State for Culture, Media and Sport (Mr. Chris Smith): Under the terms of the royal charter and agreement, the BBC may not without the prior approval of the Secretary of State receive payment for broadcasting sponsored programmes and advertising or promotional material. The BBC has set out in detail its approach in that area in its producers' guidelines, which all BBC programme makers are required to observe. The guidelines contain specific provisions on the coverage of national lottery games and draws. The BBC has stated that the new national lottery programme will comply fully with the terms of the producers' guidelines. In particular, the new programme will avoid any direct promotion or product placement. I will personally expect the chairman and the governors of the BBC to examine carefully the provisions of their charter and agreement, which they are there to uphold, to ensure that the plans for that programme do not in any way breach those provisions.

Mr. Kaufman: Is my right hon. Friend aware that the BBC guidelines state:

"A competition must not risk being interpreted as gambling or a lottery. The Lotteries and Amusements Act 1967 may be contravened if a viewer competition is based on a game of chance and some sort of donation, purchase or contribution is made to enter"?

People will be required to pay £2 for the tickets, which are advertised as "TV DREAMS" and "TV HOME PLAY". Therefore, does my right hon. Friend agree that the rule will be violated? Does he further agree that another rule, that

"BBC programmes should normally pay for the prizes they offer"

and that prizes should be original rather than expensive, will also be violated? Is he aware that the prizes are being paid for not by the BBC, but by Camelot and that one rises as high as £100,000, with others of £10,000?

Is my right hon. Friend further aware that the rules say that the BBC

"must never convey the impression that it is promoting any service, product or publication"?

Yet the BBC is promoting the sale of scratchcards, because without their sale by Camelot, the game could not be played on television. Is it not deplorable that if a commercial television company were doing that, it would be violating the Independent Television Commission's rules and could be fined by the ITC, while an organisation created, financed and given a charter by the House is violating in the clearest possible way the guidelines that it accepted and is in serious danger of violating section 10 of the charter and the licence that goes with it? Will he make it clear to the BBC that its contravention of the terms of its charter—of its very basis for existence—is not tolerable to the House or the Government?

Mr. Smith: I can certainly tell my right hon. Friend that any contravention of the terms of the BBC's charter and the terms laid down by the House is to be thoroughly deplored. However, the BBC asserts that the programme to which he refers does not contravene the terms of its charter. It is that precise question which I expect the governors of the BBC to address. Under its governing instruments, the royal charter and agreement, the BBC is, rightly, independent in all matters relating to the editorial content and scheduling of programmes. I cannot directly intervene in such matters; that is the job of the chairman and governors.

My right hon. Friend made three points. First, on the game of chance rule, the BBC states that the programme to which he referred will not involve any violation of that rule. Secondly, paying for the prizes offered is a matter connected with the national lottery. At the moment, the BBC does not pay for the prize offered on the Saturday night draw. Thirdly, on the promotion of the sale of scratchcards, there is a specific provision that the new programme will avoid any direct promotion or product placement. The producers' guidelines state:

"BBC programmes should not actively promote the purchase of Lottery tickets or Lottery scratchcards . . . there should be no on-air credits for 'Camelot'".

They also say that the BBC must retain editorial control. The BBC states that all those provisions are being upheld.

Mr. Francis Maude (Horsham): The Secretary of State will recall that I alerted him by questions to our concerns on the issue some weeks ago. Perhaps he can answer some more specific questions. When was this game approved by the Office of the National Lottery? Was it clear at that time that the BBC would be so integrally involved in its promotion and administration? Following the question of the right hon. Member for Manchester, Gorton (Mr. Kaufman), does not the BBC's eleventh-hour decision to remove its name from the promotional material show how far beyond the limits of the charter the programme is? The Secretary of State's reply to the right hon. Gentleman sounded as if he was exonerating the BBC from any allegation of breach of the charter, yet the right hon. Gentleman advanced a powerful case that the charter's terms have been breached. What is the process for investigating that? Who is the arbiter of whether the charter is being adhered to?

Is not the reality that the BBC now wants to have it both ways? It wants the luxury of being funded non-commercially by what amounts to a poll tax on the viewers, it wants the privilege of self-regulation and it revels in promoting itself as a high-minded public service broadcaster; but at the same time it seeks the latitude to operate as a red-blooded commercial beast, fighting furious ratings wars with the comfort of a guaranteed income, against commercial broadcasters for which audience ratings are the very life-blood. One needs only to recall the name Lord Reith to illustrate how far the BBC has wandered in this sort of exercise from its original remit. Does not this latest episode highlight the fundamental ambiguity within the BBC? Is the Secretary of State now prepared to use the issue to bring it to a head?

Mr. Smith: The date on which this particular scratchcard game was approved by Oflot was 24 July last year. There are two issues, the first of which is the promotion of the scratchcard itself by Camelot. That is a matter properly regulated by the Director General of

Oflot. The second issue is the BBC's association with the game in the development of the programme. I do not, as the right hon. Gentleman puts it, exonerate the BBC; I question the BBC closely about how it is fulfilling the terms of its charter. The points that have been made, both by him and by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman), will be ones to which I shall expect the BBC chairman and governors to provide convincing and compelling answers.

To answer the right hon. Gentleman's question about who is the arbiter of the charter, the upholders of the charter are the chairman and governors of the BBC. As I said earlier, under the charter, the BBC is independent in all matters relating to the editorial content and scheduling of programmes. That is right and proper; it is as it should be. The Government should not be able to interfere in those matters. What the Government and Parliament can do is ensure that the chairman of the governors and the members of the board of governors are properly upholding the provisions of the charter and ask serious and detailed questions about whether they are doing so. Those questions are being asked this afternoon and have already been asked by me. We shall make sure that the answers are given in full and properly.

Mr. Dennis Skinner (Bolsover): Does my right hon. Friend agree that it is a sad state affairs for Labour Members in particular, who have defended the rights of the BBC and who have sung about its splendours all over the world, to see that, in its search for the lowest common denominator, the BBC has got in bed with Camelot again? If my right hon. Friend can make inquiries, I should like to know what is the strange relationship between somebody at the BBC and Camelot. The BBC pays out large sums of money to read out the lottery numbers and now it is taking part in this sort of caper. It is time that proper inquiries were made.

Mr. Smith: The rights of the BBC as a public service broadcaster are still to be defended and the BBC is to be applauded around the world, because the overall content of its programming is of high quality and I wish it to continue to be so. As for the particular programme, the Saturday night lottery draw is watched by an average of 11 million every week. The BBC has entered into a proper and open commercial relationship with Camelot in order to broadcast that programme.

Mr. Paul Tyler (North Cornwall): Does the Secretary of State accept that when the right hon. Member for Manchester, Gorton (Mr. Kaufman), the hon. Member for Bolsover (Mr. Skinner) and both main Opposition parties all express concern, the matter is one of real concern to all hon. Members? Is it not true that what obviously started as Camelot's dream is now turning into the BBC's nightmare? Does the Secretary of State accept that asking questions this afternoon, as he has just told us he is doing, is clearly not enough? The BBC has already infringed the rules to which the right hon. Member for Gorton referred: the point of sale material carries the BBC's mark and it is in the shops. The BBC is already endorsing the product in contravention of the royal charter.

Can the Secretary of State tell us at what stage he was alerted to the problem, given that, as he just told us, Oflot approved the scheme as long ago as July 1997, and no doubt negotiations have taken place with the BBC ever since? At what stage did the Department for Culture, Media and Sport become aware that there was a problem with the integrity of the BBC?

Mr. Smith: The hon. Gentleman makes a powerful point in drawing attention to the fact that many hon. Members from all parts of the House have expressed concern. This is a matter also on which, as a Department, we expect the BBC to account for itself. The BBC must not infringe its guidelines; that is clear. The BBC claims that it is not infringing its guidelines. We shall wish to see, as Parliament will wish to see, a proper account of whether it has.

Mr. Chris Mullin (Sunderland, South): May I put it to the Secretary of State that, in an age when we are at risk of being engulfed by a tidal wave of junk culture, we look to the BBC to lead the resistance, not to lead the plunge downhill? Will he make it clear in words of one syllable to those in authority at the BBC where their responsibilities lie?

Mr. Smith: Yes. I have made it very clear throughout the past 10 months, at every meeting that I have had with the governors of the BBC, the chairman of the board of governors, or the managers of the BBC, that its prime duty is as the mainstream public service broadcaster in this country, and that their duty, as governors, as the chairman or as managers, is to uphold the provisions of the charter and agreement.

Mr. Kaufman: On a point of order, Madam Speaker. In view of the unsatisfactory nature of that reply, I beg leave to give notice that I shall seek to raise this matter on the Adjournment.

HMP Maze

3.46 pm

Mr. Ken Maginnis (Fermanagh and South Tyrone) (*by private notice*): To ask the Secretary of State for Northern Ireland if she will make a statement in respect of events at the Maze prison which have resulted in the death of Mr. David Keyes, a prisoner on remand.

The Minister of State, Northern Ireland Office (Mr. Adam Ingram): I should like to say at the outset how much I and the Secretary of State regret the death of Mr. David Keyes in the Maze prison during the weekend. The Northern Ireland Prison Service owes a duty of care to all prisoners, regardless of what they have done, or may have done, and any death in custody is a matter of deep distress to prison staff and those responsible for the safety and security of prisoners.

The circumstances of this case are now the subject of a murder investigation, so I must choose my words with care.

David Oliver Keyes was found dead in his cell in C wing of H block 6 at approximately 8.30 am on Sunday 15 March 1998, during the routine morning cell check. The body was found hanging with a ligature around the neck and both wrists slashed. He was pronounced dead at 9.5 am. The cause of death seemed to be suicide.

The Royal Ulster Constabulary and the coroner's office were notified, and the prisoners were moved out of C wing. During the course of the day, the police and a pathologist visited the scene. Both took the view that the cause of death might not be suicide. At 17.00 hours, the body was removed for a post mortem, the results of which led the RUC to launch a murder inquiry yesterday evening.

Following his arrest and questioning by the RUC, Mr. Keyes was remanded in custody on 11 March 1998 and was committed to Her Majesty's prison Maghaberry. He asked for, and was given, a form to complete, seeking a transfer to the wings of HMP Maze occupied by the Loyalist Volunteer Force. That form is intended to ensure that the applicant is quite clear in his mind about the faction with which he wishes to be housed, and about the nature of the regime that operates in the Maze. Mr. Keyes signed and dated that form on 11 March.

In accordance with normal practice, the LVF prisoners were asked to confirm that Mr. Keyes was acceptable to them; they said that he was. No information was available to the Northern Ireland Prison Service that suggested that Mr. Keyes was in any way at risk from that faction. Accordingly, he was transferred to the LVF wings of the Maze on 11 March.

The Maze prison contains more than 400 convicted terrorists, and a further 100 or so are remanded in custody in connection with scheduled offences. Some 150 prisoners have been convicted of murder or attempted murder. They are segregated according to faction, and two of the five factions have not declared ceasefires. All the factions have considerable political and paramilitary influence that extends beyond the perimeters of the prisons in which they are held. Any one of those factors would, by itself, constitute a challenge to security and control—combined, they present the Northern Ireland Prison Service with a unique set of circumstances which is not replicated elsewhere.

In the past year, a series of incidents have rightly given rise to concern about the effectiveness of the establishment. Each has been the subject of an inquiry, and substantial improvements in security have been made under the guidance of a new management team. The escape by a prisoner and murder of another prisoner in December 1997 are the subject of both police investigations and an inquiry by Martin Narey of Her Majesty's Prison Service. He is independent of the Northern Ireland Prison Service. I have received his report, and it will be made public shortly—although care must be taken to ensure that its publication does not prejudice the on-going RUC investigation or any subsequent judicial process. In addition, the Secretary of State has asked Her Majesty's chief inspector of prisons, Sir David Ramsbotham, to conduct a full inspection of the prison. That will begin next Monday, and his report will be published in due course.

In the light of all those investigations, it would not be appropriate for me to say more today about the nature and performance of HMP Maze. I assure right hon. and hon. Members that Ministers will treat the reports' conclusions and recommendations with the utmost seriousness.

Mr. Maginnis: I shall not deal with the Minister's shameful admission at the Dispatch Box this afternoon that prisoners engage in self-regulation from the moment they enter the Maze prison. Society suffers greatly as a result of any murder, but democracy as a whole suffers when a murder is carried out for blatantly political purposes and advantage.

Will the Minister explain how, when a tunnel progressed for many yards in the Maze before it was discovered, a prisoner attending a children's Christmas party escaped, a convicted prisoner was murdered, and now a prisoner in custody has been murdered, society can be expected to have any confidence in the Executive and the Administration in Northern Ireland? If those who are supposed to be in a controlled environment cannot be protected, how can we protect society as a whole?

The core issue for the Minister today is how the Executive and the Administration will respond to the Narey inquiry and Sir David Ramsbotham's inspection. Will a judicial sworn inquiry be launched as a result of this incident? Will the Secretary of State and others make the blatant presumption that no one needs to resign as a result of this outrageous situation? As has occurred in the past, will no one in charge be found to be culpable? The Minister must admit that it is no good his saying that this sort of thing went on before Labour came to power. After 10 months, I must ask: when will the Minister and his colleagues accept responsibility in government?

Finally, is it not a matter of the utmost significance and the greatest concern that the Ministers and civil servants who have made such a diabolical mess of our prisons over the past 10 months are the same Ministers and senior civil servants who have lost the confidence not only of the Prison Service and the governors association in the Prison Service, but of the Police Authority for Northern Ireland, the Police Federation in Northern Ireland, and a vast number of ordinary members of society in Northern Ireland, who see those same people carrying out an exercise in dealing with the RUC that will soon place that police force in the same disorganised position as the Prison Service?

Will the Minister get the message, and will he and his colleagues stop distorting and dissembling what is going on in the Prison Service?

Mr. Ingram: I shall start from the end point. The opposite is the case. Since we have taken over the administration, we have tried to be more transparent, open and honest about the realities that we have inherited in Northern Ireland, both in the Prison Service and in wider society. That is why we have what we believe to be a successful peace process in place. We have faced up to realities and stopped using the language of history and the mantras of old. We have tried to look towards the future and the new.

The hon. Gentleman commented on the self-regulation in the prison. That is indeed the case. There is an element of self-regulation. It has been there for a considerable number of years.

As a result of the attempted tunnel escape to which the hon. Gentleman referred, a major investigation was carried out by a senior civil servant. Those recommendations are being implemented. Most of those that would impact greatly on increased security in the prison have been implemented.

On the back of the prisoner escape involving Liam Averill and on the back of the murder of Billy Wright, a further investigation has been carried out. We await the publication of that report. It would be wrong to issue any statements in advance of that, because of what I said about the possible danger of prejudging an existing RUC investigation and any judicial action that may follow from it.

The hon. Gentleman asked when Ministers would accept responsibility. We do accept responsibility. That is why we are seeking to implement the changes that we have undertaken. However, everyone in Northern Ireland, including local politicians, must also accept responsibility.

The consequence of change in the administration of the Maze would clearly have a significant impact among the prisoners, possibly leading to major disorder in the prison, as we have seen time and again in the Maze. Also, because of the large-scale support that those prisoners have outwith the prison, in the communities from which they come, there could well be major public disorder in the estates of Northern Ireland. If that is the kind of change that local politicians want, and if those are the consequences that they want for their community, they should say so now.

It is not just a matter of local politicians raising questions; they must also look for answers for their own troubled society. That is what the Government are trying to manage, to the best of our ability. I would have expected and hoped for a little more calmness from the hon. Gentleman in the present situation, because of what could flow from current developments, as happened after the murder of Billy Wright. We can all remember the large number of sectarian murders that flowed from that. Calmness and responsibility are required from all politicians—not just from Ministers, but from local politicians.

Mr. James Cran (Beverley and Holderness): The Opposition join everyone in the House and elsewhere in deeply regretting yet another killing in the Maze prison, and send condolences to the family of Mr. David Keyes.

This is a crime which should not have been possible. Many questions will be asked, just as they were at the time of the killing of Mr. Billy Wright. Questions can be asked in the House, but they simply cannot be answered. That is why, at the time of the killing of Mr. Billy Wright, the House will recall that my hon. Friend the Member for Bracknell (Mr. MacKay) called upon the Government to set up a fully independent inquiry, simply because that was the only way in which there could be confidence in the outcome of any inquiry.

It is regrettable that the Government chose to ignore that advice and instead instigated what, in effect, is an internal investigation. That simply will not do now. I repeat the call of my hon. Friend the Member for Bracknell yet again for an independent inquiry to be set up speedily. Any other action will not meet the requirement of this serious situation, which must not be repeated.

In anticipation of the reports that the Minister mentioned and has commissioned, can he offer any guarantees that there will not be a repetition of the killing that we are now discussing?

Mr. Ingram: I welcome the hon. Gentleman's early comments in recognising that there are difficulties in answering detailed questions during what is clearly an RUC murder investigation. I appreciate that at least he recognises that such questions could prejudice that investigation.

The hon. Gentleman has repeated once again the request for a full judicial public inquiry. He should know that that process would, of itself, have to be long running. It would have to take full account of any police investigation and any judicial processes that flowed from that. Therefore, it would be some time before any conclusions could possibly be implemented on the back of such an inquiry. The hon. Gentleman has made that call in advance of the publication of the Narey report. I suggest that he await the publication of that report. Let him see how thorough that report has been, as I believe it has. He should then judge the conclusions accordingly as they arise from the report.

The hon. Gentleman asked me whether I could anticipate future events. I cannot do that. No Minister in any Administration has ever been able to give such guarantees. Violence exists within all prisons, or there is the potential for it within all prisons on the mainland and in Northern Ireland. I believe that that is even more so within the regime at the Maze because of the very nature of the prisoners who are in it.

That is why, before a prisoner is transferred to the Maze, he is fully informed of the sort of regime that he is entering. It is on the prisoner's own decision that he enters that regime. That is the reality which has applied for many years. Indeed, it applied under the previous Administration. It is what we have inherited that is under investigation, not what we have created.

Mr. Phil Willis (Harrogate and Knaresborough): Liberal Democrats, too, join others in regretting the death of the prisoner concerned and of any prisoner who is housed in Her Majesty's prisons. I acknowledge straight away the difficulties that the Government face in trying to address this issue and bringing it to a suitable conclusion.

[Mr. Phil Willis]

The Maze is an extraordinary prison, by any standards. The events of the past 12 months have proven it to be one of the most extraordinary prisons in the world. The first duty of a prison is, clearly, to protect society from its inmates. Its second duty is to protect inmates from one another. It is clear that in the Maze we are failing to achieve both those objectives.

We on the Liberal Democrat Benches hope that the Government will launch a fresh and independent inquiry. We support the Conservative approach in that direction. If any individuals are directly or indirectly responsible, we would not expect them to remain in their current jobs. We do not, however, call for resignations at this moment because we feel that that would be inappropriate until a full investigation has taken place.

Does the Minister agree, therefore, that he is responsible for making absolutely sure that prisoners are safe in the Maze? What steps will he take to ensure that a murder or, indeed, a suicide, does not occur in the prison in the near future?

Mr. Ingram: Again, I welcome the acknowledgement that the circumstances that prevail in HMP Maze are unique. The hon. Gentleman is right that the Government and the Prison Service have a duty of care to the prisoners in their charge, and, indeed, to wider society. The Government fully recognise that.

The hon. Gentleman requested a full judicial public inquiry. I explained the difficulties associated with that and the delay that could flow from it, which would not address the specific problems that we face at present. As I said to the hon. Member for Beverley and Holderness (Mr. Cran), he should await the outcome of the Narey report. Judge us on it, and if there is dissatisfaction with its recommendations, the demand for a further inquiry could be made at that time.

The Government live up to their responsibility, but the hon. Gentleman's request for guarantees for the future—no murders, no suicides, possibly no escapes—is impossible to grant. I ask him to take on board what I said to the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis). There would be significant consequences if the regime in the Maze was changed. It would mean a more draconian regime. First, could prison officers continue to service such a regime, or would some other force need to be put into the prison if there were major riots? Secondly, how would we deal with the consequences of a reaction in the communities that support those prisoners?

That is what all hon. Members have to face up to when they make their demands. The reality of the regime in the Maze was not faced in the past, in the sense of being honest and open about it. That is what we are addressing.

Mr. John Wilkinson (Ruislip–Northwood): May I remind the Minister that, not so long ago, the Secretary of State was taking the advice, for what it is worth, of convicted terrorists in the Maze prison? How can it be seen that her action, in giving weight to their counsels and advice, has in any sense improved the regime in that establishment? Is it not true that Her Majesty's Government's prime responsibility is to ensure the total reliability of the prison and custodial system, on which the rule of law so very much depends? Without that rule of law, how can any just, lasting and enduring peace be achieved?

Will the Government now make it their priority to listen to the advice of elected, democratic politicians, like my hon. Friend the Member for Fermanagh and South Tyrone (Mr. Maginnis), who tabled the private notice question today, rather than give weight to the counsels of terrorists?

Mr. Ingram: Let me explain that the Secretary of State did not enter the Maze to seek the advice of the prisoners. It was a bold step, which was recognised internationally as something which kept the ceasefire of a major loyalist paramilitary group on side. It was brave. It took guts to ensure that the particular group of paramilitaries outside the prison that supports its members inside ceased the sectarian murders that it was carrying out. That is the reality that the hon. Gentleman has to face up to. We listen to advice from local politicians and others.

On the administration of the Maze, we have put in place a detailed investigation by Martin Narey and asked Sir David Ramsbotham to carry out a full inspection of the prison. I think that that is the best quality advice that we can obtain, from people who are expert on and knowledgeable about the administration of prisons.

Mr. Roy Beggs (East Antrim): I, too, express my sympathy to the relatives of the deceased prisoner, David Keyes, as do all my colleagues, but I regret that the Minister is indicating that it is likely that we shall continue to yield to blackmail from those within and without our prisons. Irrespective of where historical responsibility lies for the lack of security and control in our prisons, and especially for the lack of proper management at the Maze, does the Minister accept that the recent murders of prisoners show a total disregard for authority by people in prison?

Will the Minister take steps to end the system of self-regulation by prisoners? The sooner that is done, the better.

Mr. Ingram: Let me make it clear that the Secretary of State and I are not yielding to blackmail from people in the prison or prisoners groups. We are trying to manage a difficult and complex situation. The level of security in the Maze, far from being reduced, has been increased. New security measures, such as cell checks, fabric checks and scrutiny of visitors during visits and of prisons during and after visits, have been put in place since the report on the tunnel escape attempt, the Wright murder and the Averill escape.

The hon. Gentleman asked me to end the self-regulatory regime. If we do so, prison officers will have to go down the wing at night, with prisoners under lock asking for sanitation. We must take into account the threats that that would pose to prison officers. HMP Maze contains ruthless murderers and terrorists who do not value life very highly, and 29 prison officers have lost their lives during the troubles. If the hon. Gentleman thinks that prison officers should again be exposed to such a regime, I shall take his view fully into account in my considerations.

Points of Order

4.13 pm

Mr. Andrew Tyrie (Chichester): On a point of order, Madam Speaker. I have just picked up from the Vote Office the code for fiscal responsibility, which contains draft clauses from the Finance Bill. Is it in order for what is, in effect, part of the Budget to be published a day before the Budget? Is it right for this document to be leaked in the newspapers a day early? Today's *Financial Times* contains a long article about the document. Should not the Chancellor, at the very least, make a statement to the House about why this important part of his Budget has been released a day early?

Mr. Michael Fallon (Sevenoaks): Further to that point of order, Madam Speaker. There has been a double discourtesy. First, the document, which is now available in the Vote Office, was yesterday comprehensively leaked by the Treasury to every newspaper and is mentioned in this morning's editions. Secondly, the document forms part of the Budget. The consultation document was issued as part of the pre-Budget report in November. This document is part of tomorrow's Budget, yet it was released with a written answer in the Vote Office at 3.30 pm. Is that in order, Madam Speaker? If not, do you deplore it?

Madam Speaker: This is a most unusual point of order. Hon. Members usually complain that documents are not in the Vote Office. As I have not seen the document, I cannot make a judgment. I shall look at it.

Mr. Ken Maginnis (Fermanagh and South Tyrone): On a point of order, Madam Speaker. The response from the Minister of State, Northern Ireland Office, the hon. Member for East Kilbride (Mr. Ingram), was most unsatisfactory. He seemed tacitly to admit that—

Madam Speaker: Order. I cannot take a further argument on that matter. The hon. Gentleman knows the procedures. If he is making the point that I think he is making, he should put it to me directly.

Mr. Maginnis: I am grateful, Madam Speaker. In view of the Minister's most unsatisfactory answer to my question, I give notice that I intend to seek an Adjournment debate.

BILLS PRESENTED

Farming of Animals for Fur (Prohibition)

Mr. Norman Baker, supported by Mr. Chris Mullin, Mr. Bill Etherington, Mrs. Jackie Ballard, Mr. Mike Hancock, Mr. Harry Cohen, Ms Tess Kingham, Mr. Peter Bottomley, Mr. Nigel Jones, Dr. Nick Palmer and Sir Teddy Taylor, presented a Bill to protect the health and welfare of fur-bearing animals by prohibiting the farming of such animals for fur: And the same was read the First time; and ordered to be read a Second time on Friday 27 March, and to be printed [Bill 146].

Housing Service Charges (Amendment)

Mr. Barry Gardiner, supported by Miss Anne Begg, Mr. David Lepper, Mr. Tony Colman, Mr. Gordon Prentice, Mr. Ivor Caplin, Mr. Andrew Dismore, Ms Karen Buck and Kali Mountford, presented a Bill to provide for the transfer of certain county court cases to a leasehold valuation tribunal: And the same was read the First time; and ordered to be read a Second time on Friday 20 March, and to be printed [Bill 147].

Orders of the Day

Teaching and Higher Education Bill
[Lords]

Order for Second Reading read.

Madam Speaker: I have selected the amendment standing in the name of the Leader of the Opposition.

4.14 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): I beg to move, That the Bill be now read a Second time.

In asking the House to give the Bill a Second Reading, I am reminded of a famous "Hancock's Half Hour" episode—which I am sure that you, Madam Speaker, will remember—called "The Test Pilot". As the aeroplane was flying along, there was a knocking on the outside of the fuselage—it was the mechanic, trying to get in. Today—although I thought that I would be playing the role of the test pilot—I find myself in the position of the mechanic, as part of the wing has fallen off, and the fuselage is in considerably bad order. Nevertheless, the Bill is still flying, and it will be our job in Committee to ensure that repairs are done while the Bill is still in the air.

We have a situation in which those in the upper House with the privilege of being hereditary peers amended the Bill in a deliberately destructive manner. We cannot tolerate the democratic will of the British people being overturned by those who have no mandate and whose only claim to the privileged position of being in the upper House is based on something that their great-grandfathers did to somebody a long time ago.

Mr. Stephen Dorrell (Charnwood): I am very grateful to the Secretary of State for giving way so early in the debate. Perhaps he will answer a question that is a direct result of his comments? In a Question Time last month, the Prime Minister said,

"we said specifically . . . that we would abide by the outcome of the Dearing committee report".—[*Official Report*, 25 February 1998; Vol. 306, c. 364.]

Did not the amendments in the other place give effect to the Dearing committee report? Was the other place therefore not supporting democratic will, rather than undermining it?

Mr. Blunkett: As I shall explain, we took the Dearing recommendations and combined them with our manifesto commitment. We have ameliorated the impact of fees by ensuring that lower-paid people do not have to pay them. Never did we say that we would implement Dearing lock, stock and barrel. Moreover, neither has the right hon. Gentleman made such a commitment—despite the fact that, since 4 November 1997, the premise of his commitment has been that he believes that Dearing should be implemented lock, stock and barrel. On 4 November—in reply to an intervention by the Liberal Democrats' education spokesman, the hon. Member for Bath (Mr. Foster)—the right hon. Gentleman said:

"The hon. Member for Bath (Mr. Foster) is wrong to say that I have explicitly endorsed every detail of the Dearing report."—[*Official Report*, 4 November 1997; Vol. 300, c. 124.]

The right hon. Gentleman has not made such an endorsement; nor have I or the Prime Minister.

The Government have welcomed the work done by the Dearing inquiry and its excellent proposals, on which we have built. That is why we ask the House to give the Bill a Second Reading. We want to make some progress on the Bill, to make sense of nonsense and to ensure that there is coherence in the policy that is followed—in the interests of tomorrow's young people and mature students, and in the interests of high quality and high standards in our university system.

Mr. Jeremy Corbyn (Islington, North): Does the Secretary of State not concede that many people in the United Kingdom are very unhappy about the introduction of student fees—the effect of which will be compounded by the loss of grant and, therefore, by an increase in repayable loans? Does he agree that that prospect has deterred many students from seeking places in university in the forthcoming academic year? Furthermore, does he agree that, in the long term, the changes will change the face of university education—so that university education will not be universally provided but will be enjoyed only by those whose parents can afford to pay their way through it?

Mr. Blunkett: My hon. Friend would be correct if there were universal provision and take-up of higher education. He would also be right had there been a substantial fall in applications, but, despite the information that has been put out, sometimes inadvertently and sometimes mischievously, to mislead people into making the wrong assumptions about the Bill, there has been no such drop. There has been reduction in the number of applications of just under 3 per cent.—only 1 per cent. in respect of school and college leavers aged 18 and 19—despite the massive increase of 6 per cent. in the current academic year. In other words, there has been an increase on the 1996 figures.

We are fighting hard to maintain the resources and the quality of higher education for those who have never had the opportunity to benefit from it. Let us look at the constituencies with the lowest take-up of higher education. The constituencies of Liverpool, Walton and Sheffield, Brightside are fifth from the bottom of the league, with only 3.7 per cent. of the adult population having had the privilege of a university education. West Bromwich, West, as you know very well, Madam Speaker, is next, with 3.4 per cent. Hon. Members representing London constituencies may be familiar with Barking and Dagenham, where the figure is 3.2 per cent., and the make-up of the population there. Bootle also has a figure of 3.2 per cent. The constituency at the bottom of the list is Birmingham, Hodge Hill with a figure of 2.8 per cent.

The low take-up in the constituencies to which I have referred did not occur because the previous system was so good that it gave working-class children the opportunity to go to university, but for precisely the opposite reason. Under the previous system, two thirds of children from socio-economic groups A and B, but a low proportion of children from socio-economic groups D and E went to university.

That is why crocodile tears should not be shed for those who have done very well out of the system—more than 50 per cent. of students at Oxford and Cambridge are from

private schools. Instead, genuine tears should be shed for those who have been neglected over the years—students aged over 19 who have had to contribute to their fees and the one third of part-time students who have to pay their way through university and contribute to the fees.

If we want a welfare state that helps those who need welfare, we should not turn to those who have higher earnings as a result of a university education, but look after the interests of others who never got there.

Mr. Tim Boswell (Daventry): As the Secretary of State will be aware, under the previous Administration I had some responsibility for administering the student support system. Does he concede that in 1995, for the first time, the majority of students were from socio-economic groups C2, D and E and that that was part of a continuing revolution that had democratised the higher education system even before the changes that he is now contemplating?

Mr. Blunkett: I also recall the hon. Gentleman stating:

"There is no evidence of widespread student poverty".—[*Official Report*, 24 January 1995; Vol. 253, c. *166*.]

Therefore, I am interested in what he has to say this afternoon.

There has been substantial expansion in higher education alongside schizophrenia among the Conservatives, who claimed no credit for that expansion, even during the 1997 general election.

Mr. Dorrell: Yes we did.

Mr. Blunkett: In that case, they did not do it very well. If they attempted to claim any credit, they did so with their hands over their mouths, partly because some of their supporters did not like the idea of the expansion of higher education and, I suspect, partly because the quality of higher education had been allowed to deteriorate. A 25 per cent. cut in unit investment in students over the past eight years is not a good record to put to the electorate. The Conservatives claimed to have expanded higher education, but they did so at the price of quality and standards. That is not something to be proud of; nor is the 40 per cent. reduction in grant implemented by the previous regime. This afternoon, the Conservatives have the cheek to say that they now believe in that grant.

Mr. Robert Jackson (Wantage): Will my right hon. Friend give way?

Mr. Blunkett: Well, I will.

Mr. Jackson: I sometimes think of the right hon. Gentleman as my right hon. Friend, but I do not want to embarrass him. I agree with his intention to shift resources from those who have to those who have not. If that is his aim, why is he putting a cap on the level of the fee?

Mr. Blunkett: I welcomed the hon. Gentleman's intervention on 23 July, and I welcome his commitment to high-quality universities. We are lifting the cap on numbers. The first tranche will come into effect this year, giving priority to sub-degree level students, because the need for technician skills is uppermost. The Dearing inquiry recommended giving that group the highest priority. We shall continue to lift the cap as our comprehensive spending review permits. I hope that we shall be able to say more about that in the summer.

There is another issue on the cap—the level of the fee. That draws attention to the Conservative amendment. The Conservatives will have considerable difficulty deciding what to do this evening. They purport to support the Bill as amended in the House of Lords. They also have a new-found commitment to not shifting the proportion of the fee that will be required from students. Taking that at face value, and assuming that the Liberal Democrats—who will speak for themselves—agree that 25 per cent. is the correct proportion to require for repayment under a contingent loan scheme, we are left with the question of who is in favour of increasing that figure, because I am not.

We should examine together how to provide additional safeguards. The Bill suggests that both Houses of Parliament should have to vote on an affirmative order to change the proportion. I suggest that we consider sensible ways of encouraging further safeguards. An inquiry would be cumbersome and unnecessary, but it is worth considering requiring a report from the Education Select Committee before any suggestion is brought before the two Houses and the affirmative orders are moved. That could put a lock on the proportion, giving the safeguards that people are seeking. I should be happy to examine that in Committee on an all-party basis.

There is general agreement that change to the system of funding higher education is needed. Those who do not agree have to say where the money would come from. They could retrench and cut the number of students who could go to university—which would inevitably result in maintaining access for those who already have it, but failing to break down the barriers and improve access for disadvantaged and unrepresented socio-economic, ethnic and other groups. We have to expand to avoid a situation in which opportunity is taken away from those who have, and those who have not do not gain new opportunities. That is just good common sense.

The proposals are well thought through, coherent, provide for safeguards, ensure that the cap can be lifted and provide additional resources for part-timers, particularly those who find themselves leaving work and are therefore in financial difficulty. We have promised to ensure, as we do in the Bill, that disabled students are no longer means tested on the specific grants that they receive in order to be able to perform on equal terms. We have given clear indications of our future view on access by doubling the available access hardship funds.

We are asking the House to provide us with a vehicle that can put that coherent policy into practice and ensure that we carry through our manifesto commitment. That manifesto commitment made explicitly clear what we were going to do. It said:

"The costs of student maintenance should be repaid by graduates on an income-related basis".

We have secured a further enhancement of that commitment by linking it directly to the Inland Revenue. Collection will be according to ability to pay, through the Inland Revenue system at a time when people's earnings allow them to make that contribution. That is not a charge on students or on their present circumstances. It is a

[Mr. Blunkett]

repayment from future earnings, which are enhanced by the very higher education that the extra resources are permitting young people and mature students to take up.

Mrs. Anne Campbell (Cambridge): Will my right hon. Friend give way?

Mr. Hilton Dawson (Lancaster and Wyre): Will my right hon. Friend give way?

Mr. Blunkett: Would my hon. Friends like to ask their questions together? I shall give way to my hon. Friend with the higher pitched voice.

Mrs. Campbell: I am very grateful to my right hon. Friend for giving way. Does he agree that, despite the excellent communication work that he and his Ministers are doing, some students are still under the misapprehension that they will have to find money up front when they begin their university courses? Will he give an assurance loudly and clearly to students who are still writing to me on that subject that that is not so and that they will be given a full loan to cover any additional costs which may accrue?

Mr. Blunkett: There is confusion, and I am happy to correct it. No family will be expected to find more than they do at the present time. Students are not being asked for more than would be expected under the present system. In fact, we are providing an extra £250 per student a year in hardship contribution—if that is sought by the student—as well as doubling the hardship funds. Resources will be made available at the time students need them. The payments—which I repeat are no greater than the contribution that currently has to be found—will, of course, have to be paid, and will have to be made available by the middle of the second term.

We know that universities are in a position to collect such fees because they told us so when some of them were pressing for top-up fees to be introduced. We made explicitly clear that top-up fees play no part whatever in our proposals. Despite pressure in the House of Lords, we have resisted our opponents' attempts to ensure both top-up fees and additional contributions to fees. Top-up fees are an alternative to the proposals in the Bill and should be resisted as such.

Mr. Dawson: I welcome the statement about top-up fees. Does my right hon. Friend accept that some students are worried about universities charging top-up fees by the back door by charging for access to essential software and computers? Does he also accept that, notwithstanding the excellent measures on repayment, mature students and students wishing to undertake postgraduate studies, with the aim of attaining higher qualifications and pursuing academic careers, are worried about the level of debt with which they may be faced?

Mr. Blunkett: I do not pretend to be able to resolve the problems of those who are committing themselves to postgraduate study. They make a calculation about additional income and additional opportunities: for those with a degree, there is an average £4,000 additional income for every £20,000 earned, and there are greater opportunities for those with postgraduate qualifications. A number of ladders are available to those who go into higher education, and graduate and postgraduate students have the opportunity to enhance their chance of getting a quality job that they can enjoy doing.

I understand what my hon. Friend the Member for Lancaster and Wyre (Mr. Dawson) says, and I know that, through his close contact with the university of Lancaster, he is aware of the possibilities and dangers for people who go into higher education. Let me make it clear: I understand why people are anxious, and I have lived the issue for a long time, in opposition and since the general election. I have had the chance to examine the possibilities and alternatives in detail, which few others have had. Having weighed them, I have realised that making available such a substantial amount of money is worth while. It is being raised on a fair basis at a time when people can afford to pay, and under a system that sticks as closely as possible to the income tax principles to which my hon. Friends and I adhere.

We are trying to achieve that against a backcloth of cuts in grants, cuts in quality investment in higher education and increased demand. We expect even greater pressure as we raise standards in schools, as more students take A-level and GNVQ advanced qualifications, and as aspirations and expectations rise so that the many expect what the few took for granted. To meet it, we must have resources available.

Ms Diane Abbott (Hackney, North and Stoke Newington): Does my right hon. Friend appreciate that some of us have problems with the combination of the tuition fee and withdrawal of the maintenance grant?

My parents left school at 14. I was fortunate enough to go to one of the old universities on a full tuition fee and a full grant. When I argued with my father that I should be allowed to stay on at school to the sixth form, I well remember him saying that girls my age were out at work. How much worse would it have been if I had faced the prospect of tens of thousands of pounds of debt? *[Interruption.]* Members on the Treasury Bench jeer, but such levels of debt are a serious disincentive to those from a background where people have not gone on to university. Does my right hon. Friend appreciate, if we can leave partisan politics to one side, that many of us who hauled ourselves up from our background through higher education have serious reservations about the proposals?

Mr. Blunkett: Oh dear, dear, dear. I must say to my hon. Friend that not one of us on the Treasury Bench did not go through that experience. Each of us knows exactly what the problem is. Perhaps my hon. Friend was not here when I spelt out the constituencies with the lowest number of adult higher education students; if she was, she obviously missed what I said. She claims that a great opportunity was available to the middle class and the better off. They rightly took it, but at university I met people from the same background as me, although no one within a square mile of where I lived went to university. I said that crocodile tears are being shed, and that is what they are.

We are not penalising students at the point of entry into education; we are asking for a contribution at the point of reward and once they have taken up higher education.

I do not know how often it is necessary to say that. My hon. Friend would not think it unfair to ask people to pay a higher rate of income tax because they earned more money, and could afford to do so. They earn more money if they are graduates, precisely because of their greater educational opportunities. It is a staggering fact that new graduates, on average—of course, it is only an average—can expect to start at £16,000 a year. That figure went up by 9 per cent. last year. The level of unemployment among graduates is one third of the level among non-graduates.

There is a mythology that graduates are doing badly. They are doing extremely well. If they are not, they will not pay—it is as simple as that. Our system ensures that the lower your income, the less you pay; the higher your income, the more you pay. An ex-student earning £16,000 to £17,000 a year would pay less than half the amount they would pay under the present mortgage repayment scheme.

Mr. David Winnick (Walsall, North): I understand my right hon. Friend's commitment to higher education and the obvious difficulties that the Government face on economic grounds. He keeps repeating the low number of students from certain constituencies—working-class, in the main—but I cannot see how they will necessarily be helped. Students from higher-income groups will not be deterred. Clearly, people from working-class households who consider going into higher education because of their academic ability may be deterred—although I hope they will not—by the sort of debt which undoubtedly they will face once they graduate. That factor will be very much in my mind when I vote tonight.

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. We must have brief interventions.

Mr. Blunkett: I shall try to be brief in answering them, Mr. Deputy Speaker. I am repeating one or two key principles because the message is not necessarily getting through. We have not seen a substantial drop in applications for university places.

Mr. Dorrell: What about mature students?

Mr. Blunkett: We will monitor what happens with mature students, and we will ensure that the expansion of hardship funds and other measures protects and helps them. The argument that working-class youngsters will be dissuaded from going to university is clearly flawed. Our system provides a bigger public subsidy to those who take out a bigger loan, because there is a nil real rate of interest. This is the most favourable contingent repayment system imaginable. The bigger the debt—ironically—the bigger the long-term subsidy from the public purse, and rightly so.

I do not pretend for a moment that our proposals—difficult as they are—can in any way overcome the inequality of income and background which affects this country. Under the present, past and future systems, families with substantial wealth will always look after their offspring in a way that does not leave them with a debt.

Dr. Lynne Jones (Birmingham, Selly Oak): In the poorest communities, only about 2 to 3 per cent. of young people go to university, so it is hardly likely that the new system would have any significant impact on the numbers going to university. I share my right hon. Friend's aspiration that more people from poorer backgrounds should go to university. Will he consider these policies to have failed if there is not a substantial increase in the numbers attending university from those socio-economic groups and poorer areas?

Mr. Blunkett: My clear objective is to expand opportunities for those youngsters, and it is precisely for that reason that we need the resources. Those who are already seeking access—those whose expectation, background or standards would enable them to go to university—will not stop going to university. We must expand the opportunities available to those youngsters who are not taking up the opportunities.

One of the interesting things about the Bill is that other parts of it—along with the School Standards and Framework Bill—are designed to transform the life chances of those children by transforming the standard of education they receive in their home communities.

Ms Margaret Hodge (Barking): I represent one of the constituencies to which my hon. Friend referred where participation in higher education is very low. Does he agree that the reason why so few people from places such as Barking go to university is that they are falling behind in literacy and numeracy, at GCSE level, in A-levels and at GNVQ level? That is what is inhibiting their access to university; not the cost to the individual graduate of paying for their higher education.

Mr. Blunkett: I agree entirely and, in implementing our coherent proposals, we will ensure that resources go into lifelong learning. We will build on the proposals in "The Learning Age", which will transform the life chances of adults as well as young people.

I wish to refer to the remaining clauses of the Bill. Clauses 1 to 13 seek to introduce a general teaching council, which will lift the esteem, professional standing, morale and motivation of the teaching profession. I do not want to make a party political point, but I welcome the conversion of the Conservative party to the idea of a general teaching council. It is a trifle strange to see the undoubted abilities of Baroness Blatch devoted to savaging the general teaching council on the ground that it does not go far enough when, as a Minister, she spent her time resisting bringing one in. Never mind—for some hypocrisy is a watchword; for others, it is a badge they wear on their sleeve. We all agree that a general teaching council is a good thing. We do not agree with the amendments tabled by Baroness Young, but we will look at implementing the principles and the thrust of the amendment tabled by Earl Baldwin.

Mr. Andrew Lansley (South Cambridgeshire): Will the Secretary of State give credit to Sir Malcolm Thornton, the former Member for Crosby, who introduced a private Member's Bill, on an all-party basis, before the general election to promote a general teaching council?

Mr. Blunkett: I am happy to do so. Sir Malcolm Thornton worked hard on the Bill and held his commitment to education dear to his heart.

[Mr. Blunkett]

Clause 15 provides for qualifications for head teachers. There can be nothing more important than the leadership and management skills of our heads.

Mr. Phil Willis (Harrogate and Knaresborough): Hear, hear.

Mr. Blunkett: I hear, "Hear, hear" from a former head teacher, who knows very well that that is the case.

More than 3,000 heads have already committed themselves to taking up the national professional qualification for head teachers, and we will accelerate that in the immediate future so that people have the commitment, qualifications and wherewithal to do the job.

Clause 16 provides for an induction year for new teachers, with the kind of support and backing to make it possible for young teachers to want to stay in the profession and to be able to do a good job. Clauses 17 and 18 introduce inspection of higher education teaching institutions, so that there is no doubt about the law. We have dealt with clauses 19 to 23, and clauses 24 and 25, which apply to Scotland, are consequential.

Mr. Donald Gorrie (Edinburgh, West): Will the Secretary of State give way on that point about Scotland?

Mr. Blunkett: I wish that I had never mentioned it now.

Mr. Gorrie: What is the Secretary of State's thinking on the well-rehearsed anomaly whereby English, Welsh and Northern Irish students will have to pay more than all other European nationals to go to Scottish universities? Given that the Scottish Minister with whom my colleagues and I raised the issue said that the amount of money involved was relatively small, why cannot the anomaly be removed?

Mr. Blunkett: In fact, the number of applications from those students has increased. The fee level cannot be a deterrent to students from England, Wales and Northern Ireland, as those who are in hardship—whose family background is not affluent—will not have to pay the fee in Scotland, any more than they will have to in England, Wales or Northern Ireland. I believe that it is important that students from England, Wales and Northern Ireland understand that.

Mr. Roy Beggs (East Antrim): Will the right hon. Gentleman give way?

Mr. Blunkett: I shall give way once more, out of sheer masochism.

Mr. Beggs: I thank the Secretary of State for giving way. Can he tell me—so that I can answer the questions of students who may have to pay tuition fees—whether there will be a loan facility to enable them to meet those fees, bearing in mind the fact that a large number of parents do not in any way contribute to help their children through university education?

Mr. Blunkett: I can confirm that they will be given the contingent loan. The loan will be paid at a such a level that students will be no more disadvantaged than they are under the current system of the assessment of family income and the amount that they have to find—they will not be disadvantaged in any new way.

Mr. Andrew Welsh (Angus): May I correct the Secretary of State? In fact, there has been a 12 per cent. reduction in the number of English and Welsh students at Dundee university and an alarming reduction of 23 per cent. in the number of applications from Northern Ireland. The anomaly whereby English, Welsh and Northern Irish students pay £1,000 extra for a four-year honours degree course is having an effect, but, for less than £2 million a year, his Department could remove that anomaly and not offload the cost on to individual students and families.

Mr. Blunkett: The hon. Gentleman has me at a disadvantage in that I do not know the ins and outs of Dundee university. I cannot for the life of me understand why what he says should be the case, as I happen to think that Dundee is a wonderful place. I have always enjoyed going there, and if I am to enjoy going there in the future I had better be very careful in what I say. I shall certainly draw the matter to the attention of my right hon. and hon. Friends in the Scottish Office.

Clauses 26 and 27 will introduce a right that people were seeking to obtain in 1944—the right of young people aged 16 and 17 to receive education and training once they are at work. They should have access to at least a day of either in-work or out-of-work training and education for a verifiable qualification. That is a long-standing aspiration, which has been neglected; we are putting the matter right so that young people who may not have done all that well at school will have a second chance. We hope that we shall give them the inspiration and expectation to take the opportunities that are offered.

Those opportunities are the subject of argument not because people are not prepared to take them or because they do not know that they will have the resources in later life to justify taking them, but because, at the moment, someone else, somewhere else is being asked to pay for them. That is why we are asking the House to give the Bill its Second Reading, so that we can put it back into shape and go forward to offer real opportunities to all our people for the 21st century, when higher education, knowledge and learning will be the keys to success.

4.53 pm

Mr. Stephen Dorrell (Charnwood): I beg to move, To leave out from "That" to the end of the Question, and to add instead thereof:

"this House, whilst welcoming the enhanced provisions in the Teaching and Higher Education Bill *[Lords]* to establish general teaching councils with the powers to take effective action in cases of professional misconduct, and, whilst also welcoming the Bill's new provisions to protect means-tested maintenance grants for students from low-income families and to ensure that first degree students from all parts of the United Kingdom will be treated on the same basis, nevertheless declines to give the Bill a Second Reading because it fails to implement the Dearing Committee's proposal for an independent review body to advise on any future changes in tuition fees."

The Secretary of State was right to say of the Bill that he was playing the role of the chap looking in from outside the cockpit rather than that of the test pilot flying the machine. It is ironic that some of the key provisions

of the Bill as it comes to the House of Commons more closely reflect the position taken by Conservative Members—especially in relation to higher education—than that adopted by the Government. As amended, the Bill safeguards—critically—the payment of maintenance to students from a low-income background. That was a central recommendation of the Dearing review, which was written into the Bill in another place—we shall certainly seek to maintain it in Committee and on Report.

The Bill as it stands also holds out the prospect of a more realistic general teaching council than was proposed by the Government. We shall also promote discussion of that in Committee and, if necessary, on Report. As the hon. Members for Angus (Mr. Welsh) and for East Antrim (Mr. Beggs) pointed out, the Bill, as amended, reasserts the principle that students from all parts of the United Kingdom should be treated similarly when they go to Scottish universities—we shall certainly seek to sustain that principle.

All those amendments, which were made in another place, improved the Bill. Nevertheless, I believe that the House should not support the Bill, chiefly because the Secretary of State made it plain that, except possibly in relation to some minor details, the Government have not moved an iota in their thinking on the proposals that they announced last July. The key issues are those concerning higher education, on which it is quite clear that the Secretary of State's thinking has not moved, which is why I shall invite Conservative Members not to support the Bill on Second Reading, and instead to support the reasoned amendment that I have moved.

Before I come to the provisions on higher education, I shall say a word about the general teaching council. As the Secretary of State made clear, the establishment of a general teaching council is a long-standing proposal. The idea is motivated by a desire to promote self-regulation in the teaching profession along the lines of those accepted in other professions, particularly the General Medical Council in the medical profession.

The idea is to promote teachers' professional status, but the Government's original proposal combines the worst of all possible worlds. It will make membership of the council compulsory and it will require all teachers to pay a contribution, but the only function of the council that is specified in the Bill is to give advice to the Secretary of State. I do not see how that interpretation of the idea of a general teaching council will deliver the objective of promoting the professional status of teachers. The Government's proposal is entirely friendless.

That is the background to the amendment that was tabled by Lady Young and accepted in another place last week. It would give the general teaching council a real role in three subjects: the standards of teaching, the standards of professional conduct and questions of medical fitness to teach. I hope that the Government will reflect on the amendment.

I have some sympathy with what Baroness Blackstone said in another place on teaching standards but, if the General Medical Council parallel is to be followed, the Government must consider giving the general teaching council a real function in questions of professional misconduct and medical fitness to teach. I hope that the Minister for School Standards will elaborate on the Government's thinking on those issues.

The Minister for School Standards (Mr. Stephen Byers): I shall address those concerns in detail later this evening. On a specific point relating to Baroness Young's amendment in the House of Lords, does the right hon. Gentleman, on behalf of the Conservative party, agree that the general teaching council should have powers to bar teachers on child protection grounds? Does he agree that it should have responsibility for child protection matters?

Mr. Dorrell: I shall reflect on what the Minister tells us when those issues are debated in Committee. As I said, I have considerable sympathy with what Baroness Blackstone said when she set out the Government's reservations on teaching standards, particularly from the point of view of the Teacher Training Agency and Ofsted.

I should be interested to hear whether the Minister is arguing that questions of the maintenance of professional discipline, and of professional misconduct, which, in the medical profession, are delegated to the General Medical Council, cannot be delegated to the general teaching council in the teaching context. I leave my position open and will reflect on what he says in Committee, as a thoughtful spokesman should on an issue of such importance and sensitivity.

We should not ask teachers to pay for a new bureaucracy that has no significant function in enhancing the professional status of teaching. If the Minister's position is that those issues are all too sensitive to be delegated to an independent organisation such as the general teaching council, he should come clean and say so plainly. He should not promote a model of a general teaching council but accord it no substantive voice in the future of the profession.

Mr. Byers: I asked a clear question, to which the right hon. Gentleman must have a reply: does he agree that the general teaching council should have powers over child protection matters? Yes or no.

Mr. Dorrell: I have already given the answer to that, which is that I do not intend to give an answer today, because I look forward to hearing the Minister's views on the subject in Committee. That is an entirely straightforward position.

The Secretary of State beguilingly referred to clause 26, which gives 16 and 17-year-olds a statutory right to time off work for study or training, as though it would assist in the development of life chances for all students of that age. The real risk of the provision is that it will undermine what he is seeking to do elsewhere in his Department: create job opportunities for 16 and 17-year-olds who have left school.

The Secretary of State loves to talk about the importance of cutting youth unemployment and creating job opportunities for young people, but the financial memorandum to the Bill makes it clear that he expects the provisions of clause 26 to increase the cost of employing young people by between £60 million and £130 million. My concern is that the clause will reduce the job opportunities and life chances for precisely the people for whom he expresses concern.

The key issue is the future of higher education. I remind the House of the background. The Secretary of State appears to believe that there is doubt about whether the previous Government were proud of having expanded higher education. We are certainly proud of the fact that, during our 18 years in office, the British higher education

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system expanded to the point that, whereas in 1979 one in eight of 18-year-olds went on to higher education, the figure when we left office was one in three. That was an unprecedented expansion of opportunity in higher education, and all members of the previous Government are proud of it.

There has been wide agreement for some years that, as we look to the future of higher education, more money will be needed to allow more expansion to go ahead on a properly funded basis. Conservative and Labour Front Benchers have also agreed that that extra money cannot come from the taxpayer. That was written into the Labour manifesto and was part of the analysis that led to the establishment of the Dearing review by my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard), when she was Secretary of State.

The Dearing review was established in May 1996 with a broadly shared analysis between the two Front Benches. We wanted more money to go into higher education but we knew that it could not come from the taxpayer. Both the Secretary of State—then the shadow Secretary of State—and the Government of the day supported the establishment of the review to consider how that circle could be squared.

Presumably, when the Secretary of State expressed the Labour party's support for the establishment of the Dearing review as a properly thought-out process for resolving the dilemmas for the future of higher education, he had an open mind and was willing to reflect on the resulting recommendations.

The Prime Minister appeared to think that the Labour party went further than that, and the Secretary of State was right to correct him, saying that neither Labour nor the Conservatives committed themselves in advance to accepting the Dearing recommendations. It would have been strange to subcontract policy making on a key national issue to an independent review. We certainly did not do that, and I am pleased that the Secretary of State has confirmed that the Labour party did not do it either.

That is not what the Prime Minister said at the Dispatch Box last October or in February this year. He said:

"I made it clear throughout that we should abide by the recommendations of the Dearing committee".—[*Official Report*, 29 October 1997; Vol. 299, c. 892.]

He did no such thing, and it is as well for him that he did not. He later said:

"we said specifically, as, indeed, did the Conservatives, that we would abide by the outcome of the Dearing committee report".—[*Official Report*, 25 February 1998; Vol. 306, c. 364.]

He was wrong about us: we did not say that. More importantly, he was wrong about himself, because he did not say it either.

That is symptomatic of the widespread confusion in the Government on the subject of paying for higher education. Before the general election, the Prime Minister did not say that the Labour Government would abide by Dearing. When asked by the *Evening Standard* on 14 April 1997 what Labour's view would be, he said:

"Labour has no plans to introduce tuition fees for higher education."

That view was reinforced by the present Foreign Secretary who, talking to Leeds students on 24 April last year, said:

"We are quite clear that tuition costs must be met by the state."

That was the position that Labour took before the general election. In fact, it went further: on 11 March last year, the man who is now the Minister for the millennium dome, the hon. Member for Hartlepool (Mr. Mandelson), invited representatives of student newspapers all over Britain to come to Millbank tower to be briefed about Labour's view on paying for the future of higher education. There was much discussion about how Labour in office would deal with the aftermath of Dearing.

In the presence of the Minister for the millennium dome, Mr. Nick Pearce, who was then Bryan Davies's research policy adviser on higher education, speaking with the authority of the Labour party, said to the assembled student journalists:

"On Dearing and tuition fees? Our proposals only relate to maintenance support . . . The public purse should support tuition fees, and the individual—in a fair and much more progressive fashion—should repay the maintenance costs."

In other words, he made it crystal clear at that official briefing that the Government did not intend to introduce tuition fees.

Ms Hodge: That is not so.

Mr. Dorrell: I shall read it again as the hon. Lady appears to have missed it. He said:

"Our proposals only relate to maintenance support".

The Government are wrong, but that is what the spokesman told that gathering of student journalists on 11 March last year. Of course, that confirms what we all know to be true, which is that, ahead of the election, Labour had decided to abolish the maintenance grant. Now, the Government like to claim that the passage in the manifesto made that explicit and clear, but it was carefully drafted to obscure the Labour party's policy.

Ahead of the election, the Labour party had decided to abolish the maintenance grant and so the Secretary of State was embarrassed last July because the policy that he had espoused ahead of the election was blown out of the water by Dearing. Dearing's policy was to abolish the maintenance grant and leave tuition fees alone. He had made that clear, as had spokesmen in briefings, to the Foreign Secretary and the Prime Minister. They expected Labour's policy to be the abolition of maintenance grant and they expected to leave tuition fees alone.

The Secretary of State finds himself in the mess that he is in because Lord Dearing realised when he analysed that policy prescription that it simply did not fly. The Secretary of State's policy was blown out of the water before it was announced.

Mr. Blunkett: I shall make the position explicitly clear. We said all along that we would await the outcome of the Dearing inquiry. On numerous occasions, I said both publicly and in the House that I was waiting to be persuaded. The manifesto was unequivocal. I shall repeat what it states on page 9:

"The costs of student maintenance should be repaid by graduates on an income-related basis".

You cannot get clearer than that, Mr. Deputy Speaker.

Mr. Dorrell: The manifesto was silent on how much of their maintenance costs the Labour party expected students to pay. It is not an accident, of course, that the manifesto was silent on the subject. If it were Labour's policy to abolish the maintenance grant, plain words were available to Labour spokesmen that could have made that clear to students, but the Labour party did not make it clear. It said that it would change the basis on which student maintenance costs were recovered when the student was working. It did not make clear how much of student maintenance costs students would be expected to pay under the present proposals.

Miss Melanie Johnson (Welwyn Hatfield): Millions of people will be interested in this debate. If they have been listening to the right hon. Gentleman's contribution, they must be mystified about where his arguments are coming from. What is wrong with the proposals that have been put forward and how would the Opposition tackle the problems—problems that we were left because of the previous Government's proud record of expansion, which has the same quality as their record of expansion in primary schools? They put more children into primary school with the same amount of money in larger classes and they say that it is a proud record of expansion of the primary sector. Let us hear the arguments about tackling the issues that people outside need—

Mr. Deputy Speaker: Order. The hon. Lady has gone over the score.

Mr. Dorrell: I should be happy to present the arguments. They were those that Lord Dearing used to blow the Secretary of State's intended policy out of the water before it was announced.

Lord Dearing expected to recommend the abolition of maintenance grant. The key fact of the Dearing review is that, when its members analysed that policy option, the report makes their conclusion clear. Paragraph 66 makes clear what is wrong with the Secretary of State's policy, stating:

"Making a decision on a preferred option involves judgment about the relative weight to be given to the various criteria . . . It also requires a careful scrutiny of the evidence. In going through that process we all changed and developed our views: we did not end up where we started."

The review committee did not end up where it started or where the Secretary of State finished up—with a predisposition to abolish the maintenance grant.

It is important to understand why the Dearing review rejected the Secretary of State's policy prescription. It recognised that the evidence shows that, if one tries to pay for the continued expansion of higher education by abolishing the maintenance grant, one loads the full burden of that policy on students from a low-income background. If one abolished the maintenance grant today, the well-off student would have to pay no more as he or she never got a grant. Students from low-income backgrounds receive means-tested maintenance support under the present system. A policy of abolishing such support will result in students from low-income backgrounds contributing, exclusively, to the cost of expanding the higher education system.

Lord Dearing recognised that it is perverse to raise money to pay for the expansion of higher education exclusively from students from low-income backgrounds. That is why he rejected the proposals to abolish the maintenance grant and for means-tested fees and why he instead recommended a blanket fee payable by all students from whatever background, supported by a loan so that the student would pay back the fee out of his or her enhanced earnings. That is where the Secretary of State is right and I agree with him on that—the student goes through higher education and receives enhanced earning potential as a result and so should be expected to contribute towards the cost of that education from the later enhanced earnings.

Where the Secretary of State is wrong is in withdrawing the targeted assistance to look after the maintenance costs of students from low-income backgrounds. That is where he rejected the central finding of Dearing—Dearing was right and the Secretary of State is wrong.

Ms Abbott: Does the right hon. Gentleman agree that it is precisely because of the Dearing recommendation that some of us have difficulties with the proposal to abolish the maintenance grant? Jeer as my hon. Friends may, it is not common sense to say that we shall encourage black and working-class students to go on to higher education by loading them down with additional debt.

Mr. Dorrell: I am not sure whether I shall embarrass the hon. Lady by saying this, but I totally agree with her on that point. The question that she put to—

Ms Hodge: Will the right hon. Gentleman give way?

Mr. Dorrell: No, I am going to answer the hon. Lady's hon. Friend first. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) asked the Secretary of State how one would enhance the potential for a low-income student going to university by increasing his or her debt. That is the question which he did not answer and there is no answer, as Lord Dearing found. When considering the options for funding the expansion of higher education, the most powerful weapon open to us to make access more equitable is targeted assistance to deal with maintenance for students from a low-income background.

Several hon. Members *rose*—

Mr. Dorrell: I am spoilt for choice. I shall give way to the hon. Member for Bath (Mr. Foster).

Mr. Don Foster (Bath): As the right hon. Gentleman is interested in documents that remain silent, and as his reasoned amendment is silent on the matter, will he confirm that it is his policy and that of the Conservative party to impose a £1,000 tuition fee on all students, as Dearing recommended? Therefore, will he confirm that, even if the present system remained exactly as it was in relation to maintenance, his party's proposals would increase the levels of debt of all students, including the least well-off?

Mr. Dorrell: The hon. Gentleman is right. That is the difference between the position of the Liberal Democrats

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and that of the Conservative Opposition. It is easy to defend our position. The argument for seeking a contribution from students is that they will benefit from enhanced earnings in later life, but all students will receive the same level of enhancement and all should be expected to make the same contribution out of their later enhanced earnings. The problem is about equitable access for students from low-income backgrounds. That is a classic case of a public policy objective that can best be delivered by targeted assistance. That is what means-tested maintenance support is.

The Prime Minister loves to say that, under the Secretary of State's proposals, students from low-income backgrounds will pay no fees. That is true, but people who can win places in higher education institutions can work out that they would be better off paying £3,000 of fees, as Lord Dearing recommended, than paying £5,265 of maintenance, as the Secretary of State recommends. The calculation is straightforward. Students do not have get past GCSE to work it out.

Ms Hodge: As I understand it—it is slightly difficult—the right hon. Gentleman would reintroduce full grants instead of a mixture of grants and loans for students. The cost in the first and second year would be about £500 million. Would he fund that by cuts elsewhere in the education budget or by increased income tax?

Mr. Dorrell: It is easy to suggest that I am espousing a policy and then say that it has an impossible cost. I have made it crystal clear that I am in favour of the student finance proposals tabled by Lord Dearing, which do not impose public spending costs of £500 million. Lord Dearing recommends that all students should pay a £1,000 tuition fee, as the hon. Member for Bath said, supported by a loan, and that those who currently have half their maintenance cost financed through the maintenance grant should continue to receive that level of support. The arguments that persuaded Lord Dearing are wholly persuasive. The key problem for the Secretary of State, and our regret about the way in which the Government have handled the issue, is that he did not give himself time to reflect on Lord Dearing's advice.

Mr. Dawson: The right hon. Gentleman rightly recognised that the crucial problem of further and higher education is getting more funding. Surely his proposals would allow less funding than would the Government's. Would that not give universities a licence to charge their own fees? Is he not letting down the whole further and higher education sector?

Mr. Dorrell: The hon. Gentleman did not listen to what I said in reply to the hon. Member for Barking (Ms Hodge). Lord Dearing's report sets out the figures on which his recommendation was based and makes it clear that raising a tuition fee from all students, to be met out of enhanced earnings, would allow substantial new resources to flow into the higher education sector.

Last summer, the Government were left high and dry. Their anticipated policy was to pay no grant and levy no fee. Lord Dearing made that impossible by recommending that we keep the present loan and grant mix for maintenance and introduce tuition fees. The Government's problem was that they did not allow enough time to consider the recommendations. Within hours, the Secretary of State was at the Dispatch Box announcing his conclusion: that we should go ahead with a proposal that would abolish the maintenance grant, make less well-off students £5,265 worse off at the end of a three-year degree course and introduce fees that make better-off students £3,000 worse off. One does not need to have won a place in higher education to work out that his package is perverse because it loads the cost of expansion of higher education on to students and families from low-income backgrounds.

In their haste, the Government also got into a series of unnecessary policy confusions. First, there was the fiasco of gap-year students, where they had three policies in 10 days, and Baroness Blackstone, in announcing the third policy, sought to persuade the world that it was a planned development through three rapid-fire phases.

We had the problem of English, Welsh and Northern Irish students going to Scottish universities. It is plainly absurd that a student from the Mezzogiorno or Lapland can get into a Scottish university on terms not available to students from England, Wales or Northern Ireland.

Dr. Brian Iddon (Bolton, South-East): Will the right hon. Gentleman give way?

Mr. Dorrell: I shall give way happily; I look forward with keen anticipation to the hon. Gentleman defending that.

Dr. Iddon: I am interested in the fiascos that the right hon. Gentleman mentioned. What did he think about the fiasco of top-up fees? Does he support them or not?

Mr. Dorrell: Lord Dearing set out the terms under which, in some circumstances, he thinks that fee flexibility should be allowed to institutions. That is a proper basis for proceeding on the issue.

The Secretary of State did not resolve the question of English, Welsh and Northern Irish students in Scottish universities. That is an issue not merely for individual students but for many institutions in Scotland. In Edinburgh, 48 per cent. of students come from outside Scotland; in St. Andrews, 45 per cent.; and in Dundee, 36 per cent. He simply did not address the effect of the Government's policy on the long-term viability of those institutions.

The Government face such anomalies only because they have bungled the central question of financing higher education. There should be no room for doubt about where the Government's policy is going. In truth, it has two legs. They are committed to reducing Government expenditure on higher education. The leaked memorandum published in *The Times Higher Education Supplement* makes it crystal clear that the effect of the policy is to raise £150 million in the first year out of tuition fees and to spend £125 million of that in higher

education. The Government plan to cut taxpayer supported spending on higher education. That is the first leg of their policy.

Mr. Blunkett: Rubbish.

Mr. Dorrell: In that case, the Secretary of State should come to the Dispatch Box to say that Government spending on higher education next year will be enhanced as a result of the introduction of tuition fees.

Mr. Blunkett: I am happy to confirm that we shall spend £165 million: £125 million direct to the institutions and £40 million in enhanced hardship payments and other measures, including the facility for part-timers that I mentioned in my speech. That is £165 million over and above what the previous Government were prepared to commit, plus £100 million for further education over and above what the previous Government were going to commit. That is the answer to the challenge that the right hon. Gentleman gave me on 23 July, when he suggested that there would be no more money.

Mr. Dorrell: The £165 million has always been presented by the Government as money for higher and further education. If they are now announcing that the whole £165 million is going into higher education, it is a change in their announced position.

Mr. Don Foster: Does the right hon. Gentleman agree that it is understood that the extra £165 million that is going into our universities, which is welcome, comes largely from restructuring the way in which student grants, loans and fees are paid? He asked the Secretary of State a fair question. How much money from the introduction of student fees will go to universities next year? Many of us would like an answer to that.

Mr. Dorrell: I am grateful to the hon. Gentleman for that intervention and I agree with him. Of course, we have not yet received an answer to that question.

The Government's policy is to cut taxpayer funding to universities and—perhaps more importantly—to load the effect of that disproportionately on to low-income families. We heard the Secretary of State deny that there has been an effect on access. He glossed over the effect on access for mature students, but the number of mature students aged 21 to 24 has fallen this year by 13 per cent. and those aged 25 and over by 18 per cent.—so much for the Secretary of State's commitment to lifelong learning. That is the Blunkett effect, and if the Secretary of State is not ashamed of it, he ought to be.

The Secretary of State spoke earlier about his desire for students from a low-income backgrounds to have a better life chance and a better opportunity to get into higher education. In reality, his policy is disproportionately to load the costs on to those students, to throw over the Dearing analysis and recommendations and to promote a Bill that would make low-income students worse off. That is why we shall try to sustain the amendments that were supported in the other place, which would make this a better Bill than the Secretary of State wants it to be.

5.30 pm

Ms Margaret Hodge (Barking): Many hon. Members want to speak in the debate, so I shall confine my remarks to commenting on the proposals relating to student finance. That is not to undervalue some of the other important and good proposals and initiatives contained in the Bill, such as the general teaching council and the new compulsory qualification for head teachers, but I wish to focus on the subject that has aroused the greatest controversy.

I have rarely heard so much woolly thinking, so many double standards and so much humbug as has been expressed in the past few months on this issue. For the Conservatives suddenly to pretend that they are defending the interests of poor people by retaining grants is laughable. A party that was responsible for creating greater division between rich and poor than there has been at any time for the past 100 years lacks all credibility when its members suddenly don new clothes. Their claim to be protecting the poor rings hollow and their response to the Government's proposals is more about shallow oppositionism than about responsible opposition. It is an attitude which I traditionally associate with the militants, whose defining characteristic was that they wanted to remain in permanent opposition.

To hear the Liberal Democrats parade a determination never to take any tough decisions on education spending shows their essential weakness.

Mr. Willis: Will the hon. Lady give way?

Ms Hodge: I have not delivered my good line on the Liberal Democrats, so I shall not give way just yet. I am astounded by the infinite elasticity of the 1p on income tax and it reminds me of nothing so much as my teenage daughters' propensity to spend, respend and then reclaim their monthly allowance.

Mr. Willis: I am extremely grateful to the hon. Lady for giving way. As I have not yet had the opportunity to speak on the Liberal Democrats' policies this afternoon, she is ahead of me. However, I can tell her that the tough decision on higher education funding is to increase direct taxation and to increase the level of state input. That is not an easy option; it is a very hard option.

Ms Hodge: The problem with that point is that the Liberal Democrats said in their manifesto that they would put 1p on income tax, whereas we have already committed more than that to our proposals to improve standards in schools.

To those few Labour Members who are worried about the Government's proposals, I say that defending the status quo on student funding does little to defend the interests of working-class young people. It does nothing to improve their access to higher education and its value in redistributing power and wealth is questionable.

Mr. Corbyn: Will my hon. Friend give way?

Ms Hodge: I am very conscious that others want to speak, but I shall give way.

Mr. Corbyn: My hon. Friend will be familiar with the fact that my constituency contains the head office of the

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National Union of Students and the university of North London. Both organisations are concerned about the drop in student applications for the forthcoming year, the increasing hardship created by the loan system and the deterrent effect of the fee system, especially on mature students. Is my hon. Friend unaware that the vice-chancellor of the university of North London is strongly against the proposals, because he wants to protect an excellent institution, which is trying to promote mature student work?

Ms Hodge: First, the National Union of Students supports our policy on replacing maintenance grants with loans and, secondly, my hon. Friend should relate his comments to the facts, which are that there has not been a drop in applications among those who are most likely to be members of the NUS.

Mr. Llew Smith (Blaenau Gwent): Will my hon. Friend give way on that point?

Ms Hodge: I will not, simply because of time.

Our starting point has to be that the status quo is not an option. When I went to university, 5 per cent.—one in 20—of my generation enjoyed that privilege; today, 30 per cent.—one in three—get a degree. That is a welcome change and it is a policy area on which the Conservative record is half good—half good because the Conservative Government allowed the expansion to occur—but half bad because they did not fund that expansion properly. From 1989-90 onwards, the number of students doubled, but the money available to universities increased by only 40 per cent., so funding per student was cut by 25 per cent. The real value of grants to students was also cut when the system of loans was introduced, which is what created student poverty: too little money, with repayment terms that were far too harsh.

The Conservatives' system of student finance hit the poorest students hardest, and for Conservative Members to argue in the Chamber today that it did not is sheer hypocrisy. The Conservative Government were not willing to put more money into higher education, so they capped student numbers. The party now pretending to protect the sector acted to destroy that sector when in government. The party pretending to defend the interests of poor students attacked those poor students when in government. The Conservatives cut grants and brought in loans, they cut per capita funding and they capped student numbers. That is the miserable legacy—the status quo—that we inherited and we had to do something.

We could have simply put a great deal more money into the system, as the Liberal Democrats urge. To return us to the system that I enjoyed in 1979 would involve at least 2p on income tax. In the language of priorities, do hon. Members honestly believe that that would have been a bold and proper course of action? I think not. We want to ensure greater equality of opportunity in education for all our young people—for the many not the few. It is scandalous that, at present, two thirds of those who enjoy higher education come from the top two socio-economic groupings, whereas only one in 10 come from a background where their parents are either unskilled or semi-skilled.

What is stopping working-class children from accessing higher education is not the cost to them of that education. What is stopping them is that they are not obtaining the appropriate qualifications and skills. There are fewer working-class people with basic skills, fewer with five GCSEs grade A to C, and fewer with level 3 qualifications in GNVQs or A-levels. I know that all too well from my own constituency.

Mr. Vernon Coaker (Gedling): I was interested to hear my hon. Friend's comments on the reasons why people from lower socio-economic groups do not go to university. Does she agree that the crucial issue is expectations among families of those groups and that if we can raise those expectations, we can raise the number of people from lower socio-economic groups who go on to higher education?

Ms Hodge: I entirely agree with that. That is a crucial issue for me in my constituency.

If we are concerned with equality—

Mr. Llew Smith *rose—*

Hon. Members: Give way.

Mr. Dorrell *rose—*

Ms Hodge: May I finish the point?

If we are concerned with equality, we must prioritise investment so that it makes the greatest difference—by focusing it on working-class children, mainly in schools and mainly at primary level. Yet how do we currently spend public money? We divide the education cake as follows. In higher education, we spend £6,000 of public money per student per annum; in further education, we spend about £2,000 per student per annum; and in schools, we spend about £2,000 per child per annum. The bold way forward, to ensure greater equality, is to redistribute that public cake; the Bill contains the first steps toward that redistribution.

Mr. Dorrell: As the hon. Lady does not seem to want to give way to her hon. Friends, I shall ask a question that may have been occurring to them. She says that the problem of access for students from a low-income background is that they tend to have worse A-level qualifications than their better-off counterparts. Perhaps, then, she will comment on the table in Lord Dearing's report which shows that, of students with identical A-level qualifications, those from a better-off background are almost twice as likely to get into higher education as those from a worse-off background. A-level qualifications are not the only issue; there are other problems of equitable access for those from a low-income background.

Ms Hodge: I invite the right hon. Gentleman to join me in my constituency. If he were so to do, he would see that not qualifications alone, but expectations matter. If we can resolve that, we shall do an enormous amount to improve—

Mrs. Theresa May (Maidenhead): Will the hon. Lady give way?

Ms Hodge: I want to get on, so that other people have a chance to participate.

I was speaking about the way in which we cut the cake. If one compares our expenditure on higher education with that of other countries in the Organisation for Economic Co-operation and Development league, our current expenditure profile becomes even more questionable. We spend $15,000 per student per annum on students in higher education. The Americans spend about $11,800 and the French and Germans $6,000. Yet more than 20 per cent. of British young people do not progress past level 1, whereas in Germany, only 14 per cent. are of that level, and in Sweden, 8 per cent.

Therefore, asking students to contribute toward the costs of providing their higher education and thus reducing the public spending burden will, over time, release resources to redistribute to those in greatest educational need. As my right hon. Friend the Secretary of State said, we are asking students to pay only when they can afford to. If a student becomes a mother and does not work, she will not have to pay. Students will pay only on an income-contingent basis.

As we have said previously in the Chamber, under the system that we have inherited, if one earns £17,000 per annum, one is expected to pay £30 a week. Under the new system proposed by the Government, that amount will reduce to £12 a week. We all know, as do young people, that their job opportunities and earning power are enhanced by graduating. Unemployment is halved, and figures given to me by the Library show that a graduate earns, on average, £457 a week, whereas a non-graduate earns £237 a week.

Mr. Llew Smith: Will my hon. Friend give way?

Ms Hodge: I am coming to the issue that concerns my hon. Friend.

Will people from poor backgrounds be put off from applying by the new system? I draw attention to the fact that there never has been such a thing as free education for all young people over the age of 18. Such education is free if one passes straight from school to university, but what about the 2.8 million people in further education? Anyone aged over 19 in further education is expected to pay fees. Discretionary awards for grants have more or less disappeared. There are 328,000 part-timers—mostly poorer people, often women—who do not get their fees paid. Open university students do not get their fees paid.

Therefore, we have a system that funds the best-off—regressive privilege, not the progressive redistribution that we all seek. We then fund the best with the greatest amounts by giving more money to Oxford and Cambridge than we do to other universities.

Will poorer students be put off? Ironically, the evidence from the previous Government's term of office demonstrates that the answer is no. Between 1991 and 1995, when the system of funding was changed and we had a mixture of loans and grants, with the crippling debt that that caused, the number of working-class students doubled.

Mr. Llew Smith *rose—*

Ms Hodge: The number doubled—albeit to only 1 in 10. If those who opposed the introduction of loans and fees had been right, we would have witnessed a decline. I give way to my hon. Friend.

Hon. Members: Hear, hear.

Mr. Llew Smith: May I warn my hon. Friend about the dangers of only part-quoting my predecessor, Aneurin Bevan, when she speaks the language of priorities? Perhaps she will return to the House at a later date and fill us in with the other part of the quotation.

My hon. Friend says that there is no evidence to show that the new system of student finance will affect the number of people applying for courses. That certainly is not so in the case of mature students; all the statistics that I have seen show that the number of mature students applying for courses is decreasing dramatically. That is understandable, because they have a shorter time in employment in which to recoup the money.

Ms Hodge: I am sorry if my hon. Friend does not understand the situation. The real figures that are relevant at this point in the calendar are those from people who apply straight from school, and they have not changed. Mature students, on the whole, tend to apply later, and we shall see the impact of the changes only at the start of the academic year. *[Laughter.]* That may be laughable, but it is a fact.

I further say to my hon. Friend the Member for Blaenau Gwent (Mr. Smith) that, in my surgery, the poverty that I see among those who are trying to improve their educational standards and qualifications is among those in further education, who are unemployed, and we should be trying to help those people, far more than those who, so far, remain among the more privileged class who access higher education. If we have—

Dr. Lynne Jones: Will my hon. Friend give way?

Ms Hodge: No; I am drawing to a close.

Mr. Deputy Speaker: Order. There are at least two Members who keep interrupting the hon. Lady from a sedentary position, and really it is extremely unfair. The hon. Member for Hackney, North and Stoke Newington (Ms Abbott) is guilty of that. She should be quiet in the Chamber.

Ms Hodge: I am drawing my contribution to a close. With the Government's proposals, we shall have an income-contingent system; that is better for working-class young people. We shall have a system that enables us to put money into improving access; that is better for working-class young people. We shall have a system that subsidises fees just for the poor; that is better for working-class children. We shall have a system that stops the introduction of top-up fees; that is better for working-class children. We shall have a system that enables us to lift the cap on student numbers; that is better for working-class children. We shall have a system that will protect the quality of higher education; that, too, is better for working-class young people.

The proposals in the Bill are fair, brave and much needed. Without them, the opportunities that higher education brings will be denied to thousands. The Tories ducked the issues for many years, but, in less than one year, my right hon. and hon. Friends have created a system of student finance that will start to meet the needs of both students and universities. It will create opportunity for the many, not deny it. It will alleviate poverty, not entrench it. It is progressive, not regressive, and I urge all hon. Members in the House to support it.

5.48 pm

Mr. Robert Jackson (Wantage): I welcome the most important feature of the Bill—the introduction of a tuition fee paid by full-time students in higher education—but the details of the scheme, and the way in which the Government intend to implement it, are so ill-conceived that I shall be unable to vote for the Bill as a whole.

I welcome the introduction of the tuition fee, for two reasons. First, it builds on the introduction in 1989, in which I had a hand, of student loans for maintenance which were a further, desirable step toward rationality and equity in the use of taxpayer's money—an issue which, to pick up a remark by the hon. Member for Barking (Ms Hodge), the previous Government did not duck.

No one doubts that higher education is important for the country's economy. Because wholly privately funded higher education might result in lower levels of participation than is desirable for the economy, there is a strong case for using public expenditure to bring about an economically desirable level of participation. No one doubts either that higher education can provide important ladders of opportunity for able people from less-privileged backgrounds. That again justifies the use of taxpayers' money. However, it does so—this appears to be the gravamen of the argument of the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) and her associates—only if public expenditure can be shown to be achieving what it is designed to achieve in the shape of enhanced social promotion.

The reality of higher education since 1962, when it was made free to all full-time students and the student grant was introduced, has been simply to spread higher education from a minority of the middle class to almost the whole of the middle class. The vast majority of students in higher education still come from middle-class homes and, after graduation, nearly all of them join the middle class. The hon. Member for Barking is absolutely right about that.

The average taxpayer is significantly worse off than the average graduate and the average family from which students in higher education come. Vast amounts have been spent on social promotion without achieving the desired objective. Over the nearly 40 years of so-called "free" higher education, the net effect has been a significant negative fiscal transfer from the less well-off to the better-off. Student loans and tuition fees are two successive and desirable steps towards addressing that imbalance.

I add that that fact points to a wider moral about the large-scale welfare reforms that the Government say that they intend to undertake. The Government seem to recognise—as we did when we occupied the Treasury Bench—that there is a limit to the proportion of national product that can be collected in taxation and spent as public expenditure. We are arguably at that limit already. If that point is accepted—and the leaks from tomorrow's Budget suggest that it has been—we are obliged to think rigorously about how to use most effectively the limited amount of taxpayers' money that we are able to spend. There must be more targeting, and that inevitably implies a shift of resources from those who are in a position to help themselves to those who are not. In that exercise, higher education is an obvious place to start.

I remember vividly putting all those points when I took the Education (Student Loans) Act 1990 through the House. Some hon. Members who have spoken today do not remember that. I recall the passionate opposition that the legislation met from Labour Members, including the Home Secretary who was then the shadow education spokesman. I remember also a private conversation that I had with the late John Smith, the then shadow Chancellor. I remarked to him that student grants, as part of the middle-class welfare state, were no longer sustainable, and I remember how he insisted that this and every other feature of the middle-class welfare state should be preserved. That attitude to public spending and taxation lost Labour the 1992 general election. However, as I contemplate—not without some wry amusement—the shift in Labour's position since those days, I must admit that there has been some progress.

My second reason for supporting the principle of introducing tuition fees is that I believe it is a significant step towards greater autonomy for universities. We shall not hear very much about that issue in this debate—we certainly have not heard anything about it so far—but, until quite recently, university autonomy was a key bipartisan principle, underpinned by an array of constitutional devices designed to provide buffers and to ensure an arm's length relationship between Government and the universities.

The reality is that, regrettably, under the previous Government—and the present Government show every sign of continuing in the same way—universities were treated not as the independent private bodies that they are in law, but as departments of the state and agencies of the Government. State agencies set targets and limits for student numbers in each institution; there is even talk of quotas for certain kinds of students. In the name of quality control, there is increasing intervention by Government-appointed bodies in every sphere of university life.

Behind the constitutional facade of the Higher Education Funding Council for England—the successor body to the University Grants Committee—we find the collapse of university autonomy. That has brought about a decline in the sense of self-responsibility among academics, which has already led to a widespread decline in their morale. As intellectual achievement in our universities is dependent on the sense of self-worth of individuals and institutions of learning, that, in turn, is leading to an impoverishment of the academic and intellectual life of our universities. Those are powerful arguments for preserving and enhancing university autonomy. However, there is another—I think more immediately appealing—argument to which I shall return later in my speech.

Meanwhile, constitutional devices are clearly inadequate to secure the autonomy of universities. That can be achieved only by enabling the universities to derive a significant share of their income from sources independent of the Government. One of the previous Government's best achievements was that they encouraged universities to increase their private income. However, university income from research contracts with the private sector and from overseas students must be supplemented by a regular flow of income from home students to give our universities the flexibility and the sense of self-responsibility that they need to do their work properly. This Bill offers the welcome possibility of such a flow of funds from students, and thus it is very welcome.

However, as always, the devil is in the detail. I pass over the question of how the British taxpayer will be reassured about the way in which the parents of an increasing number of students from the European Union will disclose details of their income to British authorities. I shall simply stress two very important points of detail. First, in introducing the tuition fee, the Bill proposes a new and significant restriction on university autonomy. It will not be compulsory by law to charge the fee—that has been made clear already—but there will be a legal provision preventing universities from charging tuition fees in excess of £1,000. We should remember that universities are, in law, private institutions, so the Bill contains a quite unjustified restriction on their freedom. I do not agree with any suggestion—whether from the Secretary of State, who referred to the matter in his speech, or from my party, which hints at it in the amendment—that that restriction should be strengthened further.

A second important point of detail is that the tuition fee will not be paid by students from families whose gross family income is below £23,000 a year. As the proportion of such students at different universities will vary considerably, the Government have found it necessary to ensure that there is an equalisation mechanism, which, in turn, involves the consequence that the tuition fee will be paid into a common pool. Therefore, it becomes simply another tax, enabling—or not, as the case may be—a higher level of public expenditure on higher education. This means that the Bill, in effect, denies the very real potential of tuition fees to promote university autonomy.

Why is that exemption being made? It will lead to a significant loss of this new resource to support higher education. The exemption will apply, in part or in whole, to some 60 per cent. of all students, and it will have the damaging effect on university autonomy that I have described. What powerful reason motivates that policy? The Government believe that free access to higher education for students from less well-off families is necessary to secure social promotion, or what is known as "access". The intention is, of course, admirable—and I dare say that we all support it—but I must tell the Government that the manner in which they are seeking to give effect to that intention is mistaken.

For one thing, what matters to potential students with access to a loan is their future income after graduation, rather than their parental income. For another, we have been following the self-same policy since 1962 and the empirical evidence suggests that it simply does not work. That came out clearly from what the Secretary of State said about the five constituencies with very low participation rates.

We had free higher education and student grants for more than 30 years, with almost nugatory effects on increasing the participation of students from less well-off backgrounds. That experience should give us cause for thought about whether making higher education free to students from poor families is an effective way in which to secure their participation in higher education.

I said that I would come back to a further argument for enhancing university autonomy. The argument is this: autonomous universities operating responsively in an open market for higher education will be better at securing access and social promotion than universities operating in a system of state planning.

We have only to look at the contrast between the experience of the United States and the experience of all European countries, including Britain, to see this. The Americans have consistently achieved higher levels of participation in higher education of students from underprivileged backgrounds than we have in Europe, in spite of the almost universal existence in the US of fee paying, in both state and private universities. In Europe, where higher education has for several decades almost universally been free at the point of delivery, there has been relatively less social promotion.

Ms Abbott: I have listened with care to the hon. Gentleman, who at least has a consistent record of supporting the student loan system. Is he not aware that in comparing the European system with the United States system, he is not comparing like with like? Just recently, the US has been lamenting the low overall standards in its education system.

Mr. Jackson: I believe that I am comparing like with like. One of the issues that we must consider is whether it will be possible to maintain a system of uniform quality that will also be a mass system. One of the advantages of the American system is that there is a great variety in the quality, level and types of higher education. That is an important part of the process of maintaining access and developing participation in higher education. People can move through different levels of institution. That is an important point, but not central to this debate.

The reason for the difference between the European countries and the US in this respect is that the crucial factors in the accessibility of higher education are not so much to do with price as with the size of the system and the range of its types of provision. That is the critical point. Because the Americans have autonomous universities operating in a market system, they have long since expanded higher education on a larger scale than we ever did under state planning, and their institutions have had much greater incentives to develop the kind of courses that are readily accessible to the less well off—part-time students, night class students and mature students.

Dr. Lynne Jones: Does the hon. Gentleman have any information on working-class participation in the ivy league universities in the United States?

Mr. Jackson: I cannot quote any figures off the top of my head, but when I was Minister for Higher Education, I went to Stanford, where I spoke to the student admissions people. It emerged clearly that despite fees of £9,000 a year, there was significantly higher participation from underprivileged backgrounds than we had at Oxford and Cambridge under a system of free entrance.

The increase in access that we have seen in our system since 1989—one of the proud achievements of the previous Government—came about essentially because we moved, just for a time, in the direction of the American system, by shifting the state support for higher education from institutional block grants to fees paid by the state on behalf of students. I was partly responsible for that change. That gave our universities for the first time, and unfortunately only for a limited time, the incentive to recruit more students and to develop forms

[Mr. Jackson]

of provision that went wider than the traditional staple of full-time courses for young people in the 18 to 22 age bracket.

University autonomy, backed up by a flow of fees from all students, paid directly to each university, with the level of fees being determined by each university in competition with one another, is not only desirable in the interests of the constitutional independence of universities, the self-responsibility and morale of their staff, and their intellectual quality, but is also necessary to achieve our aims of greater social promotion.

Access is not primarily a problem in respect of young school leavers. The proportion of young people from poorer backgrounds who get A-levels and go to university has, for many years, been quite close to the proportion of young people from better-off families going to university with the same qualifications. Access for the less well-off will be improved not by subsidies to full-time young students but, above all, by improving academic standards in the state schools, especially in the constituencies that were mentioned, and by shifting resources to provide more help for part-time and mature students. In this connection, the Government's White Paper on lifelong learning is a great disappointment, especially when it is seen against the background of the continuing obsession with the interests of full-time students, which is reflected in the Bill.

The nationalisation of the university system, which is what has occurred, has given rise inevitably to many of the bad effects that we used to see in the old nationalised industries. The worst of those effects was excessive politicisation. We have built up a huge political vested interest among the middle classes in free or very cheap higher education for their children. That political fact weighs on us all on both sides of the House, as politicians and also as private individuals with our own children.

The ultimate way out is for us to denationalise universities and to restore their status as private bodies operating in an open market, with the access of students of all kinds facilitated and enabled by the state. The introduction of tuition fees marks a potentially important step in that direction. I only wish that the Government had taken it with a greater sense of direction.

6.6 pm

Jacqui Smith (Redditch): Thank you, Mr. Deputy Speaker, for your kindness in not expecting me to jump up and down too much. I can reassure you that it should be about nine weeks before you need to consider bringing towels and hot water with you into the Chamber.

I welcome the opportunity to contribute to the debate on the third education Bill introduced by the Government since last May. No one can doubt the commitment of my right hon. Friends the Prime Minister, the Secretary of State and his ministerial team to ensuring the priority of education in Government policy.

Before entering the House, I spent 11 years teaching in Worcestershire. Like the vast majority of teachers, I went into the job because I wanted to impart information to young people and to ensure that they were stretched and developed to the highest standard. Unfortunately, I rarely felt that my work was being encouraged by the then Government, who only half-heartedly supported the state comprehensive schools in which I have always taught. The previous Government at best failed to recognise my professional role, interest and input into issues such as the design and implementation of the national curriculum and assessment, and at worst blamed me and my colleagues for most social ills, from youth crime to the failures of the England cricket team. Presumably, therefore, teachers and the new Government can take some credit for the performances so far in the current test match.

I am keen to concentrate my comments on part I of the Bill, which contains important first steps towards raising the professionalism, standing and skills of teachers, and consequently will have a key role in raising standards for our children. The importance of proposals for a general teaching council, head teacher qualifications and an induction year for newly qualified teachers does not lie only in the effects that they will have on the morale and performance of existing teachers, but relates to teacher recruitment.

In its report on teacher recruitment, the Select Committee on Education and Employment recently highlighted the need for urgent action in that area, following submissions and evidence from a wide range of organisations. The evidence showed that there are significant problems in both the quantity and quality of teacher recruitment at all levels of the profession, from new entrants to applicants for senior management positions. The proposals that are set out in the Bill must, and I believe will, begin to address that major problem for the future of our education system.

The proposals that have been suggested for a general teaching council have a long and distinguished pedigree. The report of the GTC, England and Wales—an alliance of many organisations supporting the establishment of a statutory GTC—claims that the first moves were made over 130 years ago. As the report states, the Education Act 1899 provided for setting up a register of teachers. The Board of Education Act 1901 laid upon the board the duty to establish a teachers registration council. Interestingly enough, civil servants produced divisive legislative proposals that could not survive. I am sure that that will not happen now.

Those events have been followed by a series of false starts in the establishment of a general teaching council. Obviously, there are still discussions to be had about the finer points of responsibility and structure. However, I believe that, after 130 years, the new Labour Government should be congratulated on so quickly implementing the Labour party's manifesto commitments in this area. It is clear that we now have a Government who make things happen.

My particular concern is how the GTC can promote professionalism, recruitment and retention. I believe that it should and will have a role in several areas. First, it is clear that we need to improve the image of teaching. The Select Committee's evidence shows that teaching is no longer seen as a prestigious job. In its submission to the Committee, the National Union of Teachers highlighted a worrying aspect when it stated:

"A measure of the seriousness of the current problems in recruitment and retention, is the fact that few teachers themselves would now suggest becoming a teacher to their pupils, or their own family or friends."

During my teaching career, I always tried to encourage my brightest and best students to consider teaching. However, as I also encouraged them to become actively

involved in politics of all colours and to consider standing for office, I suppose that I could be seen by some as an unreliable source of advice. I hope that we shall soon return to the time when teachers feel confident about recommending to their students that they should undertake teaching as a career.

Mr. Don Foster: I hope that the hon. Lady will understand that I support her argument that we need to give greater professional status to those in teaching. Does she believe that that venture was helped by the Government's decision to phase teachers' pay awards, so that teachers this year will receive an award at less than the rate of inflation?

Jacqui Smith: Teachers clearly understand—this is what I said to my colleagues during the run-up to the general election—that there are priorities in education. However, the Labour party made it clear in its manifesto that there is a need to maintain spending targets. Teachers understand that and recognise that it is not possible in nine months to undo the damage that was done during 18 years of Conservative government.

I am glad that the Government are already acting to improve the image of teachers. I was fortunate to have a night off recently, and I went to the cinema. I there saw an advertisement that included my right hon. Friend the Prime Minister. My right hon. Friend and a variety of other famous people talked about their best teachers. I understand that the advertisement is to be extended to television. I welcome it as a good effort in starting to raise the image of teachers, but there is far more to be done. The GTC must take seriously its role in promoting the image of teaching.

When it comes to work load, teachers expect to work hard, and do so. However, with the increasing range of responsibilities in the education system, it is crucial that they work smart. Spending public money on training and employing professional teachers and then expecting them to spend their time photocopying, completing forms and child minding is a waste of financial and human resources.

I welcome the fact that the Department has already started to examine bureaucracy in teaching. There could be a further task for the GTC, in promoting consideration of the role of the teacher in an increasingly challenging and complex system. For example, the GTC should have something to say about the key tasks of teachers and what could more efficiently be delegated to support staff.

The status and image of teaching are linked to the quality of those entering the profession. During my time in the profession, teaching sixth formers, I was concerned that standards of entry to teacher education appeared to be lowered. The Select Committee report highlighted that, especially in the area of shortage-subject trainees. I can understand that the short-term response to a shortage of trainees in maths or science, for example, may be to reduce entry requirements, but that can set off a vicious circle in recruitment.

When sixth formers see teachers with poorer qualifications, it lowers the status of the profession in their eyes and makes them less likely, not more, to consider it for themselves. I know that there is a genuine concern that increasing standards of entry to the profession could exacerbate shortages, but I believe that we must establish a virtuous circle of high expectations, high qualifications and consequently higher status for teachers. The GTC has an important role to play in considering that issue.

The GTC has a role also, when it comes to recruitment, in tackling the under-representation of groups such as ethnic minority communities along with people with disabilities. It is important to ensure that we are recruiting the best and most talented people into teaching, but teachers have a wider impact as role models for their students. An unrepresentative profession will have effects on the achievements of groups that cannot see themselves included with the adults with whom they are most often in contact.

As for the induction year, when I entered the profession, I had the benefit of a probationary year. There were shortcomings in the system, but it was recognised that support and professional development could not suddenly stop when students started work in their first job. Indeed, that is when they need the most help, to build on their strengths and to recognise their weaknesses. The phasing out of the provision from 1989 left induction processes very much to the resources and inclinations of individual schools or local education authorities.

The reality is that while induction is still a sign of good practice in the best schools, standard and delivery differ and lack of status and finance means that it can easily be downgraded. A structured induction year is an important entitlement. It gives confidence to new entrants that a coherent path of career and professional development exists. Therefore, it is a further aid to recruitment and retention.

To be truly effective, there must be clear continuity from the career-entry profile, to be provided by training providers from May. My criticism of the old probationary year is that it often did not incorporate clear objectives for the individual new teacher. The new induction year must have clear criteria and personalised action plans to provide structure. In that way, it can be the first stage of continuing professional development, rather than simply a measure of time served without too many problems.

I hope that the Government will consider in future how the induction procedures can be developed, to provide support for returners to the profession.

Mr. Lansley: To take up the hon. Lady's argument about promoting the status of the teaching profession, would it not be better for the GTC to have powers in relation to such matters as the conduct of teachers and medical fitness to teach rather than merely being an advisory body?

Jacqui Smith: As I said earlier, there are still issues that need to be discussed, but if the general teaching council is to gain the faith of teachers, it needs to be able to develop its own responsibilities over time. That is why I support the proposals in the Bill.

On qualification for headship, the Bill addresses the two areas of most need in terms of professional development—the new entrant and the aspiring head teacher. However, I am sure that the Department for Education and Employment is aware that there is a risk of a gap appearing in the middle. The lack of a coherent professional development programme in the teaching profession is an area which will need some attention.

[Jacqui Smith]

I welcome the national professional qualification for headship and the work that has already been developed through good schemes such as Headlamp, but the mandatory element is important. It highlights the fact that this should be an entitlement, and it will also bring to the forefront the need for finance to support the training. I particularly welcome the flexibility in the use of the standards fund to support training.

It is not sufficient to wait until people are appointed as heads to train them. There is a clear consensus that the leadership of a school is a key determinant of the standards achieved in it. New heads need to hit the ground running, to ensure that standards are maintained and raised in our schools.

Some have argued that the need to achieve a qualification in advance will restrict the supply of candidates for headship. I disagree. My experience is that it is sometimes those with most potential who lack the confidence to apply. Unfortunately, that particularly relates to women applicants, who are four times less likely in the primary sector, and three times less likely in the secondary sector, than their male colleagues to become heads. The opportunity to undertake training in advance could increase the confidence of applicants and improve both the quality and quantity of supply.

I welcome the Bill's emphasis on improving the professionalism and skills of our teachers. There are still challenges to be faced in the profession and the education system as a whole, but I hope that teachers will recognise the Bill as clear evidence that we now have a Government who recognise and want to promote teachers' professionalism and skills. That can only be good for teachers, children and the education system as a whole.

6.22 pm

Mr. Phil Willis (Harrogate and Knaresborough): It is with considerable pleasure that I address the House on the Second Reading of this Bill. It is a pleasure because, as the Liberal Democrat higher education spokesman, this is the first time that I have led for my party from the Front Bench. [HON. MEMBERS: "Hear, hear."] Sadly, my pleasure—and that of hon. Members on both sides of the House—is tempered by the knowledge that I shall recommend that Liberal Democrats vote against the Conservatives' reasoned amendment and the Bill, which is disappointing.

The Bill should have been one behind which the whole House could unite. A general teaching council, the restoration of a probationary period for newly qualified teachers, a new inspection regime for teacher training establishments, and the introduction of a professional qualification for heads showed that the Government were intent on raising the quality and esteem of the teaching profession after 18 years of constant attacks on it.

In part III, the proposal to give 16 and 17-year-olds for whom school may have been a less than rewarding experience the right to time off for training showed again that the Government were listening and that they recognised the need to create a genuinely inclusive society. We must not allow failure at school to be an excuse for failure for the rest of people's lives.

The Bill was also expected to herald a new era for higher education. The problems of underfunding, coupled with the need to expand access, especially to those from poorer backgrounds, were to be addressed. Alas, the whole House must be disappointed with many parts of the Bill, even as amended in the other place. Perhaps some would not go as far as Lord Glenamara, who, when addressing their lordships in another place, said:

"I have been in Parliament for 47 years and this is probably the worst Bill I have ever seen during those years not only in the way it is drawn up but in what it proposes."—[*Official Report, House of Lords*, 23 February 1998; Vol. 586, c. 414.]

The Secretary of State can take little comfort from a Bill that has been universally criticised.

My hon. Friend the Member for Bath (Mr. Foster) is hoping to catch your eye later, Mr. Deputy Speaker, to expand on our concerns about the Government's proposals for a GTC. However, the proposals are an insult to the teaching profession and show that the Government, like their predecessors, simply do not trust the profession to regulate itself. If an attempt is made in Committee to draw back from the amendments that were made in the other place, we shall know for sure that the gesture to introduce a GTC is hollow.

If it is acceptable for lawyers, doctors or dentists to regulate themselves, but not for teachers, the Bill is hollow in every sense. The Secretary of State retains powers over the GTC which, if suggested to the Law Society or the General Medical Council, would cause outrage. The original proposal was to limit the GTC to merely issuing registration cards—a sort of supermarket loyalty card—but, unlike a Sainsbury's card, teachers would be obliged to pay for it and would receive few benefits.

Clause 12 and the requirement for new head teachers to have undergone training for the new head teacher qualification is most welcome, provided that the cost of such training falls on the DFEE.

I was fortunate to be appointed head of two different schools during my 20 years in headship. On neither occasion was training either a requirement or even suggested at appointment. I remember being asked by one interviewer, for my appointment in Leeds, "Do you like caning?" not, "Do you need any training?" It seems that, in the past, heads acquired their skills by a process of metamorphosis.

Even with the huge changes introduced by the previous Government following the Education Reform Act 1988, training was an optional extra for heads rather than a requirement. In 1988, my school budget was £34,000, largely to pay for equipment and consumables. A year later, my budget rose to £3.4 million, and I had responsibility for everything from playing fields to staff contracts. Training consisted of an optional morning at the teacher centre.

The Government are right to insist on training future heads to a high standard, but they must make adequate provision for existing heads to be given access to the same level and quality of training. To do so would enable governing bodies and the Office for Standards in Education to offer real support to existing heads who may need it.

It is part II which is largely unacceptable to the Liberal Democrats. Sadly, the proposals of the Leader of the Opposition and his hon. Friends offer no relief.

That higher education is in crisis is beyond question. The Dearing committee was set up to do three principal things: to resolve the huge funding crisis in higher

education caused by the 40 per cent. per student cut in resources over the past 20 years; to resolve the issue of access, particularly for students from largely under-represented groups; and to create a vision for higher education into the next millennium, and its place in a lifelong learning society.

Lord Dearing deserves the congratulations of the House on the work that he and his committee did in examining the future needs of higher education. His elevation to their noble lordships House is well deserved and will give a further boost to quality debate on many topics, not least the future of our education system.

The report may not have resolved all the issues. Indeed, it was never intended to proffer a single solution, but it was an excellent basis for consultation and debate. Many of its 93 recommendations have been welcomed and accepted, most notably the new institute for teaching and learning, but the Government's hasty and ill-considered response on 23 July 1997 was discourteous, to say the least.

It is the proposal to introduce tuition fees for which the report will be remembered, and for which this sad Bill will be condemned. Since 23 July, it has been downhill all the way. The gap year fiasco was followed by the partial retreat on the Scottish university question. We now have the prospect of universities chasing around Europe examining the residual incomes of Spanish wine makers and Sicilian bankers. PGCE students will be exempt from paying fees for their final year if they teach in schools, but they will have to pay if they want to teach in further education. Students will be thrown off courses if they do not pay their fees up front after the first year. Universities, such as the university of Central England, in Birmingham, will offer to pay fees for certain courses to attract students. University places will be offered through bucket shops and will be advertised on teletext with other cut-price offers.

The Liberal Democrats are fundamentally opposed to the introduction of tuition fees for full-time undergraduates. Furthermore, we believe that the principle of free tuition should be extended to all part-time undergraduates, who should also have access to maintenance support through income-contingent loans.

Although our position may not be supported by the Government or by the Tories, it has been clear and consistent throughout. We realise that the 40 per cent. cut in student funding cannot be reversed in its entirety. We also accept that difficult decisions on funding must be taken if higher education is to be expanded, if quality is to be maintained and improved, if students from poorer backgrounds are to be encouraged and if part-time students are to be provided with a better deal.

Students will have to make a larger contribution, but so should the two other beneficiaries: industry and the state. It is unacceptable for the Government and the Conservative party to claim that students are the only people who should pay extra, because they are the main beneficiaries. Everyone benefits from a well-educated society.

We support the Government's proposal to end maintenance grants and replace them with income-contingent loans as the fairest way of securing a greater contribution from students. We applaud the Government's decision to support our proposals for a fair income-contingent loan system. However, if we are to tackle student poverty, we must increase the level of loan by at least 20 per cent. At the moment, far too many students are in poverty and are having to divert from their studies to obtain extra income.

We also applaud the Secretary of State's attempts to persuade the Chancellor of the Exchequer to change the way in which the Government account for the student loan portfolio. If other European Union countries can do that within the rules, so could we. The removal of grants, courageously supported by the National Union of Students, would release approximately £1 billion more into higher education by 2000. However, the NUS, the Committee of Vice-Chancellors and Principals, individual vice-chancellors, Lord Dearing and, I suspect, the majority of hon. Members would support the imposition of a greater burden on students, be it by the removal of grant or by the imposition of tuition fees, only if the resources raised were ring-fenced and ploughed back into higher education. That could be the only justification for the Government's position and for the view held by the official Opposition.

Lord Dearing made it absolutely clear in his report that his proposal for the introduction of tuition fees was to resolve the funding crisis in higher education, and not to resolve the crisis in further education or in the Government's programme in other areas. The Government have constantly referred to the CVCP for support on tuition fees. Its information for members dated 18 August 1997 said:

> "It would be indefensible to require present and future generations of students to contribute, if there was no direct improvement in the funding position of higher education. Any sums generated by the Government's proposal, even in the short-term, must therefore be reinvested in higher education."

That was the basis on which support for the proposals was given.

The Government's proposal is an insult to Lord Dearing, disingenuous to our universities, a betrayal of our students and dishonest to the electorate, for the reasons given by the right hon. Member for Charnwood (Mr. Dorrell).

Mr. Edward Davey (Kingston and Surbiton): Is my hon. Friend aware that the new vice-chancellor of Kingston university, who has a distinguished career in higher education and is a long-standing supporter of the Labour party, has recently stated his forthright opposition to the proposals for tuition fees? Does my hon. Friend agree that, with students and professionals opposed to tuition fees, it is time that the Government saw the light, withdrew the proposals urgently, and introduced measures based on fairness and the right to free education?

Mr. Willis: I agree with my hon. Friend. Vice-chancellors were lulled into a false sense of security. They thought that money would accrue to them as a result of the introduction of tuition fees, which is why they gave their support. They are now saying, "Listen, we are not getting these fees and we are not being allowed to charge top-up fees. We'll have to cater for more students coming into our universities with ever-decreasing resources." The proposals are clearly unacceptable.

If the Government believe that charging students a fee for tuition costs is necessary to preserve the quality of higher education and allow for expansion, why are they

[Mr. Willis]

not ring-fencing those resources and giving them to our universities? The Department for Education and Employment said in a memo that

"the issue is sensitive because the £165 million package for 1998-99 does not allow universities to keep all the funds raised by the new £1,000 fees as extra income."

The Government's fine words will not be borne out in practice.

If the Government believe that by means-testing tuition fees they are supporting poor students, why stop at £1,000? I admire the hon. Member for Wantage (Mr. Jackson), and was interested in what he said when he was the Minister responsible for higher education in a previous Conservative Government before he was sacked. He has been consistent. Why not means-test the whole fee and show moral integrity in the redistribution of resources, to help poorer students?

Hon. Members should be aware that, if the measure is agreed—despite the supposed safeguards of votes in both Houses—this is the thin end of the wedge for a student-funded higher education system. As in Australia, once the taboo of charging fees has been overcome, it will be allowed to rip. This year, six universities in Australia are charging £8,000 for tuition fees. The original proposal was for students to be charged 20 per cent. of average costs, but now six universities charge 100 per cent. The Australians are revisiting the issue, and have established a Dearing-like commission to consider funding.

At least we now know that the Government's proposal to charge students has nothing to do with raising standards, improving access or increasing the number of places. It is a means of releasing resources for other parts of the education system, although there is no guarantee that the Chancellor will not use the new tax for other purposes. It is ironic that Sir Keith Joseph could not persuade a right-wing Thatcher Government to agree to these proposals in 1984, whereas 15 years later the new Labour Government relish introducing them in their first year of office.

We should not take pious lectures from the Leader of the Opposition in his amendment. The present crisis in higher education is down to the Tory cuts of the past 20 years. The reason why so many students from poorer homes have been denied access to our universities is the Tories' crude cap on provision since 1992, the ever deplorable state of our schools and the fact that so many children have not been able to raise their horizon to a level at which they might be pointed towards university.

If one ever wanted an example of policy opportunism and policy gymnastics, one should read today's speech by the right hon. Member for Charnwood. Which Government cut maintenance grants by 50 per cent. in 1992, when they introduced short-term mortgage-type loans? Which Government further reduced the grant by 10 per cent. in 1994, and by 8 per cent. in 1995? Which Government wanted maintenance grants to "wither on the vine", to be replaced by loans covering 100 per cent. of maintenance costs? Which Government removed housing benefit rights and unemployment benefit rights for students? I think that the House knows the answer to those questions.

A few months after having been kicked out of office, Conservative Members are posing as the student's friend by offering a passionate defence of student grants. The sheer cheek is appalling.

Mr. David Willetts (Havant): Will the hon. Gentleman give way?

Mr. Willis: Yes; I thought that the hon. Gentleman might like to intervene.

Mr. Willetts: Will the hon. Gentleman confirm that the Conservative Government established the Dearing inquiry? For us therefore to support the conclusions of an inquiry that we ourselves established seems to be a perfectly reasonable course of action.

Mr. Willis: I am grateful to the hon. Gentleman for his intervention. However, he will know full well that the reason why he and the previous Government were so keen—as were the current Government when in opposition—to establish the Dearing inquiry is that they were petrified of offering the electorate any proposals on student funding. Although we might castigate the present Prime Minister for his statement on 14 April and the present Foreign Secretary for his statement on 24 April, we heard nothing from the hon. Member for Havant (Mr. Willetts) or the Conservative party about their proposals to fund higher education.

As I said, the cheek of those in the previous Government is appalling. Although they champion means-tested grants—of 50 per cent., not 100 per cent., as Conservative Members hinted earlier in the debate—they support a flat-rate tuition fee. Moreover, they have failed to say that the tuition fee element will rise annually, even on top of inflation—thereby, after four or five years, placing an even greater burden on poorer students.

Today, the Liberal Democrats received a call from an insurance company that was interested in our views on how tuition fees will rise. The firm calculated that, within five years, students will be charged £4,000 annually for tuition fees. The Bill is but the thin end of the wedge.

We have heard too much from the right hon. Member for Charnwood and his colleagues about ring-fencing fees income for our universities. Nevertheless, when there was an opportunity in the other place to defeat the Government on the hypothecation of fees to higher education, the Conservative party showed little enthusiasm to do so. Only 8 per cent. of Tory peers went into the Lobby to defeat the Government on that Division, although they were all ready to support their own amendment in the subsequent Division. That shows the Conservative party's commitment to hypothecation.

Mr. Willetts: I am grateful to the hon. Gentleman for giving way a second time. As he is talking about activities in the other place, will he confirm that—because of a direct approach from the Prime Minister to the leader of the Liberal Democrat party—Liberal Democrat peers withdrew their amendment requiring the Bill to be recommitted?

Mr. Willis: I can tell the hon. Gentleman that that is categorically not true. Clearly, there was a recommitment issue because—as I think he realises—part II of the Bill

is badly flawed. We desired clarification and additional time for the Bill on the Floor of the other place, which we were given. Subsequently, there was an exceedingly good debate, much of which I attended and heard.

It will be interesting to discover how the hon. Member for Havant and other Conservative Members vote at the end of today's debate. Moreover, at the end of the debate, perhaps the hon. Gentleman will reply for his colleagues who responded to a letter sent to all Conservative Members by the National Union of Students, asking for their position on tuition fees.

In a letter to Douglas Trainer, president of the NUS, the hon. Member for Canterbury (Mr. Brazier) wrote:

"I have opposed the introduction of tuition fees ever since I have been an MP."

In reply to student union officers, the hon. Member for North Thanet (Mr. Gale) wrote:

"I have always—under the previous Government as well as this one—opposed the imposition of charges for tuition."

In a letter to student union officers, the hon. Member for Chipping Barnet (Sir S. Chapman) wrote:

"I think it is extremely sad that . . . the Government is not making our state education system free at the point of delivery to all."

The hon. Member for South Dorset (Mr. Bruce)—who is often in the Chamber—wrote:

"We must be fearful that the Government might make all students . . . pay the whole of their tuition fees."

In a letter to his student union officers, the hon. Member for Grantham and Stamford (Mr. Davies) wrote:

"I have always opposed the introduction of tuition fees and will continue to do so."

It will be interesting to discover at the end of the debate whether the hon. Member for Grantham and Stamford and his colleagues vote against their own amendment.

I should like also to mention the plight of part-time students studying for higher education qualifications. Currently, they receive little or no maintenance and must contribute towards their tuition fees. In 1996–97, 234,300 of the 384,600 part-time undergraduate students—60 per cent. of them—received no financial support for fees. Moreover, few of them received support towards paying their maintenance costs. We accept that the Government have made provision in the Bill to rectify that, and realise that Baroness Blackstone made it clear that the Government were sympathetic to the problems of part-time students. We acknowledge also the additional £46 million of help in access funds, which was mentioned by the Minister. However, sympathy is not enough.

The Government have to make a firm commitment, and realise that their goal of enabling half a million more students to undertake studies—which the Prime Minister mentioned at the Labour party conference, and was echoed in the "Learning Age" Green Paper—will be realised only by increasing the number of part-time students. To increase that number without providing significant support for tuition or maintenance would be a contradiction in terms. A recent study by London Economics stated that a modest support package offering loans of £500 annually for students earning less than £10,000 would cost 0.5 per cent. extra in the higher education budget.

The Bill is seriously flawed. It is full of good intentions, but so was the pathway to hell. I hope that, even at this late stage, the Government will repent and find salvation.

6.47 pm

Dr. Lynne Jones (Birmingham, Selly Oak): We have heard a variety of views expressed in this debate, which has exposed differences both between and within parties. However, I think that there is complete agreement on both sides of the House on at least two issues. The first is that we must improve access to higher education for young people from working-class families. The second is that we must improve funding of our university system, which—as hon. Members have already said in the debate—has not received funds to match expanding student numbers. Current funding per student is less than 60 per cent. of what it was 20 years ago.

As we all agree on those objectives, surely we must be able to examine objectively how to achieve them. Moreover, answering the question of how to accomplish those aims was the purpose of the Dearing commission, which was established with all-party backing.

My right hon. Friend the Secretary of State graphically drew attention to the lack of educational opportunity afforded to people from working-class and poorer backgrounds, particularly in certain parts of the country. He listed constituencies in which only 2 or 3 per cent. of young people from unskilled backgrounds benefit from higher education. If we are to improve those figures—and everyone agrees that we should—in the interests of not only the young people themselves, but the nation's economic benefit, we must establish the reasons for that poor performance.

My right hon. Friend the Secretary of State said that a major problem is that many young people from lower socio-economic groups do not achieve the sufficient qualifications to enable them to go to university. The Government are right to tackle that through setting higher standards in schools. However, even when young people have the necessary qualifications to go to university, a smaller proportion of those from poorer backgrounds take the opportunity to do so.

Everyone was expecting Dearing to propose replacing grants with loans in order to put additional resources into higher education. Indeed, that was Labour policy and the basis of our submission to the Dearing inquiry. It was also the policy of the National Union of Students. I do not know which came first—whether we adopted the policy from the NUS or vice versa—although a number of students prominent in the NUS have subsequently become Labour Members.

The students in the NUS who took the decision that it would be responsible to abandon maintenance grants in favour of loans were, by definition, from backgrounds that meant that they did not receive maintenance grants. Some three quarters of students at the older universities come from more affluent backgrounds and it is they who decided to remove the maintenance grants from poorer students. That was the policy before the election.

Labour promised to listen to Dearing, so it was a surprise when the report said that the inquiry had considered that option, but felt that such a decision would be tantamount to taking resources from the poorest students or potential students and giving them to the better-off. For that reason, it made different recommendations. At about the same time as Dearing reported, a report on class and higher education was produced by the Policy Studies Institute and published by the Council for Industry and Higher Education. It reached

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exactly the same conclusion as Dearing and said that, if we were to improve the participation in higher education of people from lower socio-economic groups, we would have to address the difference between the income that young people would expect if they were working and what they would receive while undertaking a course of higher education. Sadly, that is not what we are doing.

If we do not address that problem, we may be able to improve take-up by improving qualifications, but young people from working-class backgrounds, even those with reasonable qualifications, will remain under pressure to start earning. That was my experience as a young person being brought up on a council estate. It remains a problem even under the Government's proposals, and, for that reason, I shall not be able to support the Government tonight. As somebody who benefited from free tuition and a full maintenance grant, I cannot vote to deprive younger generations of something that was very important to me. We may say that the policy has not been successful in getting more young people from working-class backgrounds into higher education, but it was helpful to a large number of people, including me.

There is also agreement on the need to get more funding into higher education. Dearing recommended that, in the forthcoming financial year, an additional £350 million should be put into universities and, in the following year, the figure should be £565 million. He proposed that, over the next 20 years, at least an additional £3.3 billion should go into higher education. However, the measures proposed by the Government will raise nothing like that level of resources.

According to figures from the Department for Education and Employment, significant funds will not be raised until 1999-2000, when the figure will be something like £100 million. It does not rise to £1 billion until 2015-16. To be fair, those figures are based on current accountancy procedures, and Dearing recommended a change in the way in which loans are accounted for in the public finances. He proposed moving to resource accounting. The last time we debated the matter, it was unclear whether the Government would accept that recommendation. I congratulate my right hon. Friend the Secretary of State on getting the Treasury to adopt that policy. It is extremely important for higher education and other areas of public investment. It is nonsense to treat spending for investment in the same way as spending for consumption, just as it is nonsense to treat loans that are expected to be repaid in the same way as grants.

Even if we move to resource accounting by 2001, as proposed, we still will not raise the money that the universities need; the Government have to address that. It has been announced that an extra £160 million will be provided for higher education next year, but that will be provided largely by the mechanism of paying loans quarterly rather than a year in advance. We still do not know where the Government will get the money to finance higher education. So the proposed solution will not address the funding crisis in our universities. At the end of the day, if we are to provide quality higher education that is accessible to all those with the potential to benefit from it, it will have to be paid for by the taxpayer.

I share the concerns expressed by the Liberal Democrats that the introduction of fees could well be the thin end of the wedge in our attempts to put the necessary resources into higher education. Personally, I should like to retain the principle of free education. We know that many affluent people benefit from higher education and that students from affluent backgrounds, unlike those from poorer backgrounds, will not leave university saddled with loans of £10,000. Their parents will have the means to ensure that they do not start their working life in debt. Many middle-class people have been to university or have children who are attending—or are likely to attend—university. What is wrong with returning to the principle of a progressive taxation system that pays for the welfare state?

I do not accept the argument, which grew over the Thatcher years, that we cannot afford the welfare state. We are a far richer country than we were when the welfare state was established. Productivity has increased and our national wealth has grown. If we do not pay through taxation, we have to pay by some other means.

Mr. Richard Allan (Sheffield, Hallam): I sympathise with the hon. Lady's comments about progressive taxation. Does she agree that it would have the added advantage of taxing graduates on what they earn, rather than on what their parents earn? Many graduates go on to worthy, but lower-paid professions. It is right for people to be taxed on what they earn, not on their parents' income.

Dr. Jones: I agree. If we had a higher tax rate for high earners, we could easily fund higher education. Many higher earners have benefited from a university education or want that opportunity to be available to their children. I have two children. I hope that they will go to university. I shall have to pay a lot of money to help them. What is wrong with me paying a bit extra in taxation? It is probably cheaper for me to pay higher taxes than to have to pay the huge sums necessary to put students through university.

That principle also applies to other aspects of the welfare state. Nobody is arguing that rich people should have to pay to send their children to school or that they should not be able to benefit from the health service. That route leads to second-class services for the poor.

We are a wealthy country. We want to spend more on health and education. We are being deprived of the opportunity to do so by the unwillingness of successive Governments to allow us to pay more through the tax system. As a result, people will end up paying privately and will not get as good a deal as they would through public provision. Far from not being able to afford the welfare state, we cannot afford not to have it—and that includes higher education.

7.2 pm

Mr. Tim Boswell (Daventry): I find myself more in sympathy with the hon. Member for Birmingham, Selly Oak (Dr. Jones) than I have been on some previous occasions. The debate has been characterised by commitment to, and passion about, higher education. There are different analyses on how to deal with the situation. I shall have no difficulty in supporting the Conservative reasoned amendment.

I had 30 months of experience as the Minister responsible for further and higher education in the previous Government. That gave me great affection for students and the institutions in which they study, as well as a considerable knowledge of the difficulties of tackling the intractable problems of funding.

I do not wish to suggest that the other aspects of the Bill are not important. I welcome the provisions for a general teaching council. Anything that raises professional standards is important. The concerns that have been expressed tonight have not been about the concept of the council, but about whether it will have enough teeth and enough to do. My daughter is due to be one of the first registered teachers under the system, because she has recently joined the profession. After all the hassle of setting up a registration system, merely producing advice for the Secretary of State, however well conceived or important that advice may be, will not give the body enough of a job.

If the Government do not want to keep the provisions at the start of clause 2, I hope that they will at least reflect on what has been said tonight and perhaps consider using their powers under clause 6 to reinsert measures on professional standards that the council can properly handle.

Proposals for a teacher training curriculum have recently been put forward. The Bill also has inspection powers. Those are welcome measures in principle. However, not for the first time with this Government—I hope that hon. Members are not surprised—some of the provisions are too restrictive and a little old-fashioned. I shall write to Minister about the representations that have been made to me about theatre studies. Those doing PGCEs will find it difficult to get training to a level necessary to deliver A-level courses in that important subject, in which we have a good deal of national strength, because the provisions are too narrow. I hope that Ministers will think about that.

The Minister responsible for lifelong learning would be surprised if I did not comment on clauses 26 and 27. Most of us would welcome any feasible means to help more people, particularly those who missed out during their 11 years of statutory education, to improve their basic skills and their employability—a word which did not come first from the current Government; I was fond of using it, too. Like the Minister, I assert passionately the principle of involving those at all levels of ability and attainment in continuing education. I have a strong commitment to adult literacy.

It is characteristic of our debates on higher education that we have not keyed in the further education interface enough. I note that the Minister is nodding. There are anomalies and differences in funding, to which some hon. Members and the Dearing report referred. They will need revisiting, although perhaps not in the Bill.

My right hon. Friend the Member for Charnwood (Mr. Dorrell) cautioned Ministers against putting too much into the provisions. There is a danger that if young people offer themselves for employment without basic skills, but with the potential to claim the employee rights to get those skills paid for by the taxpayer, employers may find it more attractive to look elsewhere for someone to take on. Someone on the new deal can have a gateway interview and three months of basic skills training, with protected, subsidised employment thereafter. The Government may need to consider inducements for employers to be involved. I have great regard for the Advisory, Conciliation and Arbitration Service and tribunals, but there are dangers if they have to assert such employee rights—although nobody wants to remove the important opportunities to gain educational skills at work or through external providers.

My right hon. Friend the Member for Charnwood made a trenchant analysis of the higher education elements of the Bill. My hon. Friend the Member for Wantage (Mr. Jackson), who also had responsibilities for legislating on higher education under the previous Administration, made some extremely perceptive, long-term strategic comments. I shall build on some of them and add some from my own experience.

My first point is a slight gloss on the remarks made by my hon. Friend—indeed, even a measure of criticism or denial of them. We should recognise that, in the process of evolution of the higher education system into a mass system that took place under the previous Administration, there was an inevitable widening of participation. That was partly in ability. If one is taking 30 per cent. of the cohort of young people, one is clearly taking different levels of attainment in relation to, for example, GCSE grades than one would be if one took the 5 per cent. of people at the top of the pile.

The same is true in social terms. In an intervention on the Secretary of State, I adverted to figures from the early 1990s, which showed a majority participation of C2, D and E socio-economic groups. That has marched along with a huge increase in the number of mature and women students. Many such things, which rightly concern hon. Members on both sides of the House, were beginning to shake out under the system.

My next point, which I shall perhaps make more explicitly than anyone has so far, relates to the justification for a degree of internal financing of the higher education system through those who benefit from it. Some hon. Members have referred to the Organisation for Economic Co-operation and Development, which we met and with which we talked extensively some of these issues. All the evidence from the studies that I have seen is that, whereas the private rate of return from higher education is exceptionally high, the social rate of return from education expenditure at tertiary level is comparatively low. I should stress immediately that that is an average; some people choose to go into vocational employment and do not command higher rates of salary.

In other words, if the taxpayer is to spend £1, it is best spent on education at primary level, rather less well spent at secondary level and spent less efficiently still at tertiary level. In case anyone should misread the agenda, the logic of that is not that we should withdraw resources from tertiary education and redistribute them to primary education, but rather that the burden on state funding should go in such a way. It might be necessary to supplement and reinforce the tertiary level with a degree of personal funding.

Mr. Lansley: I am interested in my hon. Friend's point. In the studies that he has seen, is it true that the social rate of return from investment in tertiary education

[Mr. Lansley]

diminishes as the extent of participation grows, or is it more or less a straight line in relation to the size of the higher education sector as a whole?

Mr. Boswell: I am grateful to my hon. Friend for asking that question, although I am not sure whether my knowledge or sophistication would enable me to give him a definitive answer. He may be driving at the fact—we must always be conscious of it as a danger—that higher education is an act of consumption, an activity for young persons, as well as an act of investment for the future. We need to ensure that quality is delivered in the system. I shall comment on that later.

Given a wish to widen participation, a wish to concentrate on what was essential in public spending terms and a wish—perhaps—to try to involve some internal finance, Ministers, certainly from the early 1990s, were engaged on what I described as a slow bicycle race to see who was the first to commit themselves to a funding change. That involved parties as well; we were all going around trying not to do the deed. As—almost—ever, we enlisted Lord Dearing as the ringmaster to enable us to decide how to do it.

I should say—I see the Minister chuckling—that, had the previous Government done the deed ahead of the general election, I have a feeling that, even though I may be a genial fellow, the six Labour Members who were formerly presidents of the National Union of Students would have contrived their troops to form a quadrille five times around Sanctuary Buildings, and as near to the Palace of Westminster as possible, to scream abuse at me. It is interesting that that constituency seems to have been nobbled—certainly the ex-presidents are conspicuously absent in this debate.

I do not want to rub in the fact, but it is interesting that, as a party and a Government over those 18 years, we made the higher education system available to the masses. Under the Tories, and on a grant system, the number of people in higher education went from one in eight—or one in 12.5 in the days when the hon. Member for Barking (Ms Hodge) and I were at university—to one in three. We did that, albeit with the change to student loans. Indeed, the rate rather accelerated during that change.

As my hon. Friend the Member for Wantage perceptively commented, one of the reasons for that was the switch to a fees system, which, for the first time, gave institutions a real incentive to take additional numbers. I would always remind the House that such a change was not solely an act of government. The 1990 White Paper set expansion at a third by the turn of the century, but it took place in two years under the pressure of the switch to the fees policy and additional students taken on at the margins by institutions.

I come to the present situation and the remarks of my right hon. Friend the Member for Charnwood. Whatever else one can say charitably about the Government, one cannot say that the implementation of their response to Dearing has been perfect. It has been very far short of that. My right hon. Friend referred to the gap-year fiasco. I refer to Scotland, not least because one of the members of my family has a strong interest in judicial review. I envisage litigation from English students in Scotland. Should they prevail, I then envisage litigation from fourth-year students throughout the United Kingdom about the differential treatment in Scotland.

I should mention two other matters to add to the list of differential treatment. One is the treatment of art students on their foundation course. It will be a condition of their entry to higher education that they should embark on a foundation year. As the Minister has rightly said in correspondence, such a year does not constitute higher education. It is pre-higher education. Such students will find themselves disadvantaged against those who are in the gap-year provision.

The other matter is the difficult situation of switching students. A young lady of my acquaintance was admitted to a distinguished university to read psychology. She ended up with four A grade A-levels and decided that she would like to switch to medicine. The Minister's answer to whether she would qualify for free tuition for a 1998 entry was, to put it mildly, ambiguous and will no doubt require a degree of finesse on the part of her tutor and herself. That is the by-product of adopting a system in a hurry without adequate transitional arrangements.

Rather than raking over that, I should comment on what should happen in future. The system to be devised should meet two tests. The hon. Member for Selly Oak may be surprised that I shall put it so bluntly, but I mean what I say about the first test. Is the system socially regressive? Clearly, if it does not pick up able students—who would be well qualified—and does not enable them to go through the education system with a degree or some subsequent qualification, that would be a national waste as well as a tragedy for the individual.

Secondly, we should ask whether the system selected contributes to quality. If it leads to some dilution of quality, it is likely to lead to a waste of Government resources. I think that such a concern was embedded in the intervention of my hon. Friend the Member for South Cambridgeshire (Mr. Lansley).

It is incontestable that the Government's proposals will make things more difficult for students on full maintenance grant—roughly a quarter of all students. Currently, they receive £1,755 a year and pay no fees; in future, although they will not have to pay fees, they will receive no grant. The burden of maintenance, particularly in London, is difficult for many students. Despite the changes that we made, a three-year course is likely to leave students with a debt of £10,000—double the current conceivable debt of £5,000—and Lord Dearing's proposals would have hit such vulnerable students less hard.

Who are those poor students? I do not blame the Secretary of State for quoting from the Dispatch Box my remark, made when I held ministerial responsibility, that there was no evidence of widespread student hardship. I said then, and say again, that, statistically, it is difficult to show widespread student hardship from triennial studies. There has been a gradual growth in loans or borrowings off-balance sheet—those outside the student loan entitlement. There is little evidence of a widespread increase or a change in the drop-out rate: despite expansion, the system has functioned reasonably stably.

That masks a number of difficulties and strains, however; above all, it masks the fact that people may not apply to attend university, which is distressing. Although I may not be able to substantiate it precisely, I suggest that statistical poverty was not so much a matter of income deficiency as of lack of support. That often applies to mature students: unless their partner works to support

them, they may experience severe problems. For example, their parents may not be able to support them, they may have family responsibilities, or family relationships may have broken down. Such people may feel the pinch the most. Hardship may be caused by something as simple and banal as no one in the family being able to lend them a car for the odd weekend, having no one to do their washing or having no one to make them a decent protein-based meal once a fortnight.

Students who suffer from a lack of support enjoyed under the previous arrangements—two parents, a grant, a definite place to stay for a finite period—may suffer most as the system diversifies. I hope that the arrangements the Government decide on will reflect those anxieties.

I am also anxious about quality in higher education. Although they are not formally hypothecating it, the Government have introduced a quasi fee, which operates as a tax, particularly as it is graduated. In spite of what the Secretary of State said, there can be no guarantee of no further tax increase. He spoke of a lock, but it must be judged against the fact that a Chancellor bent on doing so could cut off other channels of funding, in which case institutions and students would have to make the free, but unappealing choice offered by the highwayman: "Your money or your life." The lock would have to be raised to prevent the institutions from collapsing.

What is wrong is that we are looking at the fee—the student's contribution—in terms of its position in the spectrum of payment. It will sit at the end of the system, and will be creamed off. In the longer term, we should undertake a controlled experiment, and empower students along the lines suggested by my hon. Friend the Member for Wantage. Instead of an institution receiving block support for teaching—I leave aside the complicated and controversial issue of research—the block grant should be disseminated to students. It would be for them to spend their fees as part of a shift towards their being treated as the customer. That would empower them and give them a direct job as monitors of quality. It would be up to them to secure value for money, which would put a new perspective on the issue of top-up fees: the institutions would get back their autonomy and be able to reduce or to increase fees, and be able to meet their market requirement.

That is blue-sky stuff, but an ex-Minister can occasionally indulge in such speculation. It would, however, have another advantage, especially for institutions: we could hack through the thicket that might loosely be called the quality industry, where institutions are busy assessing their own quality and setting their own teaching standards. Such assessments are highly subjective and time consuming. I am not terribly convinced about their worth—most of us who know anything about the system have had little words whispered to us about people being coached on how to conduct their tutorial before the inspectors arrived, but a system whereby students were empowered and could withhold funds if the job was not being done to their satisfaction might be powerful.

I would impose two important restrictions on such a system, the first of which would be a threshold of quality. Just as legislation safeguards what a degree means, so there should be a process of inspection to prevent the setting up of higher education institutions, let alone institutions offering franchise courses, that cannot deliver anything that is recognisably up to standard. Such consumer protection is important.

Secondly, such a system should be linked to a proper examination of student support, particularly for disadvantaged students. Access funds are fine, and I am glad that the Government have doubled them, but the exercise could have been carried out statistically by lopping off Higher Education Funding Council money. Such funds should be put in the hands of institutions or, ideally, in the hands of students.

If that system were adopted, and if institutions felt freer to set their own fees, we could encourage, for example, the Committee of Vice-Chancellors and Principals to produce a code of practice whereby institutions could be shown explicitly to have complied with good practices for securing access for less advantaged students. My hon. Friend the Member for Wantage spoke along similar lines, and we should reflect on conducting controlled experiments, and on opening up that system.

The Bill has good features, but policy is being rushed through, and that will be regretted afterwards. I have put down markers for evolution. I hope that higher education's development will not simply involve expansion at all costs or spending more public money, but will follow the example of the BBC and include the re-establishment of greater autonomy and more independent funding than institutions have enjoyed in recent years.

I should like measured change or evolution to targeting and to empowering students to be considered so that they can contribute to the life of their institutions, and so that greater strength can be given those institutions. Universities and their students are a great national asset, and we must find ways to enable them to do their best for themselves and for the country.

7.28 pm

Mr. Gordon Marsden (Blackpool, South): This ambitious and wide-ranging Bill demonstrates the Government's holistic commitment to educational reform and to improving standards and opportunities on every rung of the ladder. It contains a range of provisions relating to the teaching profession, further and higher education and young people in work.

The provisions for the teaching profession must be seen in tandem with the principles of the Schools Standards and Framework Bill. I was privileged to be a member of the Standing Committee on that Bill, and the provisions of the Teaching and Higher Education Bill develop many of the ideas and the philosophy underpinning that Bill. In particular, the creation of a general teaching council will back teachers and will develop the esteem and professionalism of the teaching profession, which people such as the chief education officer of Birmingham, Tim Brighouse, have referred to as so important.

The provision for a mandatory professional qualification for head teachers—a matter on which the hon. Member for Harrogate and Knaresborough (Mr. Willis) spoke eloquently in Committee—represents an important step forward. In providing an induction year for teachers, the Bill gives the structured support and sense of confidence and guidance which—remembering the baptism by fire that we gave to many teachers in their first year—will be welcome.

[Mr. Gordon Marsden]

The Bill provides a general settlement for further and higher education, and has been accepted as such by the CVCP and the AUT. We came to the Bill living in the world as it is and not as we would wish it. We are presenting a structured policy and approach to higher and further education, which contrasts with the drift, hesitations, second thoughts and—too often, at times—dogma that the previous Government brought to the subject.

The Bill accepts necessary contributions from students as the most equitable way of increasing resources, and my right hon. Friend the Secretary of State underlined that this afternoon. We have taken this position because of the woeful underfunding of higher education by the previous Government. Public funding of students has decreased by 25 per cent. since 1989. I exempt certain Conservative Members—notably the hon. Member for Wantage (Mr. Jackson)—but the perception of students held by many members of the previous Government was of a rather curious left-wing group with whom they did not wish to discuss funding.

The biggest weakness of the previous Government's approach was their obsessive belief in the market, which led to many of the fiascos and shortcomings in the development of the student loan finance scheme. I spent the late 1980s and the period until the general election last year as editor of a history magazine, *History Today*, and I had a lot to do with academics in the universities—particularly the polytechnics which were converting to the new universities. I saw their constant frustration and bewilderment at the way in which this big bang in education standards was taking place with no thorough policy.

The problems included tuition of undergraduates by other undergraduates, lectures and seminars with 30 or 40 students and a paper chase for foreign students for funding purposes. That is the situation we have inherited. The new system of tuition fees will be equitable. One third of students will not pay a fee. A third will pay only a proportion, and a third will pay the full amount—25 per cent., on average, of course costs. That is in line with the current contributions that many postgraduate and part-time students have to make.

We are developing increased maintenance loans, and the support loan repayments after graduation will be related to income—unlike the current mortgage-type repayments over five years. The £10,000 threshold for repayments is important because of the longer period of repayment. On average, a graduate earning £17,000 a year will pay back something like £52 a month, and not £129 as under the present system.

As my right hon. Friend the Secretary of State underlined, the Bill proposes a number of guarantees and limitations to address many of the legitimate concerns of the educational world. I welcome his suggestion that we should build on the safeguard of an affirmative resolution from both Houses to lock in the tuition fee increases so that they do not become a convenient source of income for any future Chancellor of the Exchequer. We do not want to penalise, frustrate or lay aside the legitimate concerns of students from whatever class of society. We must make clear that we need a funding basis for further and higher education that will be sound and sustainable.

We made clear in our manifesto that we would replace grants with subsidised loans. We did that, as the hon. Member for Wantage said, because all the evidence is that, over a 25-year period from the early 1960s, the increase in the number of students coming from manual and semi-skilled professional backgrounds was very small compared with the increase from middle-class occupations. The availability of places and, more important, the sense of expectation and self-worth are holding back students from those backgrounds. The holistic approach to improving standards is important, so that the tertiary level can benefit students from working-class backgrounds.

In examining the Bill and tabling amendments, the noble Lords seemed to have had a sense of collective amnesia. The other place is often referred to as conclusive evidence of life after death. In this instance, it was conclusive evidence of a collection of Rip Van Winkles, who snoozed from some golden age of the 1960s and woke up early in 1998 without seeing the background or context to our proposals.

The Lords' amendment proposing that the maintenance grant element be retained is not workable in terms of the Bill or the Dearing proposals. It is sheer hypocrisy for Conservative Members to support it when in term after term, year after year, they cynically declined, as with pensions, to maintain the value of the grant. They then replaced it with a loan system which proved to be inefficient and incompetent in its operation. That is why the CVCP and the AUT have supported the new income contingent loans which the Government have proposed.

Mr. Boswell: The hon. Gentleman may recall that the total grant and loan package in the 1990s was indexed for inflation.

Mr. Marsden: That may well be the case, and it may have been an honourable and positive response, but it did not address the total fall in income of students during that period or the fall in value of the grant from 1979 onwards. The Lords amendment would cost some £500 million a year. That is money that the Government could otherwise spend on higher education, which is why I hope that the House of Commons will reject it.

The Bill contains other welcome and positive elements. I mention first the proposals to equalise the granting of discretionary awards. I doubt that any hon. Member will not have received a letter from a parent or student complaining about the lottery of those awards. Again, many of the current problems arise from the inordinate pressures on local education authorities as a result of standard spending assessment funding over the past 10 to 15 years—the failure of the previous Government to deal with that has produced the inequities that we face today. The Local Government Association and the Government will work together to produce a new system, which I look forward to seeing in the framework of the Bill.

I also welcome the Government's proposal to allow 16 and 17-year-olds in work to pursue approved qualifications to at least NVQ level 2. The right hon. Member for Charnwood (Mr. Dorrell) did not oppose the proposal, but he raised the old bogey of its being a disincentive to employers. If Conservative Members complain about the proposal, they must say why they believe that training for good-quality jobs can be a disincentive to decent employers.

The Bill provides a framework, if not the details, for the next stage of what I believe the Government need to do—they must further deal with the funding arrangements for part-time students. I share the concerns of the CVCP and people in higher education that the Bill does not fully address funding for part-time students. If the Government are to encourage and sustain lifelong learning, it is imperative that increased financial support is made available for all the one third of the 1.6 million part-time students. The Bill is sufficiently flexible to ensure that loans can be extended to part-time students without recourse to further legislation; it will enable the Secretary of State to prescribe in legislation the categories of attendance that will qualify for grants and loans—I hope that he will consider that as public funding permits.

As we have heard, the Government's accounting procedures have been a stumbling block to levelling up support for part-time students. I support the reasoning behind the Government's reluctance to extend the current system of maintenance loans to part-time students, but the argument does not apply to tuition fee payments, which are the biggest financial barrier to many part timers.

Like many people, I believe that the Dearing report greatly overestimated the percentage of part-time students whose fees were paid by their employers. That may be the case for law students on a management course, and aspiring account executives may have their business courses paid for by their City firms, but there is no such support for the majority of part-time students, especially those in the Open university, in which I taught for 15 years.

The Government must support mature students, especially women returning to education after having had a family. The film "Educating Rita" may have been a caricature of OU life and aspirations, in that it portrayed one-to-one tuition—sadly, none of us who have taught in the OU have had that pleasure—but it did not caricature the burning aspiration of many women like Rita to return to education.

I urge the Government to be flexible and reconsider the means-tested loans scheme for part-time students. OU research has shown that additions to higher education costs in that area would be minimal—some 0.5 per cent. in the short term—so I urge the Secretary of State to have a word with my right hon. Friend the iron Chancellor, so that we can eventually exhibit an iron determination to prevent any section of the population from missing out on the learning age of enablement and improvement that has been so eloquently described.

We cannot overestimate the switch in attitudes and priorities that the principles of the Bill—and the framework that it represents—spell out. They demonstrate that education is a seamless web; it is not a series of hoops through which the favoured few may jump. I welcome the extra £165 million for higher education and the proposed mechanisms to broaden access, as only by implementing such a strategy can Britain nurture and broaden its competitive outlook.

I want to make it clear that, regardless of whether we are considering higher, further or any other stage of education, the question is not whether we have either breadth or excellence—we must have both. That is why I believe not only that the extra money that the Bill will enable us to generate will preserve the teaching and research for which we are rightly world famous, but that the packages for access and student loans will benefit all those students who come from disadvantaged and poorer backgrounds.

The film "How Green was my Valley" was a tale of a determined individual breaking through a harsh system. It was a great film with great actors, but it did not relate the tale of all those people whose valleys were not green and who did not make it under the system. I believe that the Bill will go a long way to remedying many of the problems that we have not been able to address under the existing system.

As the first member of my family to break through from school to A-level and on to university, I am acutely conscious of the privilege and the obligation to others that that lays on me. We have to ensure that the breakthroughs of the few in the past become the achievements of the many in the future. That is essential to secure a successful, competitive and culturally enriched Britain in the 21st century, which I believe that the Bill will go a long way towards achieving.

7.46 pm

Mr. John Randall (Uxbridge): The Bill fails fully to reflect the recommendations of the Dearing report, which was published last July. The Prime Minister claims that the Government have accepted Dearing's findings, but the Bill will not implement the report's key recommendations. Instead, the Government are doing the exact opposite of what in opposition they said that they would do about the introduction of tuition fees. Both the Prime Minister and the Foreign Secretary stated unambiguously before the general election that Labour was opposed to the introduction of student tuition fees, but now they are taking the opposite view.

The six former presidents of the National Union of Students—including four new hon. Members—who, from time to time, grace the Labour Benches, used to oppose student loans, but, as my hon. Friend the Member for Daventry (Mr. Boswell) remarked, are now conspicuous in their silence on the matter. Perhaps that is why the Labour club at Brunel university in my constituency of Uxbridge has folded—such is the students' enthusiasm for the Government's approach to higher education.

Of course, the Government have accepted much in the 1,700 pages of the Dearing report, and Conservative Members welcome that. I shall confine my remarks to two of the Bill's consequences—the first relates to Scottish universities, and the second to the ring fencing of income from tuition fees.

I strongly urge the Government not to overturn the amendments that were made in another place concerning Scottish universities. The Government originally proposed to create the extraordinary situation whereby students living in England, Wales and Northern Ireland would pay £4,000 in tuition fees for a four-year course at a Scottish university, whereas students living in Scotland or elsewhere in the European Union would pay only £3,000. That would not only be unfair to those subjected to such discrimination; it would reduce demand for places in Scottish higher education.

About 27,000 students attending Scottish universities come from elsewhere in the United Kingdom. Edinburgh and St. Andrews universities alone have 48 per cent. and 45 per cent. respectively of their student bodies made up of non-Scottish UK students.

[Mr. John Randall]

The Committee of Scottish Higher Education Principals warned:

"Faced with the prospect of paying 33% more in fees in Scotland, English and other students will just simply stay away."

That is not a theoretical fear: it has been reflected in the practical experience of universities, with declining applications. The current NUS president has warned that that could devastate universities in Scotland. Clearly, that spokesman does not have the usual NUS ambition to become a Labour Member of Parliament.

Income from tuition fees must be ring-fenced. Last year, Professor Peter Scott of Leeds university wrote:

"The whole point of the Dearing exercise has been to fill the funding gap in higher education—more than £500 million a year by the year 2000 and rising eventually to £2 billion according to the Committee of Vice-chancellors and Principals. Will charging for tuition fix the problem? Only if the Government allows universities and colleges to keep the extra money."

The CVCP reiterated the absolute importance of the income being used to invest in the system. The very rationale behind the introduction of tuition fees is that the money may be used to invest in the institution that charges the student. The original argument in the Dearing report is that charging will make students demand more of their institutions.

Without the safeguard of ring-fencing, the charging of fees becomes nothing more than another form of taxation. Without suitable legislation, students will effectively be taxed for going to university. Even if the bulk of funds raised is reinvested, the presence of any shortfall is unjustified.

I believe that of the £150 million to be raised the Government have committed only £125 million to reinvestment. The university sector is being short-changed. Who is to say that in future a desperate Chancellor might not turn the screw and make even less available.

In an article in *The Parliamentary Monitor* last year, an undergraduate from Hull university, John Preston, said:

"It is simply not acceptable for the Government to add roughly £1,000 to the bill for higher education without ensuring that we actually receive something for our money. The Education Secretary must pay more attention to Dearing and less to the Treasury if he is to convince students that he is truly on their side."

The importance of the extra funding for an institution's future development cannot be overstated. At the moment, there are worrying reports about the funding of the School of Slavonic and East European studies at London university. I must declare an interest as a graduate of that school. The funding problems are a serious enough possibility to mean that it could be closed by 2000. There have been redundancies in various departments, including the departments of Hungarian, Russian and Czech, and more are to follow.

There are fears that some students will not be able to complete their degrees. That loss of specialised teaching is happening at a time when the whole of eastern European is opening up and becoming more economically important. The generation of fee income that is retained in the institution is vital to fund expansion, maintain standards and, in the case of the school of Slavonic and East European studies, to guarantee its very survival. For the Government to ignore that key recommendation of Dearing undermines the credibility of introducing fees in the first place.

Without a commitment on ring-fencing, the Government will have wasted an opportunity and the introduction of fees will have been compromised.

7.53 pm

Dr. Brian Iddon (Bolton, South-East): There is much to commend in the Bill. Later, I shall concentrate, as many hon. Members have done, on part II, but I do not want to proceed to that before I have commented on the rest of the Bill.

For a long time, the teaching profession has been demoralised. I welcome the announcement of general teaching councils. It has long been my opinion that the teaching profession deserves a professional organisation to represent its point of view to the Government of the day, just as all other professions, without exception, have had for many years.

I urge my right hon. Friend to listen carefully to what has been said today. We want a general teaching council with some teeth, and not merely an advisory body. If we do not examine the terms and conditions for the teaching councils, we could well anger the teachers. I hope that Ministers will take that on board in Committee. I understand that Scotland already has a general teaching council.

I welcome the training of head teachers. As the hon. Member for Bath (Mr. Foster) pointed out, they are now running very large businesses and need to be trained accordingly. I also welcome the proposals for teacher training and, especially, the statutory right to day release for 16 and 17-year-olds, which is long overdue.

I am concerned about part II. I have been in regular correspondence with my right hon. Friend since the Dearing report was published last year, and I must compliment him because, despite all his heavy correspondence on this and other educational issues, he has always had the courtesy to reply in detail to all the points that I have made, and has even arranged meetings with Ministers for me. I thank him and the Ministers for that.

I went to university in the late 1950s, and I could never understand why it was so difficult to gain entry. I came from a very poor educational background and had no language training. Much to my surprise, when I looked for a university that might accept me, I found that nearly all of them asked for a foreign language as part of their matriculation requirements.

After much thrashing about, I was lucky, when the university of Hull accepted me. I learned only a few weeks ago that it bent the rules to do so, but I have always been grateful for the opportunity that it afforded me. Someone from my educational and cultural background—I shall say more about that later—would not have gone to university had a full grant not been available. Many hon. Members would have to accept, hand on heart, that that was the case.

That was a different era, with far fewer students going to university. I could never understand why so few people went to university in those days. I was terribly relieved when, in the 1960s, university attendance doubled overnight and access to universities became much more freely available. The Robbins report was important in that process. The excitement continued into the 1970s, which was the best decade that I ever had as a university lecturer.

Not only was I making personal progress in the profession; universities were making progress throughout the world, and British education was recognised in nearly every other country. Towards the end of the 1970s, clouds began to gather on the horizon, and in 1979, with the election of a new Government, those clouds began to pour rain on the universities.

In 1981, letters requiring drastic cuts went out to all the universities. At that time, I was teaching at the university of Salford and hon. Members may be amazed to know that the Conservative Government cut the finances to my university by a massive 46 per cent. in the following financial year. Salford university was not expected to survive those massive and devastating cuts, so I shall not pay attention to any crocodile tears this evening from the Conservative Opposition, because I have borne the brunt of their policies. I am on my feet to express the anger that people felt in the early 1980s because of the then Conservative Government's hardening of attitude towards the universities, which continued until they were thrown out of office in May last year.

Ironically, the Conservatives talked about expanding numbers entering universities while not making available the money that would have enabled that to happen. Overnight, all the polytechnics became universities—never mind the quality, feel the width. We wondered why that had happened and some of us felt that it was political. If parents had a son or daughter at university, they might be more inclined to vote Conservative when the general election came. Was that the reason? I do not know, but perhaps an Opposition Member will tell us. The Conservatives did not make the money available and had no intention of doing so had they continued in office.

Of course, all the polytechnic lecturers wanted to join the university bandwagon. They all wanted the same facilities—the quality of libraries and the sports facilities. They wanted expansion, and much money from the former universities was diverted to bring all the polytechnics up to speed. Sadly, many are not up to speed today. Even worse, the polytechnic bureaucracy descended on the universities, and more and more paper began to flow. Whole forests were devoured in the process. Then central Government believed that, as in the rest of education, the quality of university education should be put under the spotlight—not only teaching but research. University lecturers such as myself had to sit for hours on end, filling in endless forms and attending endless meetings to try to prove that we were good lecturers. All of that loaded a huge bureaucratic burden on to university lecturers.

The maintenance of buildings ceased, except for emergencies. Under Conservative control, libraries stopped purchasing books and journals. Even loose copies of journals were never bound and as a result were lost on shelves all round the library. The information technology revolution hit the universities, but unfortunately there was no money to provide the IT. My colleagues had to buy their own computers out of their own pockets, because the money was not provided by the then Conservative Government. Tutorial groups and class sizes in general increased and rooms became overcrowded. It was almost like Paris in the 1960s—the Sorbonne riots were developing at that time. There was great anger among the student population. Today, face-to-face contact with a student is a rarity, whereas, a decade ago, I used to know every student by name. It goes without saying that the quality of university education has suffered in that process.

Laboratory equipment for training students to go into industry and research laboratories became obsolete. At one time, we were training students on expensive equipment that industry had not yet purchased. Our students took the ideas into industry, the equipment was purchased and industry advanced. Today—sad to say—it is the other way around. We are training students on obsolete scientific and engineering equipment—so obsolete in most universities that, when students get out into real industry, they have to be retrained on the new generation of instruments that most universities lack.

Mr. Don Foster: While I disagree with the hon. Gentleman about polytechnics and their move to university status, I accept the majority of his remarks about the demise of our universities because of the funding crisis that they face. Given that he has spoken so eloquently on those issues, does he agree that it is vital that any measures that we agree in the Bill must ensure that additional resources go to our universities? Therefore, does he agree with the premise that any additional money raised as a result of the Bill should go directly to the universities and be ring-fenced for the purpose? If not, presumably he would accept that the crisis that he has described will continue.

Dr. Iddon: If the hon. Gentleman listens to the rest of my speech, he will find that I answer his question.

To continue, science departments have closed and, sadly, continue to close throughout the university system as we speak. This is science engineering technology week—SET 98—and yet, in a country that believes in high technology, we are forcing vital science and engineering departments to close because of a lack of funding.

Of course, there is a shortage of students and, as hon. Members have said, it is important to put money into nursery, primary and secondary education because, if we do not build the base for students in the early years, we shall not encourage them to go to university later in life. I accuse the previous Conservative Government of expanding the higher education system far too quickly. They refused to provide adequate resources because of a lack of political will. They have left the university system, including the former polytechnics, in the mess with which the Bill is trying deal.

Our universities are so underfunded that any money raised through tuition fees—this is my answer to the hon. Member for Bath (Mr. Foster)—needs, at least in the short if not the long term, to go directly back into the university system. I have tried to point out why that is so necessary. If the money is directed at other parts of education, there will be great anger throughout the university system.

I understand the Secretary of State's problems, and I understand that he wants also to provide further education with adequate resources. A further education college in my town is crying out for resources. However, it would be fatal to redirect massive resources from the higher education sector to pull the further education sector into the new millennium.

I came from a small village where we were expected to work on the land. My father was a market gardener, and when my mother suggested that perhaps I should go

[Dr. Iddon]

to university, he was horrified. I was the eldest son and in such families it was the culture for us to follow our fathers. It is not merely poverty that controls whether people go to university, but culture. In some of the council estates that I represent and some of the poorer private-sector areas of my town, a similar culture exists. Somehow, Parliament and society at large must find a way to break through that culture. It is not merely a matter of improving the education system across the board, but of getting through to parents and, in particular, the children who live in such areas, that real benefits will result from proceeding through the education system and achieving degree-level status.

That is one of my worries about the Bill. I accept the Secretary of State's honesty and integrity in believing that we shall persuade more people from such cultural backgrounds to go into higher and further education. The Secretary of State is right, but I must express my concern.

Another concern relates to the situation of two young people from such a background leaving university to live together as partners, married or otherwise. They could run up a debt of around £12,000 each. Multiplied by two, that is a massive £24,000 debt for a young couple starting out in life. I accept all that the Secretary of State said about repayment and minimum and maximum trigger points, but I am concerned about such young people who are beginning to buy cars and look for houses to purchase and who have lots of other expensive things to buy. I have asked him about this before, and he has addressed it, but, for the record, I hope that he will do so again this evening. What will happen when such a couple with a potential debt of £24,000 ask a building society for a loan? He has told me before that he has had discussions with the building societies. I think that I know something about what he has discussed with them. I hope that he will set the record straight and tell us what position such people will be in.

Mr. Blunkett: Fortuitously, I can give my hon. Friend the assurance that he requires. The Council of Mortgage Lenders has told us that there is no difficulty in ensuring that the repayment system on the income-related basis that we have outlined will not affect the ability of young people to borrow.

Dr. Iddon: I am grateful to my right hon. Friend for that reply, and pleased to hear it. I congratulate him on it, because I know that he has put much hard work into the matter.

It has been said already, and I am sure that the Secretary of State will say it again, that applications—I underline that word—for the 1998-99 academic year are holding up. I am pleased about that, but I sincerely hope that they turn into real entries in the next academic year. I am sure that he will monitor that, not only next year but in future years. Concern has been expressed about mature students, whose applications are down by around 19 per cent. for next year. I implore him to continue to monitor the progress of mature students into higher education.

I have written to the Secretary of State about people aged 50 or over, who hitherto have not been able to take part in the student loans scheme. No one has made that point today, so I felt that I had to. If we mean what we say about lifelong learning, will he please allow the over-50s to take part in university education with the same loan requirements as apply to younger people?

Mr. Blunkett: Would my hon. Friend like me to help him on that as well, seeing that I am in a helpful mood, although I have not had any supper yet?

Mr. Don Foster: Neither have I.

Mr. Blunkett: The hon. Member for Bath (Mr. Foster) has not had anything to eat either, which will put in him in a bad mood. In the consultation paper, "The Learning Age", we say that we are minded to extend the facility in relation to the fee to people aged up to 55. There is an issue in relation to the available repayment system, given our desire to cut off repayments at the point of retirement, which is fair and reasonable to everyone, but there is a sensible case in respect of people aged over 50 who still have the chance of gaining from lifelong learning and contributing back into the community.

Dr. Iddon: I am now really grateful to my right hon. Friend. I may try a few more points on him as I seem to be on the winning side.

I come from a university with a proud tradition of running sandwich courses: four-year courses with a year out in industry. There are other four-year courses such as language courses where students spend a year in a foreign country. There is a greater thrust now to start four-year courses in universities. In chemistry, for example, we find students come with fewer qualifications to study such a hard subject. Many universities are beginning to run master of chemistry—MChem—courses to bring people up to the right standards for entry into the high-tech industries.

While my right hon. Friend the Secretary of State has said that the fees will be reduced by 50 per cent. for students on the fourth year of a sandwich course, the number of such students has been declining. I fear that it will continue to decline as a result of this measure. His civil servants kindly provided me some figures. I have learnt that 100,000 students were studying on sandwich courses in 1996-97. I hope that he will consider those important students before the Bill's passage is concluded.

Several hon. Members have mentioned the level of the tuition fee. In Australia, the fee was introduced at a certain level but proved to be the thin end of the wedge; the figure is now astronomical. I was pleased that my right hon. Friend the Secretary of State took that into consideration and, rather than leaving it to both Houses to make the final determination of the new fee, he will set up an alternative organisation.

At present, I see no other way of injecting the immediate resources that the higher education system so desperately needs. I shall support the Bill this evening, but with a heavy heart. I summed it up when I told the Secretary of State that my heart tells me to vote against the Bill for the reasons that I have outlined, but my head tells me that he has no alternative. Several hon. Members have suggested that, by raising taxes, or by some other way, we could pump massive resources into higher education. However, if extra resources became available to the Government, some Labour Members would seek to help the elderly, others the national health service. I am

afraid that higher education would not be the Government's top priority. It would be high on our agenda, but, sad to say, not the top priority. Therefore, with a heavy heart, I shall support the Bill, but I hope that Ministers will take on board some of my concerns.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. If hon. Members seeking to catch my eye keep their speeches nearer to 10 minutes than 20, it should be possible to satisfy everyone who wants to speak.

8.17 pm

Mr. Andrew Welsh (Angus): The last remarks of the hon. Member for Bolton, South–East (Dr. Iddon) were depressing. The Government's priority of education, education, education seems to have dissipated; it is no longer their priority. I understand his idea of culture and its impact on educational choice. In Scotland, there has always been much greater access to higher education. That should be built on, not destroyed through debt burden.

I note that, apart from a duty parliamentary private secretary, I am the only Member present who represents a Scottish constituency. I regret that because the Bill is important for the Scottish education system. Understandably, the debate has concentrated on the general teaching council and other proposals that affect England and Wales. That shows the difficulty of shoeing a Scottish measure into what is basically an English and Welsh one.

I also regret that many of the points raised by hon. Members, while accurate in themselves, have been irrelevant, inappropriate and, in some cases, downright misleading when applied in the Scottish context. I hope that hon. Members will understand that there is a distinct and different Scottish education system which should be dealt with in a distinct and different way. I shall concentrate on the key issues of tuition fees and student loans and their potentially serious and long-term effects on the provision of, and access to, education in Scotland.

On behalf of the Scottish National party, I place on record our strong opposition to the Government's proposals to abolish maintenance grants and to introduce tuition fees. The SNP has consistently stood against the gradual erosion of state-funded higher education by successive short-sighted Governments. We opposed the freezing of student grants and the abolition of students' right to claim housing benefit under the previous Government. We opposed the principle of student loans and the privatisation of those loans. The SNP believes in the principle that access to further and higher education should be equal for all, according to ability and regardless of any other background factors such as wealth.

Like many other hon. Members, I benefited from the previous system of grants and I am ashamed that the House is now on the brink of introducing a "pay as you learn" system which will force future generations of students into massive debt and act as a deterrent to higher study. The irony of those proposals is the Government's misuse of the Dearing report to justify their decision to impose tuition fees and abolish grants. Dearing suggested charging fees only because the national committee of inquiry into higher education was told to work

"within the constraints of the Government's other spending priorities and affordability."

In other words, Dearing was given the task of finding ways of increasing funding for higher education without spending any more Treasury money.

It is not surprising that Dearing was forced into recommending tuition fees. However, Dearing did not recommend abolishing grants at all—new Labour simply waited for Dearing to publish his report and then went ahead with their own ideas, regardless. Obviously, the Government are not serious about tackling the funding crisis within higher education, because they refuse to meet Dearing's recommendation of an extra £350 million this year and £565 million next year. The Government's extra funding for higher education will, in fact, be paid for by individual students and their families.

Quite apart from the Chancellor's election war chest, there is money available that could be spent on higher education if it really were the top priority—clearly it is not. The Scottish Labour party conference recently voted against Trident—yet again—yet every year Britain spends £1.5 billion on its nuclear capacity, money which the SNP believes would be far better spent on education. In the Republic of Ireland, tuition fees have now been abolished, but we are on the verge of moving in the opposite direction. If we believe that higher education is a priority, we can choose to fund it adequately. If we must make tough choices, at least let us make the right choices. When the Australian Government introduced tuition fees, students had to pay only 23 per cent. of the total fee, yet that figure has now risen to 45 per cent., in spite of political promises that that would not happen. If we allow tuition fees to be introduced now, it will be only the thin end of the wedge.

I never want to see in this country an education system where credit rating counts more than grade average, or where bank balances count more than qualifications. I stand by the traditional Scottish view of access to education available for all, irrespective of wealth, to allow each person to develop to the fullest of their abilities for the benefit of all in society. The Government promise us that fees and the abolition of grants, which will create a debt burden of more than £10,000 for the average student, will not act as a disincentive to students from lower income families. At present, a single unemployed person claiming jobseeker's allowance and housing benefit is £800 a year better off than a student with a full grant and a full loan. From next year, there will be no grants if the Bill is successful. The fact that tuition fees are to be means tested is not the real point: abolishing grants will hit the poorest hardest. The Government must stand condemned in their approach to the long-term future of access to higher education.

The Government are acting unfairly and unwisely in three other ways. The introduction of tuition fees will specifically discriminate against English, Welsh and Northern Irish students at Scottish universities. In an attempt to create a level playing field, the Scottish Office promised to pay fourth-year tuition fees for Scottish students, while European Union law means that EU students will be treated in the same way as Scottish students. So far, the Department for Education and

[Mr. Andrew Welsh]

Employment and the Northern Ireland Office have not matched that offer for their students studying for a four-year honours course at a Scottish university.

The result is that English, Welsh and Northern Irish applicants to Scottish universities will be expected to pay up to £1,000 more than Scottish or EU students for exactly the same course, even if they have exactly the same background circumstances. To put it simply, at Stirling university, a student from Sedgefield or Sheffield, Brightside will have to pay £1,000 more than a student from Scotland, Spain or Sweden. Apart from being unfair, that is having knock-on effects on all Scottish education institutions, yet the solution would cost the Government less than £2 million per year. That is a small amount in terms of overall departmental budgets, but it would have large effects on individual students and their families.

This year's UCAS figures show that, at Dundee university, there has been a 12 per cent. drop in applications from England and Wales and a massive 23 per cent. drop in applications from Northern Ireland. The only plausible explanation for that is that potential students are being put off applying to Scottish universities because of the extra cost of an additional year's tuition fees, on top of four years' maintenance debts. I shall therefore be supporting the amendment passed in another place, which will ensure that all UK students at Scottish universities are treated in the same way.

There should be fairness for all students who are undertaking longer degrees. The Department of Health has promised to pay fifth-year tuition fees for all medical and dental students; but students of veterinary medicine and architecture, whose courses also last at least five years, will receive no additional Government assistance and, if eligible, will be expected to pay tuition fees for each year of their course, on top of the cost of maintenance. The reason I have been given for that discrepancy is that medical and dental students go on to work in the public sector, while vets and architects do not. However, it is impossible to make such a distinction: many medics and dentists graduate and immediately go into the private sector and, as far as I know, the Government are not planning to ask for a refund from such students.

It seems more likely to me that the real reason behind the discrimination is that the Department of Health wants to appease the British Medical Association, while there is no equivalent Government Department to sponsor the interests of vets or architects. That is not an acceptable justification for a Government policy, and I shall be arguing in favour of common sense and equity for all students who choose to undertake longer courses.

With regard to mature students, this year's UCAS figures show an 18 per cent. drop in applications from those aged 25 and over. That is largely a result of the proposal to abolish grants, without which many older people cannot contemplate returning to education. Another factor is that students aged 50 and over will not be able to take out a student loan because the Government are unwilling to give out money that they say will probably not be repaid. That flies in the face of the principle of lifelong learning, which the Government claim to support. If the Government are serious about lifelong learning, they should be breaking down barriers to education, not creating new ones. I shall be interested to hear what the Minister means by being minded to eliminate that anomaly—I hope that he means to do it in reality.

There is still time for the Government to listen to the electorate and think again about the Bill. The message from universities and colleges, students and the parents of future students is clear: abolishing grants and imposing tuition fees is not the right way to go about widening access to education. In a recent survey conducted by Edinburgh university students association, 91 per cent. of Scottish head teachers said that they believe that abolishing grants and introducing fees is incompatible with the principle of equal access for all, regardless of personal or financial circumstances.

The current student population will not be the ones to suffer, and yet they have gone to considerable lengths to oppose these measures. Last week, 2 million students boycotted universities, and demonstrations took place in 14 cities throughout the United Kingdom. The House must seriously consider what is being said to it.

If we really value the importance of higher education, we must find other ways of funding it. A recent Harris poll tells us that 45 per cent. of Labour MPs are not happy about these proposals. Some of the speeches that we have heard tonight bear that out. My earnest hope is that Labour Members will think carefully about how they will vote on the Bill.

Higher education is a key to this country's future prosperity. We owe it to our children and to future generations to take seriously our responsibility to oppose the elements of the Bill that will be detrimental to the future of higher education in this country.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I wonder whether I may appeal once again—I understand that an appeal has already been made from the Chair—for shorter speeches, because some people will be disappointed otherwise.

8.30 pm

Mr. Vernon Coaker (Gedling): I have taken note of what you said, Mr. Deputy Speaker.

I start my brief remarks by saying that I believe that the Bill before us and the School Standards and Framework Bill will prove that this Government are one of the best-performing Governments on education we have seen. These two Bills, the extra resources that we have made available and the other measures that we are taking to improve educational standards throughout the system will prove that to be the case. I will deal with, among other aspects, the introduction of tuition fees and the abolition of grants, and explain what I believe to be a bigger barrier to people from lower-income families progressing into higher education.

I commend to the House and to my right hon. Friend the Secretary of State the establishment of the general teaching council. There can be a debate about the powers and remit of the council, but there is provision in the Bill to ensure that, as the general teaching council develops, the role envisaged for it can also develop.

However, the general teaching council is especially important at the moment because, as many of my hon. Friends and Conservative Members will know, for a long

time, morale in the teaching profession has been poor. It is incumbent on us all to recognise that good practice is being implemented and that much hard work is going on. Although the Bill contains proposals to deal with the very few teachers who are incompetent, we should recognise the general standards of professionalism that exist in our schools and the hard work that goes on in them.

If, by means of the general teaching council and other measures, we can restore pride and self-esteem to our teachers, we shall do much to aid recruitment, and to retain in the profession the experienced teachers whom we need to retain, at all levels of education.

Although I regard the establishment of the general teaching council as an especially important aspect of the Bill, I will briefly highlight two other measures. One is the provision of training for head teachers.

None of us can be ignorant of the fact that, at present, it is immensely difficult to recruit head teachers and deputy head teachers to schools in all parts of the country. The new qualification will help by preparing potential applicants for such posts, increasing their confidence and self-esteem and giving them the experience that they will need to make the best use of the post when they obtain it.

Let us make no mistake about it—the head teacher is fundamental to the success of every school. I say to my right hon. Friend the Secretary of State that we need to value head teachers and recognise the hard work that they do. We need to bestow qualifications, but we must also acknowledge that we need to make head teachers accountable for the achievements of their school. It is always difficult to achieve a balance between support and ensuring that people are accountable.

I praise clause 17, which makes provision for initial teacher training to be inspected by Her Majesty's chief inspector of schools in England. There is a debate to be had about the best use of teacher training time and the best types of training; a wider debate needs to take place. I believe that the hon. Member for Daventry (Mr. Boswell) discussed whether there was a need for a curriculum for teacher training. I believe that we should think about that.

We should seek to train our teachers using what are regarded as the best methods in the classroom, but above all—I say this as someone who taught for many years—we must give our teachers the skills to cope in the classroom, so that they can deal with the problems that they encounter. Without that classroom control—that ability to practise properly in the classroom—the teaching skills and efforts of the teacher go to waste.

After training has taken place—in college, university or wherever—the crucial induction year follows. That year should be clearly focused, with clear targets, and it should be based on practice in the classroom. As much support as possible should be given by practising professionals to ensure the necessary standard and quality of teaching. Class size is important—I would not argue against that—but the quality of teaching in school is the fundamental requirement for achievement.

I support the new student finance system. I do not believe that students from lower socio-economic groups—the groups on which the argument has centred this evening—will be deterred from entering higher education by tuition fees or the abolition of the grant. However, I do believe that what prevents pupils from lower socio-economic groups from going to university is the fact that many of them do not achieve at school. They do not achieve in nursery school, in junior school or in secondary school—and in my experience, even when they do achieve, one cannot persuade them to stay on after age 16 in further education, let alone persuade them to enter higher education.

Unless we tackle that fundamental discrepancy and problem in our system, we can debate tuition fees and the abolition of the grant as much as we like, but the people from the lower socio-economic groups whom we want to enter higher education will never do so. In that respect, the School Standards and Framework Bill—which, when it becomes law, will operate alongside this Bill—is fundamental. We must raise expectations and tackle numeracy and literacy problems in schools.

I am sure that hon. Members talk to their children, as I talk to mine, and that many of their children, whatever their age, already talk about A-levels and about going to university. It seems to be a natural part of their lives and their educational ambition. Unfortunately, that perception seems to be lacking elsewhere.

If we can generate the funds—which is what the Bill is about—from the fees, by raising the cap on the number of people able to enter higher education and tackling some of the problems of expectations in schools, we shall get more of our young people into higher education than at present.

On the abolition of the grant, I believe that we need to stop regarding loans as loans and start regarding them as an investment for the future. If we can start to regard them as an investment, rather than as a loan or a grant, we can start to change attitudes.

I remember the debate some months ago about the fees issue and the abolition of grants. The catastrophic scenarios and the predictions of plummeting applications have not materialised. In fact, the opposite has occurred. Some surprise was expressed as the number of school leavers' applications—I recognise that there is a problem in some other areas—thwarted the applications doomsday. However, I warn hon. Members that, if we continue to paint a picture of doom and gloom, we shall create fear among those who would aspire to higher education. We must set out the facts about raising quality in higher education.

Mr. Nick St. Aubyn (Guildford): Perhaps the hon. Gentleman would care to contemplate the fact that under the Government's proposals, over the next three years, £2.5 billion extra will be taken out of the pockets of students coming up this autumn and those who will follow them and, because of the need to lend money to them, barely £250 million will be available over that period. Students coming up this autumn must face the fact that they will have to bear all the burden of the Government's new proposals while reaping none of the benefits.

Mr. Coaker: They will receive the benefit of higher education and the benefit that comes from attending those institutions. We are starting to put additional resources—including £165 million next year—into our universities. It is worth making another point. If students contribute towards their university education, it empowers them and gives them more clout in demanding high-quality education from those institutions.

[Mr. Coaker]

Another important point about the Bill may be overlooked. I commend the fact that the Government have introduced an entitlement for some 100,000 16 and 17-year-olds to have a guaranteed return to education should they want it. This Bill and the School Standards and Framework Bill, which we have debated and will consider again, combine to form a radical package of measures which will increase opportunities not just for the middle and working classes, but for all young people so that they may achieve the very best.

8.41 pm

Mr. Andrew Lansley (South Cambridgeshire): I shall be briefer than I had intended. The Bill is divided into three parts—as Caesar said of Gaul—but I shall speak to only two. I shall refer to part I and the general teaching council at greater length, as many hon. Members have dwelt upon higher education funding in greater detail.

The Government's proposals for the general teaching council are not necessarily those that appear in the Bill. The provisions in the Bill are better than those originally proposed by the Government. They treat teaching as a profession of the highest standing, as the hon. Member for Gedling (Mr. Coaker) emphasised a moment ago. In response to amendments made in another place, the Government should now follow through the reasoning behind the general teaching council. That reasoning is, essentially, that teaching is a profession, and that teachers are capable of substantial self-regulation and of promoting higher standards and an enhanced status for teaching. That recognition of teachers' status should be carried forward to an acceptance that the proposed general teaching council should not simply be charged with administration and the rendering of advice to the Secretary of State, but be given responsibility and powers.

I am a vice-president of the Local Government Association—obviously in an honorary capacity—and I endorse its view that the general teaching council should be responsible for the register, for determining standards of professional conduct and medical fitness to teach, and for advising on the professional framework for teaching, recruitment and so on. Those issues were the subject of amendments to the Bill in another place, which I urge the Government to accept. If they do not do so, the maturity and status of the teaching profession will, by implication, be diminished by comparison with the medical profession and the General Medical Council, which I know well.

Ministers must be assured that the powers of the GTC will not interfere with their responsibilities in relation to what is known as "list 99" or in respect of their proposed powers to dismiss incompetent teachers. Governing bodies and local education authorities must retain the responsibility to ensure the effective provision of education in schools, especially in the case of failing schools or incompetent teachers. Subject to those reservations, I urge the substantial conferment of responsibility upon the GTC. It should not have a simple advisory role.

Ministers may say that the GTC must prove itself before it can assume those powers. That is an interesting but rare caution on the part of Ministers which is not manifested in their attitude towards innovation or constitutional proposals in other legislation. It would also not be well understood by teachers. The experience of other professional regulatory bodies is well established both within and outside education. That experience suggests that the powers and responsibilities that the Bill, as it currently stands, foresees for the GTC are neither excessive nor particularly hazardous.

The issue of composition lies alongside the question of powers. I believe that the Government have agreed that teachers will constitute the majority of members of the GTC, and that is welcome. The GTC's independence, in reality and in perception, will also be very important. In that respect, I ask Ministers to go further and agree that the chairman of the GTC will be independent and that the majority of teacher members will be elected. The Secretary of State should use his powers of appointment only to ensure the representation of legitimate interests that are independent of Government, have a role in education provision and will benefit from the achievement of higher standards in schools. Parents, employers and employers' representative bodies are particularly significant in that respect.

Before leaving part I, I commend to the House and to Ministers the initiative, which will run in parallel with the creation of the GTC, for a college of teaching to promote higher standards. It is important to recognise that a regulatory body is not always best placed to harness the voluntary efforts of organisations involved in innovative and ground-breaking initiatives.

I turn to part II of the Bill. During the election campaign, my Labour opponent took pains to tell students at the Long Road sixth-form college in my constituency that it was not Labour policy to impose tuition fees on students. Interestingly, today I received a petition signed by 400 students from that college demonstrating their opposition to the imposition of tuition fees in higher education. At that meeting just under a year ago, I recalled that, as president of a student union in the 1970s, I demonstrated against education cuts imposed by a Labour Government. I said that I did not think it would be long before the students at Long Road college would be demonstrating against a Labour Government if one were elected. I did not think that my prophecy would be fulfilled quite so quickly, but it has been—and I hope that students at that college and elsewhere will reflect on that point.

It is interesting that the Government justify their proposals by claiming that only this system will deliver additional resources for higher education. We shall see. We have yet to see whether those resources will be wholly additional. I shall be interested to see to what extent Ministers who respond to the debate will be able to anticipate the outcome of the comprehensive spending review. If they cannot, and if we find in due course that the outcome of the spending review is that, as a result of tuition fees, higher education spending is reduced compared with previous allocations or compared with education resources generally, we shall draw the conclusion that the system did not produce the extra resources intended. Hypothecation of a modest amount of resources provided by tuition fees will not necessarily mean that other public expenditure will not be discounted or adjusted to reflect the resources retained within higher education as a consequence of tuition fees.

It is interesting that part of the rationale for the extra resources is to support additional student numbers. That is a debatable hypothesis, because the changes proposed

by the Government in tuition fees and the maintenance grant may well frustrate the growth in higher education demand and numbers that the change in funding is intended to support.

I shall draw attention to one further issue and one unhappy consequence of the Government's policies. The issue on which I hope that Ministers will be able to give us further assurance was raised by my constituent, the Baroness Perry of Southwark, who has a distinguished record in higher education. Is it the Government's intention to table amendments clarifying the position of colleges in Oxford and Cambridge? The universities are not necessarily able to make commitments about the tuition fees position of colleges at Cambridge and Oxford. The Government should make it clear that where funding council grants for students are not being claimed, it would not be the intention to constrain the fees charged by colleges.

My final point relates to medical students, whom the hon. Member for Angus (Mr. Welsh) mentioned. Surveys indicate that students are leaving university with £4,000 of debt. Medical students leave university with twice that level of debt. Medical studies, which my wife undertook, are a five or six-year course. Many students attend medical school and take medical degrees, as my wife did, after a first degree in another scientific subject. From year three, the academic year is 50 weeks, not the standard 30 weeks. In view of all that, it would be highly inequitable if the Government did not do all that they could not only to remit fees after year five, but to ensure that, during their medical degree courses, medical students do not incur more tuition fees and hence more debt than would students undertaking shorter and less financially onerous courses.

I see serious flaws in the Government's proposals and much merit in the reasoned amendment tabled by my right hon. and hon. Friends, which I shall gladly support.

8.52 pm

Mr. David Chaytor (Bury, North): I endorse whole-heartedly the comments of my hon. Friend the Member for Bolton, South–East (Dr. Iddon) in his graphic description of the impact of the previous Government's policies on universities. By coincidence, he and I worked in adjacent institutions for several years without realising it. My responsibilities involved me in visiting universities throughout the north-west. I can say that my hon. Friend's description of his experiences applies not only to every university in the north-west, but to every university in the United Kingdom throughout the Tory years.

The Tory party's attempts to reinvent itself as the friend of the universities and of students, and as the champion of the dispossessed generally, will be treated with a combination of contempt and ridicule throughout the education service.

It is interesting that the bulk of the debate not only tonight but in another place and in the country at large has focused entirely on fees and the abolition of the grant. That is understandable, because the topic is controversial, but unfortunately it has meant that there has not been enough debate on the other aspects of the Bill.

That has a symbolic significance, because the other aspects of the Bill deal with the education of the vast majority of the children and young people in this country. It is a measure of the way in which debate on education in Britain has been dominated by the graduate elite that the concerns of the non-graduate majority are nearly always neglected.

I endorse the comments of others about the importance of the proposals in part I concerning the general teaching council, head teachers' qualifications and the introduction of the induction year. Those measures will have a major impact on the quality of education in our schools and will contribute significantly to driving up standards.

I shall not go over comments that other hon. Members have made, but, in his reply, perhaps my hon. Friend the Minister can deal with a point that has not been mentioned in the debate. The GTC applies only to maintained schools. What is the relationship with teaching staff in sixth-form colleges and further education colleges? There is some movement of staff between sixth-form colleges and schools, and increasingly between further education colleges and schools. It is anomalous that staff teaching in similar institutions with similar students and similar courses will be bound by different rules and regulations.

On the time off for 16 and 17-year-olds, I wish that, over the years, successive Governments had given the same attention to the needs of unskilled 16 and 17-year-olds in low-grade, dead-end jobs as they gave to the needs of the elite in our universities. Had we done that, our general level of achievement and our general ability to compete in the world would have been far greater than it is now.

I welcome the proposals in the Bill, but I have two comments. First, it is unfortunate that we have not managed to specify exactly what the entitlement will be. The Bill makes it clear that if a young person feels aggrieved that his employer is not giving him the time off to which he thinks he is entitled, he can take the matter to a tribunal. My worry is that that might generate a large number of appeals to industrial tribunals, which could have been avoided if the Bill had specified the entitlement more tightly.

Secondly, I urge the Government to consider whether the cap of NVQ 2 might be lifted. Again, it would be anomalous if some young people whose qualifications entitled them to time off were working in the same firm with a slightly better skilled colleague whose qualifications prevented him from getting time off. That could cause friction, and it does not make sense in the context of a staff development policy for the company concerned.

I hope that, over time, the entitlement to time off and perhaps even to a fixed number of hours in the course of the working year could be extended beyond 16 and 17-year-olds to the adult working population. Other countries did that many years ago, and the United Kingdom should follow that lead.

On tuition fees and maintenance grants, there is no point in disguising the fact that many students and a considerable number of parents are uneasy about the proposed changes. It would be dishonest to pretend that that is not the case. We must remember, however, that whenever change is proposed, people are uneasy. We tend to be a deeply conservative nation and cautious about any change, whatever its merits.

From all the discussions that I have had with parents and students in my constituency and outside it in the past few months, it is clear that once one explains to students and parents the details of the Government's proposals and

[Mr. David Chaytor]

the rationale for them, their opposition starts to melt away. The provision of detailed information is vital to the process of explaining to students and parents what will come into operation next September.

Some aspects require further consideration in Committee. The position of mature students has been mentioned. The figures show an 18 per cent. drop in mature students' applications, which is not completely accounted for by the arbitrary nature of the Universities and Colleges Admissions Service deadline in September. Although mature students tend to apply a little later, 18 per cent. of them do not apply later. We must take note of the fact that people in their 30s and 40s are worried about whether, on top of their existing mortgage payments and other loans that they may have, they will be landed with a debt that they will find unsustainable. We must take that on board.

We must also take account of the needs of part-time students. I am sure that every Member present in the Chamber appreciates that if the Government's target of 500,000 new places is to be achieved, that will be met through part-time students in universities. We must provide support for those students.

In advancing the argument for the changes proposed in the Bill, we must challenge head on two issues. The first is free education. It has been said several times this evening—it needs, however, to be said time and again—that, in post-18 education, we have never had free education other than for full-time undergraduates. Part-time undergraduates have been eligible for fees, as have full-time and part-time postgraduates, along with everyone in further education. Almost 4 million students currently are eligible for fees. We must nail the myth that the Bill is somehow betraying the cause of free education.

Secondly, there is the relationship between levels of participation and the availability of free education for full-time undergraduates. I could be convinced that the Bill would be problematic if there had been a relationship between extending participation and the availability of free tuition and grants from 1962 to the early 1980s. It is obvious, however, that there was not that relationship. During the period to which I referred, there were grants that, if not generous, could be managed on, free tuition and a marginal increase in access to university education. I conclude from that that there is little relationship between the cost of going to university and the widening of the student base.

It is interesting that in the early 1980s, when the numbers of students in universities tended to expand, there was an expansion into other areas of the middle classes that had not previously benefited from university education. As we moved into the 1990s, when at last some inroads were made into students from working-class backgrounds, that was in spite of the difficult financial situation brought about by the 50:50 system of loans and grants introduced by the previous Government.

I conclude from that, as I am sure do many other hon. Members, that the real issue in the relationship between participation and access to university is not the question of cost but whether there are sufficient numbers of young people who are qualified to apply in the first place. The issue is whether the culture in which they operate encourages them to apply and whether the Government encourage a culture of high achievement and high aspiration. That approach has been sadly lacking in our education for decades. I know that that will change with the policies of the new Labour Government.

We must appreciate that the availability of free university education for full-time undergraduates has been one of the pillars of the post-war middle-class welfare state, which the hon. Member for Wantage (Mr. Jackson) so articulately described earlier, along with the subsidies to company car owners, mortgage interest tax relief and the panoply of tax avoidance and general tax relief. Those have been the pillars of the middle-class welfare state. It is to the credit of my right hon. Friend the Chancellor of the Exchequer and previous Chancellors that they have gradually realised that and gradually started to dismantle the middle-class welfare state.

Those of us who want desperately to see the development of mass high education—I imagine that that includes most hon. Members in the Chamber—and the development of the potential of all our young people, with an increase in opportunities for all the adult population, must accept that we have to invest in the majority, rather than skewing public finances so as continually to invest in an elite.

Those are simple arguments. I know that when potential students and their parents are confronted with them, they quickly start to understand them. I hope that those arguments will be pressed throughout consideration of the Bill in Committee and during its other stages. I know that they will gradually win over the majority in this place and those involved in the changes as the months go by.

I am not saying that we are discussing changes that will easily be brought about. No one can say that, because we are aware of the difficulties. However, we know that the difficulties are largely of perception rather than of reality. We know also that underlying the Bill is an important drive to extend educational opportunity.

What will be the future of the income that will derive from the introduction of tuition fees and the change from grants to loans? There is an important debate between those who wish to see all the new revenue going back into the universities and those who wish to see it spread more widely. If all the revenue goes back into the universities, we shall be using public finance to reproduce the advantages of the elite.

I want to see high-quality university education. I benefited from that education, and I want my children and my constituents also to benefit from it. We must understand, however, that we shall not develop such a system unless we improve standards and levels of achievement in primary schools, secondary schools and colleges. The key feature is to secure more investment in other parts of the education system as well as in the universities. The key to that is changing the current crazy method of accounting, so that loans do not count against the public sector borrowing requirement.

9.5 pm

Mr. Don Foster (Bath): I entirely agree with the final remark of the hon. Member for Bury, North (Mr. Chaytor). It is vital that the accounting procedures are changed. At the same time, my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) has already explained that we shall be opposing the Bill on Second Reading because there are many parts of it

with which we fundamentally disagree, not least the Government's proposal to introduce means-tested tuition fees for full-time students.

The hon. Member for Bolton, South-East (Dr. Iddon) graphically described the funding crisis in our universities, and it is clear that there is a need to get more money into the universities, to re-establish the quality of higher education provision. Of equal importance is expansion of access.

My colleagues and I believe that there are three beneficiaries of high-quality mass higher education. The beneficiaries include, first, the nation as a whole. Our nation benefits from having a highly skilled, qualified and educated population. Therefore, we believe that the state should increase its contribution, paid for if necessary by increased taxation.

Secondly, employers benefit from a highly skilled, trained and educated work force. We believe that they, too, should be making an increased contribution to our universities, perhaps through an education and training levy.

Thirdly, we accept that students benefit from higher education, and if more money is needed for it, they, too, should make an increased contribution. We therefore accept the Government's proposal to replace maintenance grants with loans. We welcome the Government's proposal to introduce a much fairer repayment scheme for those loans.

That having been said, we believe that the means-tested student fee is a step too far, for several reasons. First, it is wrong in principle. It is a further tax on learning and it will, as many hon. Members have already said, deter some potential students. The Secretary of State rightly says that if students go straight to university from school, there will not be a significant reduction in the number of applicants for the following year. As for the older age ranges, however, we see a significant reduction when comparison is made with the current year. We must always remember that the older age range—mature students—now forms more than half the university population.

Secondly, the proposal is wrong in practice. We have already seen the fiasco over gap year students and the farce regarding Scottish university arrangements. A student from my constituency who wants to go to a Scottish university will have to pay £4,000, whereas a student from Brussels will have to pay only £3,000.

Means testing will create huge anomalies: the child of a wealthy banker who goes to university but then goes on to a low-paid but nevertheless valuable job as a social worker will have to pay fees, whereas the child of a poor delivery driver, perhaps, who goes to university but ends up being a wealthy business person will have nothing to repay because the fees have been remitted.

We believe that every student over 18 should be treated as an independent adult. We should not base what they pay for their education on their parents' income. I thought that the Secretary of State believed in that, because, in an article that he wrote last July in *The Times*, he said:

"Our solution reflects the graduate's earnings of the future, not the circumstances of today's students."

With his and the Government's proposals for means-tested tuition fees, that is simply not the case.

As has been rightly pointed out, the proposals would bring a range of other problems and anomalies. People who are training to be teachers, who do a three-year degree and then go on to do a PGCE, will get their fourth year free, whereas the student in the fourth year of a BEd will have to pay the fee. There will be huge problems with the cost of collection, and enormous problems with means-testing parents in other European countries.

Thirdly, we believe—I am delighted that we have the support of the hon. Member for Bolton, South-East (Dr. Iddon)—that the whole approach is wrong, because the Government are not prepared to ring-fence the money that will be gathered from students in higher education. The Government's proposal will not solve the problems that the Dearing committee set out to solve.

We are fundamentally opposed to the proposal to introduce means-tested tuition fees for students, but acknowledge that the Bill contains a number of positive proposals. We welcome the Government's proposal to establish a general teaching council, although we are concerned about certain matters. We have long argued for a professional body for teachers, and a GTC would give the teaching profession the status that it deserves.

We were delighted to hear the complete U-turn tonight by hon. Members on the Tory Benches, who only 12 months ago opposed any attempt to introduce a GTC. Indeed, the U-turn is so marked that it is they who stressed the vital importance of the GTC being a powerful body. We agree. We argued that the Government's original proposals were somewhat limp and that they fell far short of what teachers want and deserve.

We very much hope that the Government will not attempt to water down the concessions gained in the other place on the arrangements for the GTC. Indeed, when the Bill goes into Committee, we shall seek a further strengthening of the GTC's powers, and other improvements. We want, for example, to ensure that its composition includes representatives of the Churches. That is particularly important, as one third of all schools in England are Church foundations, and a quarter of all pupils are educated in Church schools.

We shall table amendments to give the GTC consultative functions with regard to teacher training, recruitment, retention, service development and the curriculum.

We also welcome the Government's proposals for a professional qualification for head teachers. A number of right hon. and hon. Members referred to the vital role of the head teacher. It is vital that head teachers are given the opportunity to acquire professional qualifications. Indeed, we should go further and insist not only that new head teachers be required to have such qualifications, but that, within a reasonable time, all existing head teachers should have such qualifications.

We do, of course, accept the Government's proposals for the return of a probationary year. We argued strongly against its abolition when the previous Administration proposed it and eventually made it happen, so we are delighted that, at long last, the much-needed probationary year—for a period of not less than one school year—will be put back on the statute book. It is important that we ensure high-quality provision in the support offered to newly qualified teachers, and that it is consistent across the country.

The Minister of State in the other place said:

"The standards which new teachers will have to meet in the induction year will eventually be laid down by the Secretary of State."—[*Official Report, House of Lords*, 10 March 1998; Vol. 587, c. 113.]

[Mr. Don Foster]

I hope that the Minister will assure us that we shall see the draft proposals in Committee.

I am delighted that in the other place we were given an assurance that the inspection of initial teacher training will cover only the vocational element of university courses. I am also delighted with the assurance that those institutions will be given warning of any inspection. Why have those assurances been given for England but not for Scotland?

I hope that the Minister will deal with the concerns about the current inspection of initial teacher training. We need to sort out the cycle of inspections. Ofsted has inspected the primary provision in a number of ITT institutions, and has then carried out a second round of inspections of the same institutions without their having had the opportunity to see the published reports of the initial inspections. There is concern about the quality of the qualifications of inspectors, many of whom have considerably less experience and fewer qualifications than those whom they are inspecting.

The Liberal Democrats welcome some parts of the Bill, but we are implacably opposed to the introduction of means-testing for tuition fees, so we shall vote against it.

9.16 pm

Ms Diane Abbott (Hackney, North and Stoke Newington): In May last year, my party won an historic victory. The core Labour vote of 8 million or 9 million people who voted for us throughout the 1980s came out and voted for us once more. Historic numbers of Tories abstained because they were disgusted by the performance of their party in government. It was new Labour's unique achievement that an unprecedented number of Tories—1.5 million to 2 million—switched to Labour. We also won an unprecedented proportion of the votes of first-time voters, without which we could not have achieved such an overwhelming victory. I make my remarks with those young voters in mind. They managed to shake off the cynicism bred by the media in the 1980s and 1990s, but I do not believe that when they voted Labour in May, they were voting for the combination of the elimination of grants and the imposition of tuition fees.

My hon. Friends have been dismissive and have said that there is no such thing as free higher education. I beg to differ: I had free higher education. They said that only middle-class children benefited from the existing system. I beg to differ: my family emigrated to this country in 1951, and I was able to go into higher education. The number of children from ethnic minorities and from working-class families that went on to higher education was far too low, but the fact that the present system is poor is no reason for making it worse.

I shall deal briefly with the issue of further education. My hon. Friends on the Treasury Bench have tried throughout the debate to play the game of divide and rule. Resources for universities can be obtained only at the expense of further education. I feel strongly about further education, because most of my constituents go not to university but to further education colleges, notably Hackney community college. *[Interruption.]* Representatives from Hackney community college came to see me last week to express their concern about the Government's failure to understand the specific needs of inner-city community colleges. Nothing will be gained by trying to play divide and rule in education—*[Interruption.]*

Mr. Deputy Speaker: Order. Those on the Treasury Bench should be quiet while the hon. Lady is speaking.

Ms Abbott: I am grateful, Mr. Deputy Speaker. I think that my constituents would be surprised to see Labour Ministers heckling someone who is trying to make a case on behalf of her constituents.

My constituents who come to my surgery talking about problems in further education are asking not for a diminution in resources to universities or for a levelling down of universities' resources but for a levelling up of the resources that they receive. I tell Ministers that the divide-and-rule argument will not take them very far.

I have never met Sir Ron Dearing, but I feel as if I know him. For several years now, he has played a role in education politics as a type of superman figure: "You've got a problem? Call for Ron Dearing." Previously, both the then Government and the then Opposition were only too happy to kick the higher education funding issue into touch by talking about the Dearing report. We heard about Dearing as if he was some sort of educational Pope. We were told, "It's all down to Sir Ron Dearing. We're so happy that it has gone over to Sir Ron Dearing."

So what happened? Ron Dearing examined the matter, and he considered it carefully. I have just—again—quickly reread the Dearing report, because, listening to Ministers, I wondered whether we had read the same report. Dearing quite clearly says:

"loans . . . have a disincentive effect on the willingness of individuals from socio-economic groups IV and V to participate in higher education".

Dearing also says:

"Simply replacing grants with loans costs more money in the short term, does not save much in the longer term, largely because loans are treated as public expenditure, and, worse still, much of this spending goes to families of students from higher income backgrounds."

Dearing also said—it goes to the heart of my opposition to the proposals—that

"this option also imposes a heavy debt burden on graduates and impedes access from lower-income backgrounds."

I have sat through this entire debate and listened to the speeches of hon. Members, not one of whom has persuaded me that one common sense perception is not right: that the debt level that will be caused by the Government's proposals will act as a disincentive to entering higher education for young people from—as hon. Members have mentioned—a culture or a family that has never participated in higher education, but who see their peers going out, earning good money and, for example, taking a girlfriend to clubs.

Common sense suggests that it must be a disincentive if one will be faced with problems not only of culture and of meeting standards but of debt of £10,000 or more. That was the finding of the Dearing commission, and that is what I believe is true. Of course, there are other factors in working-class children being denied access to higher education, such as their achievement level at school and cultural factors. However, for adherents of new Labour—which has embraced the market with such enthusiasm—to say that the key principle of market cost

is not an issue in education defies understanding. A good's cost must affect people's willingness to acquire that good. That is as true in higher education as in any other part of the market.

The problem with the Government's proposals—Ministers wring their hands and say that they have to make the proposals—is that they will prove to be a disincentive to students from lower-income backgrounds and from ethnic minorities, and they will not generate the funds required to make good the damage—which Labour Members have mentioned in this debate—that the Tories wrought in higher education in the 1980s and 1990s, particularly because the fees will not be completely ring fenced.

Why are we in a situation in which intelligent men and women are trying to pretend that black is white—that somehow loading working-class students with debt will provide them with an incentive to enter higher education? We are in this situation because we talked to the British electorate last year, and we offered them a snare and a delusion—the delusion that one can have real stepped change in social provision without raising taxation.

Ministers seem convinced of the moral rightness of their position, but, as the months become years and the effect of the changes become apparent, not only will there not be an increase in working-class access to higher education, but there will be a bigger drop-out rate. People will try, but they will not manage.

I have listened to the entire debate today and I followed the debate in another place, but I am not persuaded that the proposals will not be a disincentive to ethnic minority and working-class students.

I remember being 16 and trying to think through the options available to me. I am quite clear that, without access to a grant and free tuition, a working-class, black 16-year-old could never have gone to Cambridge. The fact that I was able to do so was a credit to the education system. I am not prepared to put at a disadvantage young women who are in the same position as I was 20-odd years ago. I have benefited from the education system, despite all the problems and the limited access available to working-class children, and I am not prepared to pull the ladder up beneath my progress for the next generation of young people.

The Bill will not do what it says—it will not solve the funding problems in higher education. My mother left school at 14, but she had a saying that pride comes before a fall. Ministers are very proud of their arguments and their skill in taking the legislation so far, but when the public understand the consequences of the package of measures before us, the Government will not feel so proud.

9.25 pm

Mr. Oliver Letwin (West Dorset): I shall be brief and I certainly cannot match the passionate eloquence of the hon. Member for Hackney, North and Stoke Newington (Ms Abbott).

Some hours ago, my hon. Friend the Member for Wantage (Mr. Jackson) said that he discerned a degree of progress. I discern even more. In the early 1980s, I was in the official Box when Sir Keith Joseph, the then Secretary of State for Education, tried to introduce a modest loans scheme. Labour Members, some of whom are present today, bayed for his blood and righteously trampled the grapes of wrath. There was some dissension among the Government ranks then as now. At the time, Conservative Members had their doubts about a loan scheme. So there has been progress, and now almost everyone in the Chamber favours the idea of a loans scheme.

The Secretary of State said that he was not aiming at penalising students at the point of entry, but at asking for a contribution at the point of reward. That seems to be the essence of a loans scheme.

For those of us who have been ardent advocates of loans for the past 20 years or so, it always seems a signal point that a loan should be repayable only at the point of genuine reward. If the previous Conservative Administration made a mistake, it was to set the threshold too low at 85 per cent. of average earnings.

The Secretary of State has prided himself—and no doubt the Minister will do so, too—on having ameliorated the repayment schedules. However, he has done that at great cost—a point which has not been made so far. He has extended downwards markedly the level at which people begin to repay to £11,000. In doing so, he has made two terrible dents in the principle that underlies the acceptance of loans by all hon. Members who accept that principle.

First, people do not have to have a reward above the average—or even near the average—to be eligible to repay the loan. That is incoherent with the idea that the basis for the loan is the economic benefit that students derive from going to university. It is not coherent to assert that as the basis for the loan and then to argue that those on well-below average earnings should nevertheless have to repay it.

Secondly—and more important in many ways, because the repayments for those at the bottom of the scale are admittedly low—we all know that Chancellors of either party are not knights in shining armour. From time to time, they have fiscal exigencies. In such circumstances, it is all too likely that they will slowly uprate the amount of loan to be repaid and extend yet further down the scale the threshold at which they start to be repaid.

If that happens, the fears of the hon. Member for Hackney, North and Stoke Newington may be realised. If people from poor backgrounds feel that they will have to make repayments even if they opt for low-paid employment or fail to move into employment, they will have a rational basis for not attending higher education and the reasons for believing in loans—many of us believe in them—will be destroyed. On those grounds alone, we must oppose the Bill.

9.30 pm

Mr. David Willetts (Havant): The Bill is now much better than the one that the Government originally drafted. I congratulate those in another place on their hard work in improving a Bill that came before them in such an inadequate form. I also congratulate my hon. Friends the Members for Wantage (Mr. Jackson), for Daventry (Mr. Boswell) and for West Dorset (Mr. Letwin) on their thoughtful contributions. We also heard some pertinent political points from my hon. Friend the Member for Uxbridge (Mr. Randall) about whether the money would benefit higher education. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) spoke for many

[Mr. David Willetts]

people who heard Labour candidates at the election giving assurances that a Labour Government would never impose tuition fees. The now Foreign Secretary was caught out saying that on air, but we know that many of them said it off air throughout the campaign.

I should like to comment briefly on the proposals for the general teaching council. The Liberal Democrats have asked about Conservative policy. It is simple. We do not see any point in having a toothless advisory body. If we are to have a general teaching council, it should live up to its name by working hard to enforce professional standards, as the General Medical Council and the Law Society do. There is no point in setting up a body with a purely advisory role and financing it from a compulsory levy. New Labour likes compulsion. The only thing that it likes more than compulsion is banning things. Perhaps the Government would like a world in which everything that was not compulsory was banned.

The Government's vision for the general teaching council is the apotheosis of compulsion—a compulsory levy with the main purpose of raising money to finance the register listing the names of those paying the compulsory levy. That is hardly a significant contribution to raising educational standards. That is why we welcome the amendments tabled in the other place to give the general teaching council real powers. We hope that the Minister will assure us that the Government are serious about giving the general teaching council a real job and will not spout waffle about there being scope for it to increase its role gradually over time. If the powers are not provided in the Bill, there is no scope for the general teaching council to discharge them.

What about higher education and the Dearing report? Our policy is simple. We helped to set up the Dearing inquiry, in consultation with the then Opposition. Lord Dearing, as he now is, learnt and changed his mind during the inquiry. He clearly began the inquiry expecting to conclude that maintenance grants should be abolished. However, he concluded that there was a powerful case for keeping them. If Lord Dearing could learn while preparing his report, we can all learn from his conclusions.

The Secretary of State will regret tearing up the Dearing report the day that it was published. Indeed, he spent several days before the publication briefing against it, saying what a dreadful piece of work it was. He will regret that hasty decision almost as much as he will regret the frivolous way in which he barracked the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), who was making some serious comments which he did not choose to take in the spirit in which they were meant.

The figures are perfectly clear. The arguments, after all the hours of debate, are very simple. Under the Government's proposals, if one comes from an affluent background, one will have a debt after a university education of £8,055—£3,000 higher than in the current system. If one comes from a low-income background, one will have a debt of £10,320—£5,265 higher than in the current system. Those are the facts. No amount of attacks on our record or on whether we should have expanded education more or put ever more money into it will get round those simple facts about the burden of debt which people from low-income families will face as a result of the Government's proposals.

Sir Ron Dearing, as he then was, was very clear on the point in his report. He said:

"We would be particularly reluctant to see any reduction in public subsidies being concentrated on students from the poorest families".

Yet, that is what the Government are doing.

Even *The Guardian*—if I may quote it—put the point rather delicately. *[Interruption.]* I thought that that would wind up Labour Members; they do not like it coming from *The Guardian*. The comment was put very cautiously. *The Guardian* said of the proposal:

"It does not fit snugly with the Government's aim of increasing access".

I think that that is put rather well.

I must confess a certain glimmer of sympathy for the Liberal Democrats. We are all used to them as the tax-and-spend party. We heard them again in this debate parading their belief in higher expenditure on further and higher education. We have heard much about the penny on income tax—and we all know that they have spent it many times over—but at least they accept that they would have to raise taxes to finance the higher expenditure.

That is more honest than the Government's policy. The Government are still talking about 500,000 extra places in higher education. The Under-Secretary of State for Education and Employment, the hon. Member for Pontypridd (Dr. Howells) stated during the most recent Education and Employment Question Time—he might have regretted it—that the Government would reverse the fall in unit funding for higher education. Yet, the measures that they have brought forward, which are supposed to deliver such ambitious promises, are what: the provision of £165 million this year, which is entirely financed by smoke and mirrors. It is a shameless piece of accountancy manipulation.

I do not know how many hon. Members have followed this ingenious manoeuvre—*[Interruption.]* Is the Secretary of State muttering under his breath, "Brilliant"? It was brilliance of a sort; the brilliance of a magician. He took the annual payment for universities and said that he would pay it in three instalments. He then promptly announced that he would put the money that he saved in the first year—£165 million—back into higher education. I do not regard that as a serious measure to address the problem that the Secretary of State claims exists in higher education.

The Parliamentary Under-Secretary of State for Education and Employment (Dr. Kim Howells): What would you do?

Mr. Willetts: We have not made pledges on 500,000 extra places and on reversing the fall in unit funding. The Labour Government have made pledges. We have a shameless piece of manipulation of the accounts followed by all the pain of the measures, which will raise even less money than that raised by the measure on single parent benefit. The measures will raise £100 million in 1999-2000 and £150 million in 2000-2001. That is why the Government are destroying the last elements of maintenance grants. That is why they are putting all the extra debt on students from low-income families—for £100 million. It is simply not worth it.

I hope that the Minister, who is well known for being close to the Prime Minister, will explain a puzzle that many of us have encountered as we have followed the

arguments over the past few months. What does the Prime Minister think that he is doing? During Prime Minister's Question Time, he said:

"I made it clear throughout"—

he is referring to the general election campaign—

"that we should abide by the recommendations of the Dearing committee".—[*Official Report*, 29 October 1997; Vol. 299, c. 892.]

He repeated that only last month, when he said:

"we said specifically, as, indeed, did the Conservatives, that we would abide by the outcome of the Dearing committee report".—[*Official Report*, 25 February 1998; Vol. 306, c. 364.]

That is extraordinary: the Prime Minister claims to have made a promise during the election campaign that he did not make, only to break it now—the one thing that the Government are not doing is implementing the Dearing report.

There have not been many Government meetings since 1 May that I should have liked to attend, but I should have liked to be present when it was explained to the Prime Minister what the House of Lords had done to his Bill. Someone must have taken him through what had happened, explaining that the House of Lords vote would implement measures that he had twice said—at Prime Minister's Question Time and during the election campaign—that he was committed to, even though he was not, and why the party must be whipped through the Lobby to defeat them.

Perhaps the pre-Budget briefing that we have enjoyed today from Mr. Whelan explains what is going on. The following comment appears on page 2 of today's edition of *The Daily Telegraph*:

"Whitehall officials"—

I hope that this does not refer to the gentlemen in the Box—

"fear that Mr. Blair is spending a disproportionate amount of time on party matters at the expense of Government business."

The same briefing was given to *The Times*, which reports:

"Mr. Blair's closest and most senior allies are also seriously worried that he does not know what is going on in individual Whitehall departments."

They should be worried—the Prime Minister thinks that he is implementing the Dearing report when he is whipping his troops through the Lobby to reverse Dearing. But, of course, he will not be with us, because, as the briefing tells us,

"MPs are also becoming increasingly angry about his failure to turn up at the House of Commons either to vote"—

Mr. Blunkett: I should like to ask the hon. Gentleman a simple question: will he be with us in the Lobby? If what he says is true, he will vote for the Second Reading of a Bill that, he says, his noble Friends have so shaped that it will bring about exactly what he wants.

Mr. Willetts: We shall vote for our reasoned amendment, which identifies the welcome features of the Bill that have been added in the other place and explains that, sadly, the Government have not gone far enough in implementing the Dearing report—they have not done everything that the Prime Minister has promised that he is already doing.

What will the Prime Minister do? Mr. Whelan's briefing states:

"The Prime Minister has turned up for only seven votes out of 147 since the election."

If he turned up tonight, how would he vote on our reasoned amendment—

Mr. Deputy Speaker: Order. Our comments should be made not about the voting habits of another Member, but about the matters before the House.

Mr. Willetts: I think, Mr. Deputy Speaker, that my point refers to remarks the Prime Minister's remarks at Question Time.

Mr. Willis: Will the hon. Gentleman give way?

Mr. Willetts: I am sorry, but I have only three minutes left.

The Prime Minister appears to be labouring under the misapprehension that his Government are implementing the Dearing report. Conservative Members believe in implementing the Dearing report; Labour Members are imposing £5,500 of extra debt on students from low-income families, contrary to the Dearing report's recommendations.

Since last July, the Government's approach to higher education policy has been a catalogue of disasters. As we shall see tomorrow, the Government have a slight problem with TESSAs, and a problem with implementation of higher education policy. Their botched attempt to reverse the Dearing proposals has not commanded the consent or agreement of people in the higher education world. We had the absolute fiasco of the gap year last summer. *[Interruption.]* The Secretary of State says it was not a fiasco. We had an enjoyable few weeks, beginning with a Department for Education and Employment press notice which referred to scaremongering. Within 10 days, Ministers had backed down and accepted that the scares were genuine.

We also had a complete muddle in Scotland. I am pleased to see the Minister for Education and Industry, Scottish Office, the hon. Member for Cunninghame, North (Mr. Wilson), in the Chamber. He found money in his budget to look after fourth-year Scottish students in Scottish universities, but his colleagues from England and Wales were unable to find similar funds to help English and Welsh students at Scottish universities. It would be a pleasure to hear his comments on the measures which, I fear, he will support.

The position is simple. We support Dearing and we believe Dearing is the right way forward. We greatly regret that the Government have failed to act on a report when they were happy to agree to setting it up when they were in opposition.

9.45 pm

The Minister for School Standards (Mr. Stephen Byers): This has been a useful and wide-ranging debate. I particularly welcome the debut speech from the Liberal Democrat Front Bench by the hon. Member for Harrogate and Knaresborough (Mr. Willis). I disagreed with much of what he said, but he said it well and we look forward to engaging in further debates with him in Committee.

[Mr. Stephen Byers]

The debate has focused on access to high-quality higher education. Some of my hon. Friends have disagreed with the Government's position and on how we achieve greater access. The debate has focused on student support, but it would be a mistake to take the view that the only issue in relation to access is the student support regime. In reality, access to higher education is about high standards in schools and ensuring that there will be a proper bridge of support for those between the ages of 16 and 19, when, all too often, there is a barrier for many of the young people about whom we are concerned.

Those issues are relevant to the Bill, but one other issue that was only touched on is, we feel, of particular importance—the right to study. For the first time, 100,000 16 to 17-year-olds in work will be provided with the entitlement to a day off a week—to answer the question by my hon. Friend the Member for Bury, North (Mr. Chaytor)—for further study, providing them with the opportunity to further their education.

The Bill does more than that. It addresses the issue of school standards through a general teaching council, a mandatory qualification for headship, induction arrangements for new teachers and the inspection of teacher training.

I want to refer briefly to the issues raised in the debate. If, in the time available, I fail to address all the questions raised in the debate, I will write to right hon. and hon. Members to address their questions.

The hon. Member for South Cambridgeshire (Mr. Lansley) had some concerns about the general teaching council. My hon. Friends were generally supportive of our proposals in the Bill; I should say the Bill as unamended by the House of Lords. I will outline the approach that the Government will take to the changes made in the House of Lords as far as the general teaching council is concerned.

In response to the point made by the hon. Member for South Cambridgeshire, I take this opportunity to confirm that the Government intend that the majority of members of the general teaching council will be teachers. We shall invite the council to work closely with the Government, the Teacher Training Agency, Ofsted and local education authorities, as we believe that we all have a common objective—to raise school standards.

The hon. Members for Harrogate and Knaresborough and for Bath (Mr. Foster) asked about the details of the composition of the council. We shall shortly publish a consultation paper on that, which I hope will allow us and other interested parties to address the issues that we have discussed this evening.

I want the general teaching council to be a powerful and unified voice for the teaching profession. We want to give it genuine powers, and we have considered in detail the extra responsibilities that have been included in the Bill as a result of the Lords amendments.

We do not believe that the council should have more than an advisory role in barring cases—when teachers are barred from the classroom in child protection cases. Giving full power to the council would fragment an effective child protection arrangement and would give highly sensitive powers over child protection to an untried and untested body. The intentions behind the Lords amendments were admirable, but the effect in practice would be at best questionable, and at worst dangerous. The Government would be irresponsible to accept the amendments, and we shall not.

We shall table Government amendments in Committee to give the council power to decide cases involving professional misconduct, a point which was raised by the right hon. Member for Charnwood (Mr. Dorrell). On reflection, we believe that those matters should be considered by the council. Although we rule out involvement in child protection matters, which we believe should continue to be determined by the Secretary of State, we believe that the council should have real powers, and so we shall give it powers over, rather than an advisory role in, professional misconduct matters. That will be an important start to the work of the general teaching council. Over time, as it is tried and tested, the House will want to consider giving it further powers.

Hon. Members gave a broad welcome to the mandatory qualification for head teachers. We are concerned that, in the latest report by Her Majesty's chief inspector, more than 3,000 serving teachers were felt not to be giving effective and proper leadership to their schools. Where possible, we want to involve those head teachers in proper training, so that they can improve their performance.

We also believe that it is the responsibility of an individual governing body to remove from a leadership position a head teacher who is incompetent. It is unacceptable to have incompetent head teachers in post. Head teachers have a crucial role to play—a head has to be an effective leader of his or her school—which is why it is so important that we ensure that everyone who aspires to headship has a proper qualification.

Again, hon. Members gave a general welcome to the proposal on induction for new teachers. It is right and proper that people entering the profession should have support in their first year. I can announce that, in the first year of a teacher's professional life, he or she will receive a 10 per cent. reduction in timetabled hours—that will help individual teachers to make the best of that important start to their career.

Most hon. Members also gave a broad welcome to the proposals on the inspection of teacher training. It is important that teacher training institutions offer high-quality training, but we are not convinced that that is always the case at the moment. We believe that the chief inspector should have powers to inspect and intervene in the vocational aspects of teacher training.

For understandable reasons, tonight's debate has been dominated by the issue of higher education and student support. We do not have free higher education at present: many people—part-time and Open university students, and others—struggle with great difficulty to fund their way through courses. Only a minority receive full funding.

My hon. Friends the Members for Bolton, South-East (Dr. Iddon), for Blackpool, South (Mr. Marsden), for Birmingham, Selly Oak (Dr. Jones) and for Hackney, North and Stoke Newington (Ms Abbott) expressed deep concern about how we can continue to support students in a way that will not adversely affect access to education, especially among young people from low-income families. We are confident that our proposals will open up access to higher education, and we do not believe that they are incompatible with those made by Sir Ron Dearing, as he then was.

The Dearing report contained 93 recommendations. We made it clear in our election manifesto that

"The costs of student maintenance should be repaid by graduates on an income-related basis".

That is as clear as it can be. That was the basis on which we fought the general election campaign. The Bill delivers that manifesto commitment: another manifesto commitment delivered by this Government.

We want to build on the Dearing recommendations. Sir Ron Dearing recommended that all students should pay a tuition fee. We do not agree with that, as we believe that those on low incomes need to be protected. The arrangements in the Bill will achieve that. Hon. Members referred to a £1,000 contribution towards the costs of tuition, but those youngsters from families with a gross income of less than £23,000 will make no contribution—not a penny—towards those costs.

Our manifesto made our position on the maintenance grant clear. We intend to provide public subsidy to students when they need it: when they are at college on a course. That subsidy will be delivered via a loan that will be repaid when the young person starts to earn. It is worth remembering that graduates earn on average 20 per cent. more than the average income. Graduates will be able to repay the loan that the Government will have given them. That is a good way of extending access to higher education.

The present system is not working for young people, and there has to be change. Many people will have listened with interest to the comments made by Conservative Members. The Conservative Government introduced a cap on access to higher education, denying it to thousands of young people. There was chronic underinvestment, with student funding falling by 40 per cent. between 1979 and 1995.

There has to be change. We inherited a terrible legacy from the previous Government. Hard and difficult choices must be made. The present system fails far too many of our young people. A few are financed by the many. Men and women in low-paid jobs pay taxes for higher education, from which no one in their families, in their streets or on their estates will benefit. If we are to build a modern Britain and a decent society, that has to change—and change it will. The status quo is simply not an option.

The Bill will deliver two more manifesto commitments. It will play a key part in raising standards in our schools and it will form part of our radical reforming agenda for education. I commend it to the House.

Question put, That the amendment be made:—

The House divided: Ayes 139, Noes 347.

Division No. 213] **[10 pm**

AYES

Ainsworth, Peter *(E Surrey)*
Amess, David
Arbuthnot, James
Atkinson, Peter *(Hexham)*
Beggs, Roy
Bell, Martin *(Tatton)*
Bercow, John
Beresford, Sir Paul
Blunt, Crispin
Boswell, Tim
Bottomley, Peter *(Worthing W)*
Bottomley, Rt Hon Mrs Virginia
Brady, Graham
Brazier, Julian
Brooke, Rt Hon Peter
Browning, Mrs Angela
Bruce, Ian *(S Dorset)*
Burns, Simon
Butterfill, John
Cash, William
Chapman, Sir Sydney *(Chipping Barnet)*
Chope, Christopher
Clappison, James
Clark, Rt Hon Alan *(Kensington)*
Clark, Dr Michael *(Rayleigh)*
Clarke, Rt Hon Kenneth *(Rushcliffe)*
Clifton-Brown, Geoffrey
Collins, Tim
Colvin, Michael
Cormack, Sir Patrick
Cran, James
Curry, Rt Hon David
Davis, Rt Hon David *(Haltemprice)*
Day, Stephen
Dorrell, Rt Hon Stephen
Duncan, Alan
Duncan Smith, Iain
Emery, Rt Hon Sir Peter
Evans, Nigel
Faber, David
Fallon, Michael
Flight, Howard
Forth, Rt Hon Eric
Fowler, Rt Hon Sir Norman
Fraser, Christopher
Garnier, Edward
Gibb, Nick
Gill, Christopher
Gillan, Mrs Cheryl
Goodlad, Rt Hon Sir Alastair
Gorman, Mrs Teresa
Gray, James
Green, Damian
Greenway, John
Grieve, Dominic
Hague, Rt Hon William
Hamilton, Rt Hon Sir Archie
Hammond, Philip
Hawkins, Nick
Heald, Oliver
Heathcoat-Amory, Rt Hon David
Hogg, Rt Hon Douglas
Horam, John
Howarth, Gerald *(Aldershot)*
Hunter, Andrew
Jack, Rt Hon Michael
Jackson, Robert *(Wantage)*
Jenkin, Bernard
Johnson Smith, Rt Hon Sir Geoffrey
Key, Robert
King, Rt Hon Tom *(Bridgwater)*
Kirkbride, Miss Julie
Laing, Mrs Eleanor
Lait, Mrs Jacqui
Lansley, Andrew
Leigh, Edward
Letwin, Oliver
Lewis, Dr Julian *(New Forest E)*
Lidington, David
Lilley, Rt Hon Peter
Loughton, Tim
Lyell, Rt Hon Sir Nicholas
MacGregor, Rt Hon John
MacKay, Andrew
McLoughlin, Patrick
Major, Rt Hon John
Malins, Humfrey
Mates, Michael
Maude, Rt Hon Francis
Mawhinney, Rt Hon Sir Brian
May, Mrs Theresa
Nicholls, Patrick
Ottaway, Richard
Page, Richard
Paice, James
Paterson, Owen
Pickles, Eric
Prior, David
Randall, John
Redwood, Rt Hon John
Robathan, Andrew
Robertson, Laurence *(Tewk'b'ry)*
Roe, Mrs Marion *(Broxbourne)*
Rowe, Andrew *(Faversham)*
Ruffley, David
St Aubyn, Nick
Sayeed, Jonathan
Shephard, Rt Hon Mrs Gillian
Simpson, Keith *(Mid-Norfolk)*
Smyth, Rev Martin *(Belfast S)*
Soames, Nicholas
Spelman, Mrs Caroline
Spicer, Sir Michael
Spring, Richard
Stanley, Rt Hon Sir John
Steen, Anthony
Streeter, Gary
Swayne, Desmond
Syms, Robert
Tapsell, Sir Peter
Taylor, Ian *(Esher & Walton)*
Taylor, Sir Teddy
Townend, John
Tredinnick, David
Trend, Michael
Tyrie, Andrew
Viggers, Peter
Walter, Robert
Wardle, Charles
Waterson, Nigel
Wells, Bowen
Whitney, Sir Raymond
Whittingdale, John
Widdecombe, Rt Hon Miss Ann
Wilkinson, John
Willetts, David
Winterton, Mrs Ann *(Congleton)*
Woodward, Shaun
Yeo, Tim

Tellers for the Ayes:
Mr. John M. Taylor and Sir David Madel.

NOES

Abbott, Ms Diane
Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allan, Richard
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashdown, Rt Hon Paddy
Ashton, Joe
Atkins, Charlotte
Baker, Norman
Ballard, Mrs Jackie
Banks, Tony
Barnes, Harry
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Beith, Rt Hon A J
Bell, Stuart *(Middlesbrough)*
Benn, Rt Hon Tony
Bennett, Andrew F
Benton, Joe

Bermingham, Gerald
Berry, Roger
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brake, Tom
Brand, Dr Peter
Breed, Colin
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Bruce, Malcolm *(Gordon)*
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnett, John
Burstow, Paul
Butler, Mrs Christine
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell, Menzies *(NE Fife)*
Campbell-Savours, Dale
Cann, Jamie
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chidgey, David
Chisholm, Malcolm
Church, Ms Judith
Clapham, Michael
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Clelland, David
Clwyd, Ann
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corbyn, Jeremy
Corston, Ms Jean
Cotter, Brian
Cousins, Jim
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Edward *(Kingston)*
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fearn, Ronnie
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Flynn, Paul
Follett, Barbara
Foster, Rt Hon Derek
Foster, Don *(Bath)*
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Fyfe, Maria
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Norman A
Golding, Mrs Llin
Gordon, Mrs Eileen
Gorrie, Donald
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hancock, Mike
Hanson, David
Harris, Dr Evan
Harvey, Nick
Heal, Mrs Sylvia
Healey, John
Heath, David *(Somerton & Frome)*
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Hughes, Simon *(Southwark N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Jones, Nigel *(Cheltenham)*
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Keetch, Paul
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Charles *(Ross Skye)*
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kirkwood, Archy
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Livsey, Richard
Lock, David
Love, Andrew
McAllion, John
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McDonnell, John
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McLeish, Henry
Maclennan, Rt Hon Robert
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mahon, Mrs Alice
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Michie, Mrs Ray *(Argyll & Bute)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moore, Michael
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
Oaten, Mark
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Öpik, Lembit
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Reed, Andrew *(Loughborough)*
Rendel, David
Robinson, Geoffrey *(Cov'try NW)*
Rogers, Allan
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Bob *(Colchester)*
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Sanders, Adrian
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheldon, Rt Hon Robert
Simpson, Alan *(Nottingham S)*
Singh, Marsha
Skinner, Dennis
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Smith, Llew *(Blaenau Gwent)*
Smith, Sir Robert *(W Ab'd'ns)*
Snape, Peter
Soley, Clive
Speller, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stott, Roger
Straw, Rt Hon Jack
Stringer, Graham
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen

Tipping, Paddy
Tonge, Dr Jenny
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Tyler, Paul
Vaz, Keith
Wallace, James
Ward, Ms Claire
Wareing, Robert N
Watts, David
Webb, Steve
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Willis, Phil
Wills, Michael
Wilson, Brian
Winnick, David
Wise, Audrey
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Noes:
Mr. Clive Betts and
Mr. David Jamieson.

Question accordingly negatived.

Main Question put forthwith, pursuant to Standing Order No. 62 (Amendment on Second or Third Reading):—

The House divided: Ayes 290, Noes 51.

Division No. 214] **[10.15 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Anderson, Janet *(Rossendale)*
Armstrong, Ms Hilary
Ashton, Joe
Atkins, Charlotte
Banks, Tony
Barron, Kevin
Battle, John
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bell, Stuart *(Middlesbrough)*
Bennett, Andrew F
Benton, Joe
Bermingham, Gerald
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Blizzard, Bob
Blunkett, Rt Hon David
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brinton, Mrs Helen
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Caborn, Richard
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, Dale
Cann, Jamie
Casale, Roger
Cawsey, Ian
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Church, Ms Judith
Clark, Rt Hon Dr David *(S Shields)*
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corbett, Robin
Corston, Ms Jean
Cranston, Ross
Crausby, David
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Denham, John
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ellman, Mrs Louise
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Galbraith, Sam
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gilroy, Mrs Linda
Godman, Norman A
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen
Hewitt, Ms Patricia
Hill, Keith
Hinchliffe, David
Hodge, Ms Margaret
Hoey, Kate
Home Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Howarth, Alan *(Newport E)*
Howarth, George *(Knowsley N)*
Howells, Dr Kim
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Ingram, Adam
Jackson, Helen *(Hillsborough)*
Jenkins, Brian
Johnson, Alan *(Hull W & Hessle)*
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Keen, Alan *(Feltham & Heston)*
Keen, Ann *(Brentford & Isleworth)*
Kelly, Ms Ruth
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Linton, Martin
Lock, David
Love, Andrew
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
Macdonald, Calum
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McLeish, Henry
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Mandelson, Peter
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meacher, Rt Hon Michael
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'd Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morley, Elliot
Morris, Ms Estelle *(B'ham Yardley)*
Morris, Rt Hon John *(Aberavon)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Murphy, Paul *(Torfaen)*
Naysmith, Dr Doug
Norris, Dan
O'Brien, Mike *(N Warks)*
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prescott, Rt Hon John
Primarolo, Dawn
Prosser, Gwyn
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Reed, Andrew *(Loughborough)*
Robinson, Geoffrey *(Cov'try NW)*
Rogers, Allan
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*

Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Shaw, Jonathan
Sheldon, Rt Hon Robert
Singh, Marsha
Smith, Rt Hon Andrew *(Oxford E)*
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Snape, Peter
Soley, Clive
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Stott, Roger
Straw, Rt Hon Jack
Stringer, Graham
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Ward, Ms Claire
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Rt Hon Alan *(Swansea W)*
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wilson, Brian
Wood, Mike
Woolas, Phil
Worthington, Tony
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*
Wyatt, Derek

Tellers for the Ayes:
Mr. David Jamieson and Mr. Clive Betts.

NOES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Mrs Jackie
Beggs, Roy
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Davey, Edward *(Kingston)*
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Salmond, Alex
Smith, Sir Robert *(W Ab'd'ns)*
Smyth, Rev Martin *(Belfast S)*
Swinney, John
Tonge, Dr Jenny
Wallace, James
Webb, Steve
Welsh, Andrew
Willis, Phil

Tellers for the Noes:
Mr. Paul Tyler and Mr. Adrian Sanders.

Question accordingly agreed to.

Bill accordingly read a Second time, and committed to a Standing Committee, pursuant to Standing Order No. 63 (Committal of Bills).

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, the Nuclear Explosions (Prohibition and Inspections) Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Mr. Pope.]*

Question agreed to.

TEACHING AND HIGHER EDUCATION BILL
[*LORDS*] [*MONEY*]

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52(1)(a),

That, for the purposes of any Act resulting from the Teaching and Higher Education Bill *[Lords]*, it is expedient to authorise the payment out of money provided by Parliament of—

(1) any sums required for the making by the Secretary of State of grants or loans under the Act;

(2) any other expenses of the Secretary of State under the Act; and

(3) any increase attributable to the Act in the sums so payable by virtue of any other Act.—*[Mr. Pope.]*

The House divided: Ayes 251, Noes 50.

Division No. 215] **[10.28 pm**

AYES

Adams, Mrs Irene *(Paisley N)*
Ainger, Nick
Ainsworth, Robert *(Cov'try NE)*
Allen, Graham
Anderson, Donald *(Swansea E)*
Armstrong, Ms Hilary
Atkins, Charlotte
Banks, Tony
Barnes, Harry
Barron, Kevin
Bayley, Hugh
Beard, Nigel
Begg, Miss Anne
Bennett, Andrew F
Berry, Roger
Best, Harold
Blackman, Liz
Blears, Ms Hazel
Boateng, Paul
Borrow, David
Bradley, Keith *(Withington)*
Bradley, Peter *(The Wrekin)*
Bradshaw, Ben
Brown, Rt Hon Nick *(Newcastle E)*
Brown, Russell *(Dumfries)*
Browne, Desmond
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Mrs Christine
Byers, Stephen
Campbell, Alan *(Tynemouth)*
Campbell, Mrs Anne *(C'bridge)*
Campbell-Savours, Dale
Cann, Jamie
Casale, Roger
Chapman, Ben *(Wirral S)*
Chaytor, David
Chisholm, Malcolm
Clapham, Michael
Clark, Dr Lynda *(Edinburgh Pentlands)*
Clarke, Tony *(Northampton S)*
Clelland, David
Coaker, Vernon
Coffey, Ms Ann
Coleman, Iain
Colman, Tony
Connarty, Michael
Cooper, Yvette
Corston, Ms Jean
Cranston, Ross
Crausby, David
Cryer, Mrs Ann *(Keighley)*
Cryer, John *(Hornchurch)*
Cummings, John
Cunliffe, Lawrence
Cunningham, Jim *(Cov'try S)*
Dalyell, Tam
Darvill, Keith
Davey, Valerie *(Bristol W)*
Davidson, Ian
Davies, Rt Hon Ron *(Caerphilly)*
Dawson, Hilton
Dean, Mrs Janet
Dismore, Andrew
Dobbin, Jim
Donohoe, Brian H
Doran, Frank
Dowd, Jim
Drew, David
Drown, Ms Julia
Eagle, Angela *(Wallasey)*
Eagle, Maria *(L'pool Garston)*
Edwards, Huw
Efford, Clive
Ennis, Jeff
Etherington, Bill
Fatchett, Derek
Fitzpatrick, Jim
Fitzsimons, Lorna
Flint, Caroline
Follett, Barbara
Foster, Rt Hon Derek
Foster, Michael Jabez *(Hastings)*
Foster, Michael J *(Worcester)*
Gapes, Mike
Gardiner, Barry
George, Bruce *(Walsall S)*
Gerrard, Neil
Gibson, Dr Ian
Gilroy, Mrs Linda
Godman, Norman A
Golding, Mrs Llin
Gordon, Mrs Eileen
Griffiths, Jane *(Reading E)*
Grogan, John
Hain, Peter
Hall, Mike *(Weaver Vale)*
Hall, Patrick *(Bedford)*
Hamilton, Fabian *(Leeds NE)*
Hanson, David
Heal, Mrs Sylvia
Healey, John
Henderson, Doug *(Newcastle N)*
Henderson, Ivan *(Harwich)*
Heppell, John
Hesford, Stephen

Hewitt, Ms Patricia
Hill, Keith
Hodge, Ms Margaret
Horne Robertson, John
Hood, Jimmy
Hoon, Geoffrey
Hope, Phil
Hopkins, Kelvin
Hughes, Ms Beverley *(Stretford)*
Hughes, Kevin *(Doncaster N)*
Humble, Mrs Joan
Hurst, Alan
Hutton, John
Iddon, Dr Brian
Jenkins, Brian
Johnson, Miss Melanie *(Welwyn Hatfield)*
Jones, Barry *(Alyn & Deeside)*
Jones, Helen *(Warrington N)*
Jones, Ms Jenny *(Wolverh'ton SW)*
Jones, Jon Owen *(Cardiff C)*
Jones, Dr Lynne *(Selly Oak)*
Kemp, Fraser
Kennedy, Jane *(Wavertree)*
Khabra, Piara S
Kidney, David
King, Andy *(Rugby & Kenilworth)*
King, Ms Oona *(Bethnal Green)*
Kingham, Ms Tess
Kumar, Dr Ashok
Ladyman, Dr Stephen
Lepper, David
Leslie, Christopher
Levitt, Tom
Lewis, Ivan *(Bury S)*
Lewis, Terry *(Worsley)*
Linton, Martin
Livingstone, Ken
Lock, David
McAvoy, Thomas
McCabe, Steve
McCafferty, Ms Chris
McCartney, Ian *(Makerfield)*
McDonagh, Siobhain
McFall, John
McGuire, Mrs Anne
McIsaac, Shona
McKenna, Mrs Rosemary
McNulty, Tony
MacShane, Denis
Mactaggart, Fiona
McWalter, Tony
McWilliam, John
Mallaber, Judy
Marsden, Gordon *(Blackpool S)*
Marsden, Paul *(Shrewsbury)*
Marshall, David *(Shettleston)*
Martlew, Eric
Maxton, John
Meale, Alan
Merron, Gillian
Michael, Alun
Michie, Bill *(Sheff'ld Heeley)*
Milburn, Alan
Miller, Andrew
Moffatt, Laura
Moonie, Dr Lewis
Moran, Ms Margaret
Morgan, Rhodri *(Cardiff W)*
Morris, Ms Estelle *(B'ham Yardley)*
Mudie, George
Mullin, Chris
Murphy, Denis *(Wansbeck)*
Murphy, Jim *(Eastwood)*
Naysmith, Dr Doug
Norris, Dan
O'Hara, Eddie
Olner, Bill
O'Neill, Martin
Palmer, Dr Nick
Pearson, Ian
Pendry, Tom
Pickthall, Colin
Pike, Peter L
Plaskitt, James
Pond, Chris
Pope, Greg
Prentice, Ms Bridget *(Lewisham E)*
Prentice, Gordon *(Pendle)*
Prosser, Gwyn
Quin, Ms Joyce
Quinn, Lawrie
Radice, Giles
Reed, Andrew *(Loughborough)*
Robinson, Geoffrey *(Cov'try NW)*
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Roy, Frank
Ruddock, Ms Joan
Russell, Ms Christine *(Chester)*
Ryan, Ms Joan
Savidge, Malcolm
Sawford, Phil
Singh, Marsha
Skinner, Dennis
Smith, Angela *(Basildon)*
Smith, Miss Geraldine *(Morecambe & Lunesdale)*
Smith, Jacqui *(Redditch)*
Smith, John *(Glamorgan)*
Soley, Clive
Spellar, John
Squire, Ms Rachel
Starkey, Dr Phyllis
Stevenson, George
Stewart, David *(Inverness E)*
Stewart, Ian *(Eccles)*
Straw, Rt Hon Jack
Stringer, Graham
Sutcliffe, Gerry
Taylor, Rt Hon Mrs Ann *(Dewsbury)*
Taylor, Ms Dari *(Stockton S)*
Thomas, Gareth R *(Harrow W)*
Timms, Stephen
Tipping, Paddy
Touhig, Don
Trickett, Jon
Truswell, Paul
Turner, Dennis *(Wolverh'ton SE)*
Twigg, Derek *(Halton)*
Twigg, Stephen *(Enfield)*
Vaz, Keith
Ward, Ms Claire
Wareing, Robert N
Watts, David
White, Brian
Whitehead, Dr Alan
Wicks, Malcolm
Williams, Alan W *(E Carmarthen)*
Wills, Michael
Wise, Audrey
Wood, Mike
Woolas, Phil
Wray, James
Wright, Anthony D *(Gt Yarmouth)*
Wright, Dr Tony *(Cannock)*

Tellers for the Ayes:
Mr. Clive Betts and
Mr. David Jamieson.

NOES

Allan, Richard
Ashdown, Rt Hon Paddy
Baker, Norman
Ballard, Mrs Jackie
Beggs, Roy
Beith, Rt Hon A J
Bell, Martin *(Tatton)*
Brake, Tom
Brand, Dr Peter
Breed, Colin
Bruce, Malcolm *(Gordon)*
Burnett, John
Burstow, Paul
Cable, Dr Vincent
Campbell, Menzies *(NE Fife)*
Chidgey, David
Cotter, Brian
Cunningham, Ms Roseanna *(Perth)*
Dafis, Cynog
Ewing, Mrs Margaret
Fearn, Ronnie
Foster, Don *(Bath)*
Gorrie, Donald
Hancock, Mike
Harris, Dr Evan
Harvey, Nick
Heath, David *(Somerton & Frome)*
Hughes, Simon *(Southwark N)*
Jones, Nigel *(Cheltenham)*
Keetch, Paul
Kennedy, Charles *(Ross Skye)*
Kirkwood, Archy
Livsey, Richard
Llwyd, Elfyn
Maclennan, Rt Hon Robert
Michie, Mrs Ray *(Argyll & Bute)*
Moore, Michael
Oaten, Mark
Öpik, Lembit
Rendel, David
Russell, Bob *(Colchester)*
Salmond, Alex
Sanders, Adrian
Smith, Sir Robert *(W Ab'd'ns)*
Swinney, John
Tonge, Dr Jenny
Wallace, James
Webb, Steve
Welsh, Andrew
Willis, Phil

Tellers for the Noes:
Mr. Paul Tyler and
Mr. Edward Davey.

Question accordingly agreed to.

Nuclear Explosions (Prohibition and Inspections) Bill *[Lords]*

As amended (in the Standing Committee), considered.

Order for Third Reading read.

Motion made, and Question proposed, That the Bill be now read the Third time.—[*Jane Kennedy.*]

10.39 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): The Bill will enable the United Kingdom to ratify the comprehensive nuclear test ban treaty, which bans any nuclear weapons test explosion and any other nuclear explosion. We made it clear on several occasions during the passage of the Bill that it is, for the most part, highly technical, but that does not detract from the importance of a treaty that is the culmination of almost 40 years of effort. As its preamble makes clear, the treaty will constrain the development and qualitative improvement of nuclear weapons, and will end the development of advanced new types of nuclear weapons.

I want to place on the record our appreciation for the support of the main Opposition parties. On Second Reading, the hon. Member for Westbury (Mr. Faber) said that we should thank the previous Foreign Secretary for his work on this issue, and I am happy to do so. Given the much-reported bitterness on Europe between Sir Malcolm Rifkind and the current shadow Foreign Secretary, it may be wiser for me rather than the hon. Member for Westbury to offer thanks.

To ensure that the provisions are properly observed, the treaty establishes a number of new international bodies and an international monitoring system, which will consist of a worldwide network of monitoring stations at locations that are agreed by scientific experts. Those stations will use various technologies to detect, identify and locate the source of a suspicious event anywhere in the world. The data from the stations will be transmitted to an international data centre in Vienna, and made available to states parties.

The treaty has now been signed by 149 states and ratified by nine. Of the 44 states whose ratification is a pre-condition for the treaty's entry into force, only India, Pakistan and North Korea have yet to sign. We are doing everything that we can to encourage all three states to sign and to ratify the treaty, and we are working for entry into force at the earliest possible date.

In the meantime, the treaty has created a strong moral and political norm against nuclear testing. The international monitoring system will, in due course, provide a further practical deterrent to nuclear testing, ensuring that any breaches will be detected.

The United Kingdom has played an important role in the formulation of the treaty. The United Kingdom is one of the states whose ratification is a pre-condition for the treaty's entry into force. The United Kingdom and its overseas territories will host a number of the monitoring stations. The United Kingdom signed the treaty on the first day that it opened for signature. The Government want to further that record by being among the first states to ratify the treaty.

In our manifesto, we committed ourselves to working for a nuclear-weapons-free world. In our strategic defence review, we are examining how to take that commitment forward. The Bill is a step towards achieving our overall objective, and I commend it to the House.

10.43 pm

Mr. David Faber (Westbury): I thank the Minister for opening the debate on Third Reading. This is his first outing on the Bill, and we are glad to see him on the Treasury Bench. As he said, the Bill has had the Opposition's full support not only in another place but on its Second Reading and in Committee.

We are grateful to the Minister for giving us details of the monitoring arrangements. We had not heard that some of the monitoring stations will be in British overseas territories. I am sure that, in future, we shall wish to ask some questions on the location and capacity of those stations.

In the longer term and in the wider sphere, the Bill is vital legislation, designed to restrict and, ultimately, to eliminate development of nuclear capacity around the world. I am grateful to the Minister for paying tribute to the previous Government, even though his remarks about the former Foreign Secretary, Sir Malcolm Rifkind, were somewhat churlish. On 24 September 1996, my former right hon. and learned Friend signed the treaty in New York. I should like to pay tribute also to my right hon. Friend the Member for Haltemprice and Howden (Mr. Davis)—who is in the Chamber—who was instrumental in the British Government's part in negotiating the treaty.

The Bill is part of the wider ratification process on the treaty. The full support of all the signatory states will be crucial to the long-term success of the non-proliferation treaty. Although we do not pretend that the Bill alone is the answer to nuclear non-proliferation, we are pleased—we echo the Minister's comments—that the United Kingdom has embarked so speedily on the ratification process.

In Committee, we were told that 149 countries had signed the treaty and that eight countries had ratified it. Today, we have been told that 149 countries have signed it and that nine have now ratified it. Like the United Kingdom, other countries will be going through the ratification process.

As the Minister said, 44 named states are required to ratify the treaty for it to come into force. Although the vast majority of countries have signed the treaty, those that have signed but not ratified are considered by the rest of the international community to be bound already by its terms.

The Minister—like the Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd) in the debate on Second Reading—skirted over the issue of three particular countries that have yet to sign the treaty but that are among the 44 that are required to do so. It is important to express the Opposition's concern about the position of North Korea, of Pakistan and especially of India.

North Korea is still developing and improving its ballistic missile capability, and the country's instability—especially its economic instability—is of some concern. Pakistan has stated its intention of waiting on India's decision and on determining India's future nuclear capacity.

During the Bill's Committee stage, we were in the immediate aftermath of the Indian general election, and the Minister was unable to comment on the position of the new Indian Government. However, in recent weeks, it seems likely that the Indian Government's position on the issue of signing the treaty will have hardened. Opposition Members hope that the Government will do all that they can to place pressure on the Indian Government to persuade them that the treaty is important and that they should sign and ratify it.

The Minister did not mention—as the hon. Member for Somerton and Frome (Mr. Heath) and I did in the Second Reading debate—the attitude of the United States, where there is considerable hostility, within the Senate and Congress generally, to ratifying the treaty. It is important to stress the need for the United States to send a strong signal to the rest of the world to follow as soon as possible the United Kingdom and other countries in signing and ratifying the treaty.

We realise that the Government will continue to do what they can to press for worldwide ratification, and we shall of course support them in that aim. The Bill marks the end of our own ratification process. I assume that it will subsequently, after Third Reading, be further ratified in a statutory instrument. Not only is our ratification of the treaty an important step for the United Kingdom, but it will send a signal to the rest of the world. As such, we are pleased to support Third Reading.

10.48 pm

Mr. David Heath (Somerton and Frome): I rise with some trepidation, not only because of the lateness of the hour—I do not wish to tire the House—but because of the attitude that was expressed in the debate on the Bill's Second Reading when I said that I whole-heartedly welcome the Government's speedy introduction of the Bill. I said also that I hoped that the Bill would make fast progress, and that it was an historic Bill which would achieve a long-desired result. I was told by the Minister of State, Foreign and Commonwealth Office, the hon. Member for Manchester, Central (Mr. Lloyd) that I had been—to use the word of the evening—"churlish". I do not know what superlatives I am required to employ to overcome my naturally curmudgeonly nature, but I repeat that we whole-heartedly support the Bill and congratulate the Government on introducing it.

Some questions remain to be answered, not necessarily by the Government, and the hon. Member for Westbury (Mr. Faber) has already alluded to some of them. The process of signatories and ratification does not lie at the door of the Government. Nevertheless, it is an extremely complicated and rigorous process and there are significant concerns about countries that are either not signatories or have failed to ratify the treaty.

The hon. Member for Westbury has already mentioned America. I was with the Foreign Affairs Committee in Washington last week and I still have grave concerns about the position of the Senate. There is no doubt about the position of the Administration, who want the treaty ratified. However, the Senate has its own views on the enlargement of NATO, the funding of the United Nations and the treaty. We need to use all our powers of persuasion on individual members of the Senate to ensure that they agree to the ratification of the treaty.

There are equally major concerns about the three countries that are not signatories, and I accept that there is probably very little that we can do about North Korea. However, in respect of India and Pakistan, there are mechanisms through the Commonwealth, and I should be pleased if the Minister would outline the steps that the Foreign and Commonwealth Office has taken over recent weeks to ensure that our message is getting through to India and Pakistan. The Government are unusually coy about what they have done. I am sure that there has been a great deal of movement behind the scenes and it would be nice if some of it were to come out in the Minister's reply to the debate.

On Second Reading and in Committee, we expressed our views about the dangers of sub-critical testing and whether qualitative improvements undermine the views of the rest of the world about what exactly the nuclear powers are doing and whether they are acting within the spirit of the treaty.

I was gratified to hear what the Minister said about the way forward and his clearly expressed intent to reduce the availability of nuclear weapons throughout the world. I hope that the Government will make a clear statement of their intent by saying that they do not wish to increase the number of warheads on the Trident replacement of Polaris so that Britain gives a clear signal to the rest of the world that we match our words with actions.

The Bill is important and has our whole-hearted support. We look forward to ratification and the diplomatic initiative that we are sure the Government will take to ensure that the treaty is signed and ratified by as many nations as possible.

10.52 pm

Mr. David Davis (Haltemprice and Howden): I join right hon. and hon. Members in welcoming the Bill. I should also like to reiterate one point to the Minister.

Had it not been for the British Government's stance in the negotiations on the treaty, it is quite likely that an attempt would have been made to base it on a P5-only signatory list. It was very much Britain's stance that led to the current signatory list. It is no accident, as the Minister well understands, that the three countries that have not signed are North Korea, India and Pakistan. I hope that the Minister will reinforce the commitment of the British Government to use every available means to ensure that North Korea and India in particular—as Pakistan will follow—are brought within the treaty.

The Government like to talk about an ethical foreign policy. This is a good example of an ethical foreign policy in action, and I should like to hear the Minister reinforce that point of view.

10.53 pm

Mr. Fatchett: With permission, Mr. Deputy Speaker, I shall try to respond to the points that have been raised. I thought that the speech of the hon. Member for Somerton and Frome (Mr. Heath) was far from churlish. It was a splendid example of consensual politics. The only thing missing was approval of the Minister's excellent speech. Apart from that, the hon. Gentleman did extremely well. I shall certainly reprimand my colleague who, on Second Reading, described him as churlish.

[Mr. Fatchett]

I congratulate the right hon. Member for Haltemprice and Howden (Mr. Davis) on his part in the negotiation process that led to the treaty. I have put on record our thanks to Sir Malcolm Rifkind. I am happy to put on record our thanks to the right hon. Gentleman as well.

Two crucial points have been raised in our short debate. The hon. Member for Westbury (Mr. Faber) asked about the United Kingdom contribution towards the monitoring process. It may be useful if I put the extent of that on the record. Our contribution is significant: the existing seismic array at Eskdalemuir in the United Kingdom; the radionuclide stations in the British Indian Ocean Territory, St. Helena, Tristan da Cunha, Halley island and Antarctica and a radionuclide laboratory in the United Kingdom; hydroacoustic stations in the British Indian ocean territory and in Tristan da Cunha; and infrasound stations in the British Indian Ocean Territory, Tristan da Cunha, Ascension island and Bermuda. We are making a substantial contribution towards monitoring.

The right hon. Member for Haltemprice and Howden said, I think in approval, that the Government have a strong ethical dimension to our foreign policy. Those monitoring commitments contribute to that strong ethical dimension. I am delighted to have the approval of the right hon. Gentleman. He should use his persuasive skills to ensure that those on the Conservative Front Bench show the same consensual approach.

The hon. Members for Westbury and for Somerton and Frome asked about the three countries that have not yet signed—North Korea, India and Pakistan. Living in the paranoid world that the Liberals have occupied for many years, the hon. Member for Somerton and Frome asked us to let him into the secrets of what the Government have been doing. Only the Liberals could turn that into a profound state secret. We have been lobbying hard with those Governments. Our diplomatic effort on this important issue is aimed at persuading them to sign. It is important that they should do so. There is no secret about that. It is our wish, the wish of the House and the wish of the international community to get those countries on board.

The treaty is important. It has support across the House of Commons. I am delighted that the Bill is about achieve its Third Reading.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with an amendment.

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With permission, I shall put together the motions relating to delegated legislation.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

Referendum

That the draft Greater London Authority (Referendum Arrangements) Order 1998, which was laid before this House on 10th March, be approved.

Local Government Finance

That the Special Grant Report (No. 32): Special Grant for Accommodation for Evacuees from Montserrat (HC 549), which was laid before this House on 11th February, be approved.—*[Jane Kennedy.]*

Question agreed to.

Private Hire Vehicles (London) Bill
[*Ways and Means*]

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Private Hire Vehicles (London) Bill, it is expedient to authorise—

(1) the charging of fees payable by the holders of licences granted under the Act;

(2) the payment of sums into the Consolidated Fund.—*[Jane Kennedy.]*

10.57 pm

Mr. Eric Forth (Bromley and Chislehurst): The measure is important, because it involves not just money, but many people's livelihoods. It is odd that nobody seems to want to come to the House to explain why we should vote for the motion. The debate is in danger of being back to front. In the normal course of events, someone with an interest in the issue—who knows?—would come along and argue in the House for the motion to be agreed to.

The motion would authorise

"the charging of fees payable by the holders of licences granted under the Act"

and

"the payment of sums into the Consolidated Fund."

In other words—were the Bill ever to become law—we are talking about fees chargeable to people operating private cabs in London. That raises a whole number of questions to which, I would have thought, we would want to know the answers before we proceeded very much further. I hope that the Minister will be able to provide them at some stage in the debate so that the House can consider whether it wishes to approve the measure.

The very obvious first question is what level of fees we are talking about. That will have an effect on the people whom the measure seeks to regulate. Self-evidently, if the fees were set too high, people would almost certainly be deterred from seeking a licence, as provided for in the Bill, which would in turn lead to a sharp diminution in the number of people offering minicab services in London. Some important consequences flow from that—not just for the people involved, who are a vital part of our enterprise culture. They enter business at the most basic level to provide a service which, patently, is required and very much valued by certain sectors of society. The users of the service would also suffer were the fees set at an excessive level.

That point raises an important question about the philosophy behind the setting of fees. Would they be set at a token level? Would they somehow be related to the number of people who were deemed to be operating the service? We should bear in mind that it says in the Bill:

"There are no records of how many operators, drivers or vehicles there are in the London private hire vehicle industry."

We therefore start from the rather odd position of not knowing the population—if I can put it that way. That must give rise to enormous difficulties in trying to determine an appropriate level at which to introduce the regime, were it ever to become law. Will the fees initially be set at a relatively high or a relatively low level? That is the first question that must be answered before we can proceed any further.

That point interplays with the money resolution, which we shall also want to debate—I hope—in some detail. The money resolution is the other side of the coin; it deals with the costs. There is inevitably a relationship between the measures. A regulatory regime—a bureaucracy—will have to be set up to administer the proposed scheme, but without us knowing how many drivers or vehicles it should cover. The question arises whether fees will be set to cover the cost.

The Bill says:

"It is intended that all continuing costs of administering the licensing system will be met from fees charged under the Bill."

There is a clue: the fees will be set at a sufficient level to cover the cost. How can we know the cost if we do not know the number of operators, drivers or vehicles involved? The House faces a difficulty. We are being asked, without explanation so far, to approve a measure based on an unknown population of drivers—or vehicles—who are to be licensed. We therefore do not know the potential revenue. We cannot, therefore, know the size of the bureaucracy, a point to which I shall come in the next debate in more detail. It is, therefore, very difficult to assess the relationship between all the different variables and factors.

I hope that the Minister will be able to give us a detailed explanation of how she envisages the regime working. Otherwise—I am sure that this is not intended—the House will be asked effectively to sign a blank cheque and give open authorisation for an unspecified fee regime. I fear that, if the fees were initially set at the wrong level, the regime could destroy a very valuable service sector in the economy of London.

The service is important because it provides basic transport to those on relatively low incomes. Those of us on higher incomes can use black cabs, but there is a huge demand for the service offered by the vehicles covered by the Bill. The fees charged will be critical in determining whether we encourage this sector, or risk throttling it by setting the fees too high.

The number of vehicles—which we do not know—will determine the size of the bureaucracy. As the Bill tells us that the costs are to be covered, the initial fees may be unduly high and may contribute to reducing the number of licensees. We know none of the underpinning details, and no one has come to the House to explain them. *[Interruption.]* I am hearing noises from Ministers on the Treasury Bench.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I want to hear noises only from the right hon. Gentleman.

Mr. Forth: I am grateful for your encouragement, Mr. Deputy Speaker, and I will seek to respond to it.

Mr. Deputy Speaker: Order. But not repetitive noises.

Mr. Forth: Indeed not.

Clause 20 says:

"The Secretary of State may by regulations provide for prescribed fees to be payable".

[Mr. Forth]

One's heart leaps, as one imagines that this gives us a clue as to the level of fees. However, one finds that the fees will be payable

"(a) by an applicant for a licence under this Act, or for the variation of a London operator's licence under section 18, on making the application;

(b) by a person granted a licence or variation".

The Bill continues:

"Regulations under this section may provide for fees to be payable by instalments"—

a hint that the fees may be on the high side—

"or for fees to be remitted or refunded (in whole or part) in prescribed cases."

Clause 20 does not help, and suggests that the fees may be set at a high level. That confirms my worst fears. If a Minister decides to set the fee at a high level to cover the bureaucratic costs, the number of applicants may be reduced. The Bill states of the financial effects:

"It is intended that all continuing costs of administering the licensing system will be met from fees".

What will happen if the situation I have described occurs?

Mr. David Davis (Haltemprice and Howden): This is a rather specialised case of a general problem facing the Government. Everybody accepts that over-regulation is a problem in any modern western society.

Mr. Deputy Speaker: Order. I remind the right hon. Gentleman that he should not be having a conversation with the right hon. Member for Bromley and Chislehurst (Mr. Forth). He should speak to the Chair.

Mr. Davis: I apologise, Mr. Deputy Speaker. My right hon. Friend the Member for Bromley and Chislehurst (Mr. Forth) was making a specific point about an important issue in western society—the control of the level of regulations. If the House agrees to the Ways and Means motion, that control will be completely given away. By imposing no limit on the money that can be raised, we shall put no limit on the bureaucracy that can be imposed on the industry.

Mr. Forth: My right hon. Friend makes an important point, but I think that the matter goes further. He touches on another possibility that I wanted to mention—that the regime could become a covert method of raising revenue for any purpose.

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): Will the right hon. Gentleman say whether, if he is so opposed to the regulation of the licensed minicab trade in London, which is the subject of the Bill, he would abolish the licensing system that operates effectively in every other town and city?

Mr. Deputy Speaker: Order. I hope that the right hon. Gentleman will not respond to that intervention, which goes well beyond the scope of the Ways and Means resolution that we are discussing.

Mr. Forth: I will, of course, adhere to your ruling, Mr. Deputy Speaker. If the Minister tempts me on another occasion, I may succumb, but not when your beady eye is on me.

My right hon. Friend the Member for Haltemprice and Howden (Mr. Davis) made an important point. We need to know much more about the intended relationship between the fee level, the revenues raised by the fees and the cost of the bureaucracy. We also need to know the effect on the number of licensees and whether the fees raised will exceed the costs, which could provide a temptation to a Secretary of State who wanted to raise revenues for other purposes. We want the Minister to guarantee that the regime will not be used as a money-raising facility.

As I keep having to remind the House, this aspect of the Bill has not been explained—we are flying blind, and I can raise these issues only in a fog—but it would help if the Minister could tell us whether she can guarantee that in no circumstances will the fees be used as a pretext to raise revenues beyond what will be needed to pay for the costs of the bureaucracy.

That point also raises the question whether the bureaucracy will be sensitive to the number of operators. In fairness, I must concede that, as the Bill suggests, we do not know how many operators there are, so there will have to be some initial guesswork about the size of the bureaucracy. However, at some point, we shall be able to determine the numbers, and whether they are increasing. We shall then be able to set the fee more accurately.

We need to know much more about the measure before we can give it our approval. I hope that the Minister can answer some of my questions, and give an idea of the Government's general approach to the matter. I also hope that she can say how she envisages that the regulations that will flow from the Ways and Means resolution will operate in detail.

11.12 pm

Mr. Tom Brake (Carshalton and Wallington): Liberal Democrats are also surprised that the Minister has chosen not to come to the House to explain the details of the Ways and Means resolution and perhaps pre-empt some of the points raised by the right hon. Member for Bromley and Chislehurst (Mr. Forth). [HON. MEMBERS: "The Minister is here."] I mean the Financial Secretary, in whose name the motion was tabled.

I hope that the Minister will consider hypothecating the charges for transport—specifically for public transport—expenditure. The funding of transport in London is a matter of conjecture and concern, and hypothecation of the charges could contribute a small sum towards public transport improvements, albeit we do not know the sum involved. We will support the resolution, but I hope that the Minister will respond on hypothecation.

11.14 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): First, let me explain that the resolution relates to a private Member's Bill, promoted by the right hon. Member for North-West Hampshire (Sir G. Young), who is not here tonight. It is also clear that—

Mr. Deputy Speaker: Order. Perhaps, in fairness to the Bill's promoter, I should say that a letter has been sent on his behalf saying that he originally expected the matter

to be dealt with on a previous day and that, as he is with the armed forces parliamentary scheme, it was impossible for him to change his diary for tonight.

Angela Eagle: That is a perfectly reasonable explanation, and I fear that the right hon. Member for Bromley and Chislehurst (Mr. Forth) is to blame for—

Mr. Forth: On a point of order, Mr. Deputy Speaker. If the Bill's promoter had given notice that he would be unavailable to attend the House today, why on earth was the resolution tabled today? That seems rather odd.

Mr. Deputy Speaker: The Ways and Means resolution is a Government item of business, as opposed to the Bill.

Angela Eagle: Thank you, Mr. Deputy Speaker.

The Bill is a private Member's Bill. Should the right hon. Member for Bromley and Chislehurst want explanations of the thought behind the proposed legislation, I suggest that he talks to the Bill's promoter.

The money resolution is entirely simple. The Bill provides for the regulation of the London minicab trade, in the interests of public safety. That should not be politically contentious. The Bill simply ensures that charges may be imposed on licence holders when licences are renewed or varied, and the money resolution provides for modest payments by the Secretary of State, arising from the Bill.

The principle in the Bill is that the costs of regulation should be met from the fees paid by the minicab trade, but that it is prudent to ensure that the Secretary of State can, if necessary, give some assistance with start-up costs before the income from fees is available. It is a very modest money resolution, as is generally the case with private Members' legislation. I hope that the House will approve it.

Mr. Simon Hughes (Southwark, North and Bermondsey): I am a sponsor of the Bill, and I think that the Minister was discourteous, to say the least, not to reply to the perfectly proper intervention by my hon. Friend the Member for Carshalton and Wallington (Mr. Brake). This is a Government Ways and Means resolution, tabled in the name of a Treasury Minister, and the Government should give account for it; the fact that the Bill is a private Member's Bill is an entirely separate matter.

My hon. Friend the Member for Carshalton and Wallington asked whether the money would be ring-fenced. The resolution says that the money goes into the Consolidated Fund, with the implication that it could be spent on other things. My hon. Friend and I would not want that to happen. We, and most hon. Members, want the money to be spent only on transport in London. I hope that the Minister will reconsider her decision not to respond. I hope that, if she knows the answer, she will give it, and that, if she does not know it, she will assure us that the Financial Secretary, who tabled the resolution, writes to my hon. Friend and to me.

Angela Eagle: I can assure the hon. Gentleman that the idea behind the money resolution is simply to give assistance with start-up costs before income from fees is available; it is not a massive revenue-raising measure. That, simply, is what it is about—to make the Bill, if it becomes law, operative and to give the scheme a chance to start before fees are generated to pay for regulation of a sort that happens everywhere else in the country. It is as simple as that.

Question put and agreed to.

Resolved,

That, for the purposes of any Act resulting from the Private Hire Vehicles (London) Bill, it is expedient to authorise—

(1) the charging of fees payable by the holders of licences granted under the Act;

(2) the payment of sums into the Consolidated Fund.

Private Hire Vehicles (London) Bill
[*Money*]

Queen's recommendation having been signified—

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Private Hire Vehicles (London) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by the Secretary of State which is attributable to the Act.—[*Mr. McFall*]

11.19 pm

Mr. Eric Forth (Bromley and Chislehurst): We have not made much progress, Mr. Deputy Speaker, have we? The Under-Secretary of State for the Environment, Transport and the Regions seemed to confuse the Ways and Means resolution, which concerned fees, with the money resolution, which we are now debating and which would cover the costs arising from the Bill. Perhaps the hon. Lady will check her brief when she replies to this second debate. We are discussing the costs of the administration, or bureaucracy, which would cover the licensing regime. Again, if one looks to the explanatory memorandum in the Bill for guidance, one immediately gets into difficulty, although it does give some clue. It states:

"It is estimated that the overall annual cost of administering and enforcing the new law will be about £4 million".

It helpfully adds:

"roughly twice the cost of regulating London cabs".

It is difficult to see how that figure was arrived at, because the immediately preceding sentence states:

"It is . . . difficult to predict how many"—

vehicles or drivers—

"will be licensed once the Bill comes into force".

The sentence before that—I am rather bizarrely reading backwards on this occasion, but I am sure that the House can see why—states:

"There are no records of how many operators, drivers or vehicles there are in the London private hire vehicle industry."

Therefore, we are starting from a complete supposition.

Presumably, both the Government and the promoter of the Bill are acting in close co-operation in this matter. The Minister did not seem to be sure whether she or the promoter should be bringing these matters to the House. However, you usefully pointed out, and I am grateful, Mr. Deputy Speaker, that it is the Government's responsibility to lay money and Ways and Means resolutions before the House, because only they can do so. Therefore, if it is a Government resolution, it is not unreasonable of us to expect the Government to explain it, even if it is related to a private Member's Bill.

One of the worrying aspects of what has been happening recently—all too recently—is that more and more private Members' Bills, which almost certainly emanate from the Government in one form or another but are, perfectly honourably, picked up by private Members, have large financial implications. You must recollect, Mr. Deputy Speaker, that not all that long ago few, if any, private Members' Bills—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That may be an interesting procedural point, but we are debating the money resolution on the Private Hire Vehicles (London) Bill, and the hon. Gentleman's remarks must be confined to the terms of that money resolution and not others.

Mr. Forth: I am grateful to you for your guidance, as ever, Mr. Deputy Speaker, and of course I shall adhere to it.

This money resolution arises out of a Bill with a large number of clauses, with potentially considerable financial implications. In this case, we are expected to believe that the

"overall annual cost . . . will be about £4 million".

By its very nature, that must be a guess, because no one knows how many of the vehicles there are. When we were discussing the Ways and Means resolution, the Minister said—although I thought that she thought we were discussing the money resolution, because she used that term more than once—helpfully, and it was the only helpful thing that she told the House, that start-up costs would be involved and would have to be financed. One can readily see that there is a problem.

I am guessing, but perhaps when the Minister gives what I hope will be a fuller explanation than we have had so far, she will tell us, as the money resolution states, that

"it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by the Secretary of State which is attributable to the Act."

The hon. Member for Carshalton and Wallington (Mr. Brake) very properly raised a matter that the hon. Member for Southwark, North and Bermondsey (Mr. Hughes) characterised as hypothecation. That is in the area of the wording of the money resolution, which states

"it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred".

That does not sound hypothecated; it sounds more like our old friend the blank cheque.

I think that we are being asked to agree that whatever the cost of the bureaucracy required to set up a regime based on an unknown number of vehicles and drivers, the money will be provided by Parliament. It may be, if we are to believe the Ways and Means resolution so scantily explained by the Minister, that the fees raised under that will cover the annual cost, but we do not know. Nothing has been made clear. I heard no answer to the question of the hon. Member for Carshalton and Wallington.

Once again, we are operating in unknown territory. We have a substantial private Member's Bill, a highly regulatory measure that will affect a large but unknown number of people who operate private vehicles in London and provide a service much valued by many sectors of society throughout the city. However, we are asked to vote an amount of money unknown but for the estimate of about £4 million per year, roughly twice the cost of regulating London cabs. I do not know how much further that takes us because, depending on the number of vehicles, it may be a high or a low figure. If many private cab drivers decide to try to dodge through the obstacle course set up by the Bill and abide by its bureaucracy, regulation and fees, it may be that the service would not be affected, the revenues would be substantial and it would be self-financing.

I can equally imagine the opposite. Very many operators and vehicles could disappear from the roads, scared off by the suggested regime and the level of fees.

Fee income would fall and we would be left with a bureaucracy that would have to remain in place but whose costs would not be covered. We would be back with the terms of this money resolution, and the House would have voted moneys for a bureaucracy that had succeeded only in diminishing an important part of London's life.

Those are all vital questions. I have no doubt that if the Bill goes into Committee, they will be examined in great detail. I hope that they are. In the meantime, we are yet again being asked to approve something without having had any proper explanation. It defeats me why the Minister appears to want these debates to be conducted back to front. Life might have been simpler, I might not have needed to make my modest contributions and the hon. Member for Carshalton and Wallington might not have needed to say much, if she had given us some detail of how she envisages the measure working. We have yet to get such an explanation. We did not get it in considering the Ways and Means resolution. I wait eagerly to find out whether she will give a more satisfactory explanation under the money resolution. She has by now had time to examine her notes properly, to find out whether she should address the money resolution or the Ways and Means resolution. I hope that one way or another, she will answer my questions and satisfy the House before we are asked to approve the measure.

11.28 pm

Mr. Simon Hughes (Southwark, North and Bermondsey): On Second Reading, I raised an issue relevant to the motion, the work of the Public Carriage Office, an annexe to the Metropolitan police that is responsible for issuing licences for black cabs and is proposed as the body to be responsible for issuing licences for minicabs. The motion proposes that we agree that money be given by Government out of moneys provided by Parliament for expenditure linked to the measure's working. It is a perfectly normal motion.

I should be grateful if the Minister could tell me what mechanism there is for monitoring and auditing the expenditure that we are about to authorise, so that those of us who are critical of the work of the Public Carriage Office and think that it does not do its job well and

"needs a great kick up the backside",—[*Official Report*, 23 January 1998; Vol. 304, c. 1269.]

as I said on Second Reading, can have some control, through the Government, over the money that the Bill allows it to be given. In theory, the Bill allows the PCO an unlimited amount of money, and although it will not in fact be unlimited, I want some assurance that expenditure will be properly audited and that Parliament and the taxpayer can ensure that the PCO spends our money wisely.

11.29 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Angela Eagle): Had the right hon. Member for Bromley and Chislehurst (Mr. Forth) wanted to explore in more detail some of the issues relating to the Bill, he might have turned up for Second Reading. He could have contributed to that debate and raised a series of general issues, instead of waiting for the much narrower money resolution debate. If he is so interested in the Bill, he might ask his right hon. Friend the Member for North–West Hampshire (Sir G. Young) whether he can serve on the Standing Committee on the Bill. I am sure that in that way he will make a concrete contribution to the passage of the Bill through the House.

The hon. Member for Southwark, North and Bermondsey (Mr. Hughes) asked about how the money would be audited and the answer to his question is, in the usual way. The Chairman of the Public Accounts Committee, the right hon. Member for Haltemprice and Howden (Mr. Davis), is present and I am sure that he would be willing to explain to the hon. Gentleman how Parliament audits the expenditure of money in the usual way. If he has other suggestions he wishes to make, that is clearly a matter for the Committee stage, so perhaps he will raise his questions with the right hon. Member for North–West Hampshire as the Bill proceeds through Parliament. We are at the stage of the money resolution and all those points can still be debated.

Question put:—

The House proceeded to a Division—

MR. JOHN MCFALL *and* MR. JON OWEN JONES *were appointed Tellers for the Ayes, but there being no Tellers for the Noes,* MR. DEPUTY SPEAKER *declared that the Ayes had it.*

Question agreed to.

Resolved,

That, for the purposes of any Act resulting from the Private Hire Vehicles (London) Bill, it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred by the Secretary of State which is attributable to the Act.

MR. DAVID JAMIESON *and* MR. JOHN M. TAYLOR, *who acted as Tellers in Division No. 213, came to the Table.*

Mr. Jamieson: I have to inform the House that on the reasoned amendment, we reported that the votes for the Noes were 347. They were 357.

Mr. Deputy Speaker: I think that the House will have heard that correction. I shall see that the record is corrected.

Burford Community Hospital

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. McFall.]*

11.34 pm

Mr. Shaun Woodward (Witney): I am grateful for the opportunity to introduce a debate on the important subject of Burford community hospital. I am especially pleased to see the Minister in his place tonight, not least because I requested a meeting with the Department of Health about that hospital and, I am sorry to say, have not yet received a reply.

In the two options proposed by the Oxfordshire community health NHS trust, Witney community hospital will be subjected to a savage cut in beds, and in both options, Burford community hospital will close.

No community hospital is like another. Burford community hospital provides care for a neighbouring population of more than 27,000 people. It is in the heart of a highly rural area and, as such, it is at the heart of the community. It is the focus of enormous voluntary support in that community, with more than 80 volunteers, who share a wide variety of tasks, from staffing the reception desk to providing transport for the sick and elderly, and providing meals on wheels.

Most of the people who use the hospital are old. They are the most vulnerable in our community, and their numbers are projected to grow. Indeed, at the moment, only two miles from the hospital, at Bradwell grove, a new housing estate of 150 houses designed specifically for the elderly is taking shape.

Under the county structure plan, west Oxfordshire is about to grow considerably. An extra 7,500 houses will be built in the next few years. One thousand of those will be built just four miles from Burford, at Carterton. Indeed, the structure plan proposes that, in the next four years, west Oxfordshire's population will grow by nearly four times the percentage of Oxford city's growth, and significantly more than that of any other local authority area in Oxfordshire.

According to the community health trust's figures, west Oxfordshire has an average number of community hospital beds per 1,000 of the population. However, if it is projected that the population will grow by nearly 6 per cent. in the next four years, obviously the closure of Burford community hospital, and the savage cuts at nearby Witney community hospital, will lead to that rural community being dramatically under-provided.

Sadly, in the community health trust document that is to be released in the next few weeks, setting out the options for the future, there is no mention of those proposed population increases. Indeed, there is nothing in the document at present about the pressure that those increases would place on the ambulance service, which would be involved in ferrying people around as a consequence of the closure of Burford community hospital.

The document does discuss the number of beds, but it takes no account of other services in the hospital. It takes no account of the facilities provided by the new day care centre, built as recently as last year, at a cost of £135,000. None of that money came from the Department of Health; it was raised entirely by local people in the community.

The crucial factor in the case of Burford community hospital is that it is a living institution, absolutely at the heart of a very rural town. The document does not refer to the splendid work being done for those who have Alzheimer's disease; at the Burford community hospital there is a pioneering new unit called the Specal unit, which is doing sensational rehabilitation work with people who suffer from that terrible illness. The document makes no mention of the importance of respite care, which is so important today, not only for the patient but for the carer.

Is the Minister happy that the community health trust proposals that are now being set before the public have been carefully prepared? Is he sure that the proposals that will be put on the table in the next week or so are genuinely fit to be the subject of public consultation?

My local newspapers, particularly the *Witney Gazette* and the *Cotswold Standard*, have worked brilliantly in the past few weeks to highlight the sheer desperation felt by those who live around Burford. They tell of the most desperate case histories and of people worried sick by the proposals. Such people are the most frail and vulnerable members of our rural countryside community. What will happen to the 68-year-old triple-bypass patient—who was saved by brilliant medical care in the John Radcliffe acute hospital—when the community hospital closes? What about the 75-year-old patient with Alzheimer's?

One of my constituents, Mrs. Read, who suffers from advanced dementia, lives two miles from the hospital. Her doctor says that she is

"one of the most magnificent rehabilitation cases"

that he has ever seen. Why? Her doctor says that it is because of the sensational work done by the local community hospital. What does her carer—in this case, her husband—have to say? It is very simple. He says:

"Without Burford Hospital my life would be horrible. My wife would have to go into a home, miles away from us. Every five weeks she goes in for respite care. Every week she visits the day unit. We can't say how much these breaks mean for us. I don't know how we would cope if Burford closed. We just don't know what we would do."

What of the patients with terminal illnesses? General practitioners have told me:

"They will face the prospect of many hours on a hospital trolley in the John Radcliffe Hospital awaiting a bed."

That hospital is a 40-mile round trip from Burford, and patients must wait in a corridor. By closing the Burford community hospital, what kind of new health national service will we be offering to someone who is dying and may have only weeks to live? What will happen to those people? What plans does the community health trust have for them?

I am sorry to tell you, Mr. Deputy Speaker, that, as the document is prepared to go out for public consultation, the answer to that question is none. The document contains no explanation of what will happen. It simply puts forward two options: option 1, close Burford hospital; and, option 2, close Burford hospital. Is the Minister satisfied that the research conducted by the community health trust justifies the panic and the worry that the proposals are generating?

Burford hospital may be small—it has only 11 beds—but the community health trust's figures for this year show an average occupancy of about 90 per cent.

Indeed, from July last year until this month, bed occupancy has been consistently above 90 per cent., and is currently 96 per cent.

Mr. Robert Jackson (Wantage): I thank my hon. Friend for giving way. Is he aware that at Wallingford, which is another hospital on the community health trust's hit list, bed occupancy is currently 98 per cent?

Mr. Woodward: I am grateful to my hon. Friend for that intervention. That is part of the serious picture in Oxfordshire, which I hope that the Minister will take seriously. The beds at those hospitals are not under-utilised. Those hospitals are not failing to provide critical local care based on local need: they are needed, they are local, and their future is crucial.

The House knows how important community hospitals are in relieving bed blocking at acute hospitals and reducing waiting lists. I am grateful to the Minister for providing me with the most recent figures for waiting lists in Oxfordshire. At the end of last year, 6,371 people were awaiting hospital admittance. I am sorry to say that that figure has now risen to just below 7,000. The picture for day-case admissions is far worse—it has increased by nearly 50 per cent. in Oxfordshire in the past 12 months, from just over 4,000 to 6,000.

In the run-up to the last election, the Labour party promised to cut waiting lists. The figures speak for themselves. Many would like to know why the Labour Government, on the basis of their own figures, are presiding over such a dramatic increase in waiting times, yet seem to do nothing to call the health authority to its senses and prevent it from closing the hospital.

I am sure that the Minister would respond by saying that he has no power to do so. However, just two weeks ago, on the eve of the countryside march, when 300,000 people gathered in London to protest about the impact of Government policy on rural communities, the Government announced that they would halt the closure of village schools. Can the Minister respond in the same way tonight and say that he will halt the closure of hospitals such as the Burford community hospital?

It is difficult to see the strategy behind the plans. There is no intellectual coherence. The section on the health strategy for Oxfordshire, updated just two years ago, entitled "Elderly people and mental health problems" states:

"Services should be as close as possible to people in their homes. . . and be integrated between hospitals and community settings."

In the light of that strategy, particularly given the importance of the hospital in the life of the elderly, the options to close Burford do not make sense.

At the end of last year, the Government published their White Paper "The New NHS", which I have read. Reading it, one could be forgiven for thinking that the Government care about hospitals such as that at Burford, and that they would fight to save them. In theory, they emphasise the value of community hospitals.

Mr. Tony Baldry (Banbury): My hon. Friend is looking for some rationale. The only rationale is that the community health trust must save some £1.5 million. That cut of £1.5 million affects the entire county and will be achieved through the proposed cuts in community hospitals in the constituencies of my hon. Friends the Members for Witney (Mr. Woodward) and for Wantage (Mr. Jackson). There is no rationale, other than the necessity for the trust to make a cut forced on it by the Government.

Mr. Woodward: I am sad to say that my hon. Friend is probably correct in his assessment of the situation.

There is an opportunity for the Government to recognise the damage that is being done. As page 41 of their own report on the new NHS states:

"Too often in the past community hospitals have been sidelined. Their potential contribution to managing the pressures of rising emergency admissions has often been ignored. Patients will be able to use local community hospitals to the full rather than having to travel to more distant acute hospitals. This will be particularly significant in rural areas."

The rhetoric is there, yet the two proposals on the table for Burford are that it will close.

I remind the House what the Secretary of State for Health said in his statement when he presented the White Paper last December. He said:

"When I became Secretary of State, I promised that we would listen to people on the front line—the nurses and doctors, midwives and the other professionals and staff in the NHS."—[*Official Report*, 9 December 1997; Vol. 302, c. 796.]

Yet the proposals for the closure of Burford have not been based on listening. Of course there is a consultation exercise, but there is no confidence among the people who depend on that community hospital that that is any more than the rubber stamping of a decision taken by the community health trust and forced on it by cuts in its budget by the Oxfordshire health authority.

I beg the Minister to listen, as the Secretary of State said he would.

Mr. Geoffrey Clifton-Brown (Cotswold): Is my hon. Friend aware that the Burford community hospital is just three miles from the county boundary of Gloucestershire? Many thousands of people who live within a 10-mile radius of the hospital may need to use its services.

I face in Gloucestershire the same sort of pressures as my hon. Friend faces in Oxfordshire. Does he agree that the way forward for community hospitals is for them to develop a specialty different from that of the neighbouring community hospital, so that all community hospitals have their own specialty and people have the maximum choice?

Mr. Woodward: My hon. Friend makes an important point. Of course, if Burford community hospital is closed, it will have no opportunity to develop anything.

I beg the Minister to listen to what people are saying, as his right hon. Friend the Secretary of State has said that he will. I ask him to listen to my constituents such as Frank and Joan Sedlemeier. Frank, who is 80, had pacemaker heart surgery a year ago. He moved out of the John Radcliffe at Oxford to convalesce at Burford. He now attends the hospital's day care centre every Wednesday. His 68-year-old wife, who looks after him round the clock, is desperate for a bed to be made available at Burford so that she can have a break. She cannot get one because the beds are all full.

[Mr. Woodward]

We need the Minister to listen to the local doctors, such as those who work at the Burford surgery. As Dr. Sharpley said to me:

"In the event of closure of we will have only one option of patient management open to us. This will be inappropriate and more expensive as we will be forced to admit patients to the John Radcliffe."

Dr. Sharpley continued:

"We are currently receiving daily faxes from the John Radcliffe claiming their beds are full. If our patients face refusal of acute emergency admission, where will these 'inappropriate' admissions go?"

They will certainly not go to Witney, which is the other hospital in my constituency; the community health trust plans to close at least 13 of its beds. Those 13 beds are always in use. Only last Friday, I was in the hospital and I was told that only one of the 61 beds was available.

The Minister may wish to know that I raised the matter with the community health trust. He may be staggered to know that it replied:

"The population will continue to have access to community hospital services through Witney hospital, which has good road and public transport links from Burford (less than eight miles)—average car journey time of nine minutes."

Think about it. Unless it is proposed that the people of Burford travel under police escort, it is impossible for anyone living in Burford to get to Witney in that time. If anyone were to do so, it would be necessary to travel at 60 mph. That is a ludicrous proposal. It is one more example of how nothing has been thought through by the community health trust in its planned closure.

Doctors and patients do not feel that they have been consulted. There is an onus on the Minister to tell the House whether he is satisfied that the community health trust has done its homework. Has he the confidence to say tonight that it has properly consulted the general practitioners? If there had been proper consultation, the Minister would know, as I do, that the GPs will be unable to serve their patients if they are forced to go to Witney or Oxford, not least because Witney is way outside their practice areas.

The Minister may wish to know that the GPs have told me that there has been no proper consultation with them. This clearly makes nonsense of the trust's suggestion in its letter to me of 13 March that, as a result of effecting either of the options,

"more health care can be delivered in the home setting."

The health professionals disagree.

The Secretary of State has said that he will listen to the health professionals, so I hope that the Minister is listening tonight. I am talking of a crucial hospital, a community hospital. Local people have raised nearly £500,000 over the past 10 years; they want to save their hospital. I have letter after letter in which people set out their desperate concern. That concern is supported by Carterton town council and West Oxfordshire district council. It is a battle for survival.

I hope that the Minister will take the opportunity to reassure the people of Burford that he will do everything in his power to save a vital community resource.

11.53 pm

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): I congratulate the hon. Member for Witney (Mr. Woodward) on securing the debate. It is obviously an important issue in his constituency. Community hospitals play a valued part in the local health service, providing health care in a friendly and homely way, and in a way that I know commands the support of the hon. Gentleman's constituents. He has outlined that support tonight.

Obviously, any proposals to reconfigure the service involving the proposed closure of the community hospital is bound to excite the concern and attention of local people. The hon. Gentleman seeks assurances, of course, from Ministers about the future of Burford community hospital. He must understand—it was made absolutely clear to him by my hon. Friend the Minister of State only two weeks ago—that it would be grossly inappropriate for Ministers to be drawn into detailed commentary on each and every consultation on proposals for the reconfiguration of the service. He will understand, as, I hope, will his hon. Friends, that it would not be right for us to prejudge the outcome of any local consultation, and I have no intention of doing so.

Mr. Robert Jackson: I quite understand that, at this stage, it might be difficult for the Minister to comment, but, if the proposals are persisted with, he will, in due course, have to decide whether they are acceptable. In general terms, does he feel that the Government's policy of trying to maximise efficiency in the health service is compatible with trying to create additional pressure on acute hospitals by closing the cheaper beds that are available at community hospitals?

Mr. Boateng: The hon. Gentleman is an old stager in these matters, but I am not so wet behind the ears to respond to his lure or give any indication of our view on the proposals, either generally or specifically. We expect the consultation to take place on the two options that have been outlined, to see whether either of the two should go ahead. It should begin around the end of the month and last for three months. Hon. Members from the official Opposition and from other parties will have an opportunity to make their views known.

Dr. Evan Harris (Oxford, West and Abingdon): I understand the Minister not wanting to discuss the specific proposal, but my constituents are affected due to Abingdon community hospital facing a loss of beds, so I shall be grateful to hear in general terms how the Government will ensure in the coming months that health authorities and trusts do not create longer-term problems through the need to make necessary short-term cuts because of existing plans—I accept that they are not his own, and they are grossly insufficient—by cutting the number of beds and reducing respite care, which means increased emergency admissions and delayed discharges.

Mr. Boateng: I hear what the hon. Gentleman says. No doubt his health authority will take into account his arguments when making its proposals for hospitals in his community.

Hon. Members must understand that we inherited a poisoned legacy from the Conservatives and are endeavouring to tackle the real problems that the NHS in

general and constituents of the hon. Member for Witney face. We endeavour to do that through a number of principles, one of the most important of which is delivering cost-effective health care as close to the homes of our fellow citizens as possible.

Within that overarching principle, there is a role for community hospitals. We all value the contribution that they make. I have no doubt that Burford community hospital and other hospitals of that nature in Oxfordshire are well loved by their local communities. Oxfordshire health authority will have to look at how the hospital fits into its overall strategy for the county. It will need to be assessed against a range of criteria, including clinical quality and accessibility. The hon. Gentleman knows that, as do we. He will make his point during the consultation process. If the community health council objects to the health authority's proposal, the hon. Gentleman can make further representations when the matter comes before Ministers.

It is important to make it clear that this area has benefited substantially from the election of a Labour Government. There has been a considerable injection of new money into Oxfordshire since May last year. It was uncharacteristically churlish of the hon. Gentleman not to give the Government credit for providing new resources for the NHS.

Mr. Woodward: Will the hon. Gentleman give way?

Mr. Boateng: No, the hon. Gentleman has had his say, and he must now listen.

More than any other health authority in the Anglia and Oxford region, Oxfordshire received additional help to cope with winter pressures. It received £3.4 million, which is 22 per cent. of the total allocation to the region of £15.2 million. Of that £3.4 million, £554,000 went to the community trust for community rehabilitation services. Overall, £2.1 million was allocated to community schemes. That is what the new Labour Government made available to serve the hon. Gentleman's constituents. He should at least recognise that.

The hon. Gentleman did not represent his constituency in the previous Parliament, but had he done so he would know that his constituents were starved of resources by the Tory Government.

Mr. Woodward *rose—*

Mr. Boateng: No, the hon. Gentleman will listen.

NHS staff were thoroughly demoralised by the lack of recognition that the Department of Health gave under Conservative Ministers to the needs of the hon. Gentleman's constituents.

Mr. Clifton-Brown: Will the hon. Gentleman give way?

Mr. Boateng: No, I shall not give way. Conservative Members have had ample opportunity to make their case, and I am now explaining to them and to their constituents what the Government intend to do to regenerate the health service in Oxfordshire.

We shall ensure that health and social care services work closer together on the issues that concern the hon. Gentleman, such as mental health, rehabilitation and recuperation. *[Interruption.]* It is no use the hon. Member for Witney muttering from a sedentary position that we are going to close the hospital.

Mr. Woodward: Will the hon. Gentleman give way?

Mr. Boateng: There is no need for the hon. Gentleman to get over-excited. It is no use his muttering from a sedentary or from a vertical position that we are going to close the hospital. He knows that it is a matter for the health authority. His community health council will have the opportunity to comment on the issue, and, in due course, Ministers will come to a view. We shall give the most careful consideration to the points made by the hon. Gentleman. When we consider what is in the best interests of the people of Oxfordshire, we shall take into account the impact of any proposals on the patients in the Burford area. We shall make our decision in the best interests of the service.

The hon. Gentleman has sought to serve his constituents as best he can. I thank him for making the debate possible. He can be sure that the points that have been made tonight have been carefully noted and will be taken into account. We all have an interest in ensuring that the best of the NHS grows and develops. Community hospitals have an important role to play in delivering our vision for the NHS. We intend to put the patient first, to recognise local needs, and to provide a cost-effective NHS for all the people. That is the Government's priority, and we shall see it through.

Question put and agreed to.

Adjourned accordingly at four minutes past Twelve midnight.

House of Commons

Tuesday 17 March 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

PRIVATE BUSINESS

LLOYDS TSB BILL *[Lords]*

Order for Second Reading read.

To be read a Second time on Tuesday 24 March.

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Scottish Council for Independent Schools

1. **Mr. Forth:** When he next plans to meet the Scottish Council for Independent Schools. [33155]

The Minister for Education and Industry, Scottish Office (Mr. Brian Wilson): I have arranged to meet the Scottish Council for Independent Schools on 7 April.

Mr. Forth: I am grateful to the Minister for that reply. Can he tell the House, and will he be telling the council, how many youngsters are being denied places at independent schools as a result of the abolition of the assisted places scheme? While he is at it, will he tell us how many classes of over 30 have been reduced or disappeared as a result of the transfer of moneys from the assisted places scheme into that objective?

Mr. Wilson: I shall tell the Scottish Council for Independent Schools, as I am pleased to tell the House again, that Labour Governments are about serving the interests of the many and not the few. I shall tell the council with immense pride that, in my own constituency, hundreds of children are benefiting from an early intervention programme, in contrast to the remarkable total of 17 children who go to private schools under the assisted places scheme. In the Motherwell constituency, in which the hon. Gentleman has a family interest, precisely one child goes to a private school under the assisted places scheme.

Ms Osborne: Is not investment in early years education a far better use of resources than an initiative for private schools that benefits 19 children in my constituency and some 3,000 children throughout Scotland?

Mr. Wilson: Even the word "benefits" is a little pejorative. Certainly I am delighted that we have already been able to transfer £24 million into the early intervention scheme in Scotland. In every constituency, including mine and that of my hon. Friend, there are hundreds of children with literacy and numeracy problems. Money is now being spent on providing them with the best possible early education, with tremendous benefit to the education system and society in general.

Scottish Parliament

2. **Mrs. Laing:** How many tenders he has received to date for the design and construction of the Scottish Parliament building at Holyrood. [33156]

The Secretary of State for Scotland (Mr. Donald Dewar): We called for expressions of interest in the provision of architectural and design services and, by the closing date of Monday 2 March, had received 70 applications.

Mrs. Laing: I thank the Secretary of State for that informative reply. Does he recognise that the information in the White Paper before the referendum about the cost of the new Scottish Parliament was—like so much of the information in that White Paper—not absolutely accurate? As it is now clear that the new building will cost much more than the promised £40 million, where will the Secretary of State get the extra money? Will he cut the budget for schools, that for roads or that for hospitals, or will he raise taxes?

Mr. Dewar: None of the options that the hon. Lady was good enough to suggest seem appropriate or attractive, but I can assure her that finding the money will not be a major problem. The explanation for the change in the ceiling figure is that we have increased the floor area of the accommodation available in the building. That is essential, as the building will be there for a very long time and will occupy a central position in Scottish democracy and the democracy of the United Kingdom. If the hon. Lady and her colleagues take a penny-pinching attitude, they will find themselves even more out of sympathy with Scottish public opinion than they are at the moment, if that is possible.

Mr. David Marshall: In view of the expenditure involved and the need to keep costs down, does my right hon. Friend agree that the bid by Glasgow city council for the Parliament's temporary home is the best in practical and economic terms? Will he therefore ignore the vested interests of civil servants and others, and confirm that Glasgow's bid will be considered seriously?

Mr. Dewar: There is no question of vested interests, most certainly in the civil service, or, to be fair, in the wider public debate. We were looking for a suitable site. Above all, we want one where there can be a collegiate approach in the first years of the new Parliament, where all those in the Parliament can be together, working out its new solutions. We want to find the right setting for that, and we shall look for it either in Edinburgh or Glasgow on the merits of the bids that are made.

Mr. Ancram: What instructions has the Secretary of State given on the configuration of the debating chamber?

Does he agree that recent opinion polls have driven a coach and horses through his naive prediction of a new age of consensual politics in Scotland, and suggest instead a political struggle between separatists and those who support the Union? Would it not be wise now to abandon thoughts of the consensual horseshoe configuration and replicate this Chamber, within which the real political battle for Scotland's place within the United Kingdom can be fought and won?

Mr. Dewar: The right hon. Gentleman is developing a most unexpected characteristic—it is called a sense of humour. The answer to his question is no. I am touched by the fact that he has recognised that the Conservative party apparently has no part to play in the Scottish political scene. It is a little bit of a defeatist attitude, but I understand why he has reached that position.

Mr. Ancram: Learning from the sense of humour failure of the Secretary of State at his Scottish conference recently, and given the current evidence that he was totally wrong in claiming that the new Scottish Parliament would weaken Scottish nationalism, will he concede now that he made a massive political miscalculation in cavorting with the Scottish National party during the referendum campaign, and that his misalliance with it was, to paraphrase a term used at the Scottish Labour party conference, politically inept,

"morally repugnant, and spiritually bereft",

and is it not about time that he started fighting for the Union alongside us?

Mr. Dewar: As a coherent intellectual argument, that is third-rate. I do not cavort with anyone. The hon. Member for Banff and Buchan (Mr. Salmond) will be glad to know that he is not on my cavorting list, if such a thing exists. We do what we do in this area of policy because we believe that the policy is right, that it will serve the democracy of the united kingdom of Scotland effectively, and that it is the settled will of the Scottish people. If the right hon. Gentleman wants to quarrel with that, that is his business, but we shall hold to what we believe is a matter of principle.

Mrs. Ray Michie: Obviously, the design and construction of the Parliament must be of a high standard. Why has not the Secretary of State applied for millennium lottery funding? After all, the dome down at Greenwich will receive £400 million. Surely the Scottish Parliament, which is a symbol of the new democracy and the future of Scotland, should also be eligible for some lottery funding. This is the third time that I have asked this question, and I should be grateful for an answer today.

Hon. Members: Hear, hear.

Mr. Dewar: I do not know whether the hon. Lady was being cheered by her party leader in Scotland, the hon. and learned Member for Orkney and Shetland (Mr. Wallace), because of her engaging manners, or because she is speaking for the Liberal Democrats. The answer is simply that I do not think that such an application would fall within the remit of the lottery funding. However, I can assure the hon. Lady that, if there is any possibility of additional funding for the Parliament, I shall be happy to consider it. The hon. Lady is right to stress that we want a building that is worthy of its purpose and will be a genuine ornament to Scotland as well as a good home for Scottish politicians.

Mr. Home Robertson: Given the national and international significance of Scotland's new Parliament, and given the importance of consensus in Scotland on the design of the new Parliament building, will my right hon. Friend arrange for short-listed designs to be put on public display and for public opinion on the issue to be gauged before a final decision is made? While I am at it, may I express my personal prejudice in favour of stone walls and pitched roofs?

Mr. Dewar: My hon. Friend used to live in a particularly splendid example of stone walls and pitched roofs—almost an aristocratic example of that genre.

Mr. Menzies Campbell: And with some good paintings.

Mr. Dewar: And with some good paintings as well, as the hon. and learned Gentleman says. I am sorry to say that my hon. Friend seems to have caught a current fashion and borrowed some of them from the national gallery.

My hon. Friend makes a serious point. We have already anticipated that people will wish to see the designs on the short list, and we shall ensure that they are available in due course and at the right time.

Tree Planting

3. **Sir Sydney Chapman:** What initiatives he intends to take to encourage tree planting in Scotland. [33157]

The Parliamentary Under-Secretary of State for Scotland (Mr. Calum Macdonald): We are fully committed to increasing the area of woodland in Scotland, and we shall continue to provide grant aid and advice to landowners, crofters and rural communities to encourage them to plant trees. Special initiatives include challenge funds for the creation of more woodland in the Grampians and the Cairngorms.

Sir Sydney Chapman: Instead of all the bread and circus events to mark the millennium, would not a more practical and appropriate scheme with longer-lasting benefits be to encourage people to plant or donate trees to mark the millennium? As this is the 25th anniversary of national tree year, in which some of us played a modest part many years ago, will he use his good offices to encourage local authorities in Scotland to identify sites and organise schemes to encourage people to contribute to planting trees in towns, which would help to soften the impact of many urban developments?

Mr. Macdonald: I undertake to consider that interesting suggestion. As part of the millennium forest scheme, some £12 million will be spent in Scotland.

Mr. McAllion: Does my hon. Friend recall that St. Mark's gospel contains the sentence:

"I see men as trees, walking"?

With that in mind, will he consider planting trees outside the Scottish Parliament to commemorate the giants of the Labour movement who fought for a Scottish Parliament this century, such as Kier Hardie and John Wheatley, but above all the great Jimmy Maxton, who once said that we should achieve more in five years of a Scottish Parliament than in 25 to 30 heartbreaking years' work in the British House of Commons? Could we have a plaque to that effect outside the Scottish Parliament?

Mr. Macdonald: That is an equally interesting suggestion, which I am sure the Scottish Parliament will wish to consider.

Mr. Kirkwood: Does the Minister accept that there is absolutely no point in planting new trees if, at the end of the departmental spending review, he reverses the current moratorium on large-scale block transfers of forests? Will he assure us that, when the departmental spending review is complete, there will be a period of consultation before the disposal of any Forestry Enterprise land in Scotland is considered, on the ground that many people in Scotland are concerned that there will be a short-term gain of a long-term asset?

Mr. Macdonald: As the hon. Gentleman is aware, that matter is being looked at as part of the review of forestry strategy, which is also part of the comprehensive spending review. Obviously, any proposals that come out of that review will be put out for full consultation with interested parties—those in the industry and those interested in forestry.

Lockerbie

4. **Mr. Dalyell:** If he will make a statement on the recent findings of the international court relating to the *(a)* venue and *(b)* jurisdiction of the trial of those suspected of the Lockerbie bombing. [33158]

The Minister for Home Affairs and Devolution, Scottish Office (Mr. Henry McLeish): The International Court of Justice made no findings in relation to the venue or jurisdiction for the trial of those accused of the Lockerbie bombing, but has held that it cannot determine, as a preliminary issue, the effect of the Security Council's resolutions on Libya's claims under the Montreal convention.

Mr. Dalyell: Is it really more important that a trial should take place in Scotland than that any trial should take place at all?

Mr. McLeish: Those accused of acts of terrorism should not be able to dictate the venue or composition of the court before which they are to be tried. Scotland and the United States have exercised jurisdiction in that case, and Libya should now surrender the two accused persons for trial in either of those two countries, as it is required to do under the relevant UN Security Council resolutions.

Ms Roseanna Cunningham: Does the Minister accept that, once a Scottish Parliament is up and running, given the devolution of powers over the legal system, a future Scottish Administration could decide to allow the Lockerbie trial to be held outwith Scotland? Does he accept that, if that happens, Westminster must not attempt to interfere with the decision?

Mr. McLeish: It is worth re-emphasising that both the United States and this country are sticking by an important principle: the solution to that problem lies in Libya, and it is vital that Libya abides by Security Council resolutions and delivers the two accused persons for a proper trial.

Mr. Russell Brown: I whole-heartedly agree with my hon. Friend the Minister. There is great pressure on him to consider holding a trial in a neutral country, but, even if the Government were to consider doing so, must not the Libyan Government first give a clear guarantee that they would hand over the two suspects?

Mr. McLeish: Such a guarantee has not, to date, been forthcoming from the Libyans. It is important to repeat that the suspects should be given up. There must be a fair trial, and one has been offered within the jurisdiction of the United States or of Scotland. That is the best way forward. We expect the Libyans to abide by Security Council resolutions, and that is the simple matter on which the case rests at the moment.

Equal Opportunities

5. **Mr. Laurence Robertson:** What plans he has to meet representatives of women's groups in Scotland to discuss equal opportunities. [33159]

Mr. McLeish: I shall be meeting members of women's organisations at a conference on Friday 24 April. I shall consult them on the setting up of a consultative forum for women in Scotland. I expect various aspects of equal opportunities to be discussed at the meeting.

Mr. Robertson: Will the Minister confirm that equal opportunities means people achieving posts through merit, and not because of positive discrimination? Will he resist the temptation to create a gender balance in the Scottish Parliament?

Mr. McLeish: I agree that we live in a meritocracy, but significant obstacles are placed in front of women in many areas of public life. On gender balance, the Labour party accepts that equal representation is a worthy objective. We are putting in place a twinning system, which will further it, and I sincerely hope that, in addition to the Labour party, the other political parties in Scotland will take equal representation seriously and consider how best they can move that objective on.

Mrs. Fyfe: Does my hon. Friend agree that Labour's twinning proposals for the Scottish Parliament are intended not to give an unfair advantage to women, but to ensure a broadly equal outcome? Does he also agree that, although a man could take a case to court because he was not selected as a candidate, a woman could do so with more justice because women have been unrepresented and under-represented throughout the history of parliamentary democracy in this country?

Mr. McLeish: Let me first acknowledge the role that my hon. Friend has played in promoting the equal

representation issue in Scotland. This is clearly an important matter for us, and the establishment of the Parliament represents a unique opportunity to get it right. We anticipate that the twinning arrangements will proceed, and that there will be a positive outcome. The Scottish Parliament could give a lead not only to the United Kingdom but to Europe in promoting the interests of women in the political arena at this important time.

Mr. Wallace: If I may borrow a phrase from the Conservative representative on the consultative steering group, does the Minister agree that one of the benefits of devolution, there being no incumbency in the Scottish Parliament, is that we can try to achieve better and fairer representation of men and of women? When did he last read the treaty of Amsterdam provision that states:

"the principle of equal treatment shall not prevent any Member State from maintaining or adopting measures providing for specific advantages in order to make it easier for the under-represented sex to pursue a vocational activity"?

What measures do the Government intend to propose to achieve that? If they fail to do so, would political parties that tried to achieve it be indemnified against being taken to court?

Mr. McLeish: The hon. and learned Gentleman will know that changes are being proposed to the equal treatment directive and the treaty of Amsterdam, but that they will not take place until June 1999. The Government have examined the Sex Discrimination Act 1975, but the point is that it is up to the political parties to move ahead on the issue. We cannot avoid the possibility of legal challenge. That said, I invite the Liberals to join Labour in ensuring that women get a fair deal. We want a twinning system: the Liberals should decide now how they are to proceed.

Mr. Ernie Ross: When my hon. Friend met women's organisations in Scotland, did they ask about the under-representation of women on public bodies, and, if so, did he give an assurance that, if such under-representation is proved, he would be able to act against it? Did they ask about domestic violence, and was he able to give an assurance that domestic violence was high on the Scottish Office agenda?

Mr. McLeish: I am pleased to give my hon. Friend an assurance that we have made significant progress on both counts. Domestic violence is an important issue for us. We must stamp out this abuse of male power. In Scotland, we are putting a strategy in place and leading the United Kingdom.

We want to make further progress on equality in public appointments. We believe that 50 per cent. of places on all public bodies should be held by women, and we want more women to hold chairs. We also want to ensure that women are represented not only on soft issues, but across the economic spectrum.

Mr. Salmond: Does the Minister accept that equality of opportunity depends not only on social action, but on economic action, which is why the cuts in single parent benefit were so damaging to the economic position of hundreds of thousands of women in Scotland? That measure was described as

"economically inept, morally repugnant, and spiritually bereft."

Was not the Scottish Labour party conference perfectly entitled to make that criticism of the Government?

Mr. McLeish: I do not want to inject a discordant note, but that was another pathetic contribution from the leader of the nationalists. The participation of women in significant parts of Scottish life is a serious issue, which can best be dealt with by practical policies and not by the narrow sloganising that we hear from those under the banner of the Scottish National party.

Mrs. McKenna: Does the Minister agree that the principal barrier to women's participation has been the selection process? Will he congratulate the Scottish Labour party on its commitment to the twinning process? The Opposition parties should have the courage of their convictions, and should take part in the process that will, deliver a gender balance in Scotland.

Mr. McLeish: I can reinforce my hon. Friend's sentiment. The Labour party is giving a lead, and the Liberal Democrats are also involved. We want to hear from the SNP and the Conservatives about what practical measures they intend to take to ensure that women are promoted. Next year, there will be a unique opportunity in the Scottish Parliament to enable more women to do a good job for themselves and for Scotland.

Mr. Jenkin: If it emerges that the Lord Chancellor's advice is right and the Secretary of State's legal advice is wrong, and that candidate selection procedures that favour women are illegal, will the Government amend the Scotland Bill so that political parties will not be prosecuted and will be free to select women candidates according to their own rules and in a manner of their own choosing?

Mr. McLeish: It is rich for the hon. Gentleman to make such a comment, given that the Conservative party is not interested in promoting equal opportunities. The Lord Chancellor's advice did not state that such procedures would be illegal. We cannot rule out a legal challenge under the Sex Discrimination Act 1975 and the equal treatment directive, but that is different from a party taking a principled stand to make progress on equal representation. That is what Labour is doing, and we want to know what the Conservatives are doing.

Waiting Lists

6. **Mr. Ian Bruce:** If he will make a statement on trends in NHS waiting lists in Scotland since May 1997; and what targets he has set over the next four years. [33160]

The Parliamentary Under-Secretary of State for Scotland (Mr. Sam Galbraith): The number of people waiting for in-patient and day-case treatment increased from 84,649 to 87,438 between March and December 1997. Nevertheless, all patients needing emergency treatment are seen at once; over 80 per cent. of patients are treated within three months, and 99.6 per cent. within 12 months.

Mr. Bruce: I thank the hon. Gentleman for answering only the first half of my question. He has not answered the second part of the question, even though the Labour

party's manifesto said that it would reduce waiting lists over the next four years. Will the Minister consider the amount of money being spent per head of population in Manchester compared with Glasgow, and in Fife compared with Dorset, and ask himself why there are waiting lists, given the additional money that is being spent in Scotland?

Mr. Galbraith: That was a somewhat confused question, and contained the usual nark against Scotland. Our performance in Scotland is good because we attach importance to reducing waiting lists. We concentrate not just on the total numbers, but on the waiting times. More than 80 per cent. of patients are treated within three months. Unlike the previous Government, when we get the waiting lists down, we shall keep them down.

Mr. Chisholm: Does the Minister agree that people are most concerned about speed of admission and quality of treatment for the most serious conditions? What action have the Government taken since the election on cancer treatment? What measures does he propose to take in response to the recent report by the Accounts Commission, which highlighted the failure of certain trusts to follow agreed guidelines on the treatment of ovarian cancer?

Mr. Galbraith: Again, we in Scotland like to think that we are well down the road of development. We have a national cancer strategy, under which every patient, no matter where he or she is in the system, should receive the best care available. Like my hon. Friend, we are also concerned about speed and the removal of uncertainty. That is why we recently provided £3 million for the establishment of a one-stop clinic. A woman with a breast lump can go into the clinic and be examined, have a mammography, have a needle biopsy and be given a decision all on one day. I think that we would all agree that that is the way forward. *[Interruption.]*

Madam Speaker: Order. The hon. Member for South Dorset (Mr. Bruce), who asked the main question, must not leave the Chamber until the supplementaries have finished.

Dr. Fox: Since the last Budget, we have seen the Labour party's commitment to both the people's prescription charges and the people's waiting lists. As the Chancellor has made it clear that the cost of setting up a Scottish Parliament must be met from within the Scottish block, will the Minister now assure us that any savings made elsewhere will not come from the health budget, and that the Government's plans will not involve simply swapping beds for bureaucrats?

Mr. Galbraith: The hon. Gentleman should look at the record, and note what we have delivered. Since the time of the last Government, an initial £10 million in savings on bureaucracy have been put into the front line. We have found another £25 million to deal with winter pressures, and we are committed to saving a further £100 million when we get rid of the internal market, which was introduced by the hon. Gentleman's party. I assure the hon. Gentleman that we are pumping more money into the health service than has ever been pumped into it before.

Timber Processing Industry

7. **Mr. O'Neill:** How many jobs there are in the timber processing industry in Scotland. [33161]

Mr. Macdonald: The most recent employment survey shows that there are more than 7,500 jobs in the timber processing industry in Scotland.

Mr. O'Neill: Will not the jobs of Scottish workers in the timber processing industry be even more secure as a result of investment by the Canadian company CSC Products in the Cowie plant in my constituency? Some £40 million is being invested to prepare new lines, which will both secure the jobs of many workers and make a sizeable contribution to the balance of payments through import substitution.

Mr. Macdonald: I entirely agree with my hon. Friend. I know that he has supported that investment and worked to secure it, and I congratulate him on doing so. I think that it will provide his constituents with benefits for many years to come.

Mr. Maclennan: Is the Minister aware that public investment in timber in the north highlands is now being put at risk by the failure to spend enough on strengthening roads, a number of which are subject to bans in regard to the carrying of heavy weights? If the Government do not allow and, indeed, promote investment in those roads, literally millions of pounds of public expenditure will be put at risk.

Mr. Macdonald: I acknowledge the right hon. Gentleman's point, but I think he is being unduly pessimistic. According to the latest estimates that we have, investment in the wood processing industries is likely to increase, and to amount to some £2 billion over the next 15 years. Against that background, the prospects for the right hon. Gentleman's constituents seem quite bright.

Uniform Business Rate

8. **Mr. Gray:** If he will make a statement on the future of the uniform business rate in Scotland. [33162]

Mr. Macdonald: The future of local business taxation in Scotland will ultimately be a matter for the Scottish Parliament. We shall be consulting on options for change later this year.

Mr. Gray: Does the Minister recall the time when Jenners in Princes street had to pay more in rates than Harrods in Knightsbridge? Is he aware of the concern expressed recently in the Scottish business community that we may be about to return to those bad old days?

Mr. Macdonald: I certainly acknowledge the benefits of the equalisation that has been introduced in the current rating system. We have committed ourselves to consulting on the possibility of some localisation, but no decisions have been made. When we have proposals, we shall ensure that there is full consultation with both local authorities and local businesses.

Mr. Jim Murphy: Does my hon. Friend agree that any change in business rates, at a local or Scottish level, should be made in full consultation with local businesses? What plans does he have to ensure that that is done, so that the many hundreds of local businesses in my constituency, which work effectively and profitably, can be reassured by any review and future consideration?

Mr. Macdonald: We have not decided whether there will be any changes as yet, but my hon. Friend is absolutely right. Any proposals should be subjected to full consultation with all sectors. Both local businesses and local authorities want the same thing: stability in the financing system for local government.

Mr. Swinney: Does the Minister plan to undertake any consultation on proposals that were recently advanced by the Federation of Small Businesses for low business rates for small companies, particularly those that are based in town centres?

Mr. Macdonald: I have not seen those proposals but, if the federation gets in touch with me, I shall be interested to examine them.

Mr. Davidson: I congratulate Scottish Office Ministers on attracting to Scottish Office Question Time the size of audience that their talents deserve. That is enough grovelling for one day.

Will my hon. Friend ensure that business rates that are raised in Glasgow are kept within the city and not dispersed elsewhere in Scotland, resulting in rates in Glasgow being much higher than elsewhere in Scotland and far higher than they should be?

Mr. Macdonald: My hon. Friend knows that the same system for deciding rates applies in Glasgow as elsewhere. The pooling system is designed to be fair throughout Scotland, as is the distribution system, which allocates the amount that Glasgow receives from non-domestic rate income.

Mr. Gorrie: As the business rate—and local government finance generally—is key to any consideration of local government in general, will the Minister consider reversing the Scottish Office decision not to include local government finance in the remit of the committee, headed by Mr. McIntosh, which is studying the relationship between the Scottish Parliament and Scottish local government?

Mr. Macdonald: The hon. Gentleman can make his own submissions to that committee. We thought it sensible to include local government finance within the general review that we are conducting anyway as part of the comprehensive spending review. It would have been absurd to exclude local government finance from that review, which would have destroyed any notion that it was comprehensive.

Mr. Doran: Does the Minister accept that the equalisation of the business rating system can cause local problems? In my city of Aberdeen, for example, it is estimated that £30 million of business rates is lost to the city in that process. Of course, that has caused immense strain on this year's local budget.

Mr. Macdonald: As my hon. Friend suggests, there are different views on the principle of equalisation. That is why we are considering the possibility of some localisation of business rates, but we have come to no conclusions as yet.

Tuition Fees

9. **Mr. Clappison:** What representations he has received about the payment of tuition fees for four years by English students attending Scottish universities. [33163]

Mr. Wilson: I have had representations from student organisations, university bodies, Members of Parliament and others.

Mr. Clappison: Is the Minister aware that, although applications to United Kingdom universities are down overall, applications by English students to Scottish universities are down even more? How can this Government defend a policy that disadvantages students from England, Wales and Northern Ireland, as compared with, say, students from Greece, Spain and Portugal?

Mr. Wilson: The Scottish higher education system welcomes and will continue to welcome many students from other parts of the UK. In fact, the number by which applications to Scottish universities have decreased is less than the number by which admissions increased last year, and the reduction in applications from Scottish students is slightly greater than the reduction in applications from English students to Scottish universities.

Mr. Connarty: Does my hon. Friend agree that English local education authorities could, in fact, give the same confidence to four-year courses in Scotland by funding that extra year for their students? I wonder whether the Minister has looked at the problems that will be faced by part-time students and mature students, and what plans does he have to deal with their financial problems in the coming years?

Mr. Wilson: My hon. Friend makes the important point that there is a great deal of mythology about free education. Many students in our universities and further education colleges already pay for courses. I am certainly interested in addressing the problems of part-time students in particular. My hon. Friend is also right to say that it is a matter for the funding bodies to decide. I have decided that, where a four-year course is the norm for Scottish students attending Scottish universities, we will take up that extra year. I fully understand the position of the other United Kingdom Departments which might have made a different decision. Every student who decides to opt for a Scottish four-year course knows the length of the course and the extra cost involved.

Mr. Welsh: Is the Minister aware that applications from England and Wales to Dundee university are down by 12 per cent. this year, and that the latest Universities and Colleges Admissions Service figures show an even more dramatic 23 per cent. fall in applications from

Northern Ireland? If the Government claim that their policies have no effect on student numbers, how does the Minister explain those figures?

Mr. Wilson: Dundee is very much the exception to the rule; perhaps its reputation has suffered from the fact that I went there. The normal trend in Scottish universities is much better than that. I ask the hon. Gentleman to explain why, for instance, the number of applications to Paisley university, whose students are, largely, less well off, has increased by 8 per cent. There is nip and tuck in this, but on the whole, there is no evidence of a reduction in the level of applications from eligible students to Scottish universities.

Mr. Beggs: Does the Minister accept that all students who attend Scottish universities, irrespective of whether they are from England, Scotland, Wales or Northern Ireland, should be there on the same terms? Will he undertake to discuss with his ministerial colleagues in England, Wales and Northern Ireland how they can give the same preferential treatment to students attending Scottish universities as he has offered and afforded to Scottish students?

Mr. Wilson: We have had those discussions. The point is that the school qualification system in Scotland is geared to the higher education system in Scotland. As soon as one tries to match the school qualification system in other parts of the United Kingdom with the four-year degree course in Scotland, these difficulties and anomalies arise. I am conscious of the fact that a problem would arise as soon as my colleagues in the rest of the United Kingdom addressed this anomaly, which is a relatively small one in their terms, because even bigger anomalies would be created. The basic problem is the mismatch between school qualifications and higher education degree courses.

Oil and Gas (Taxation)

10. **Sir Robert Smith:** What recent representations he has made to the Treasury about taxation of the North sea oil and gas industry; and if he will make a statement. [33164]

Mr. Wilson: My right hon. Friend the Secretary of State and I are well aware of the issues involved and we have made appropriate representations to the Chancellor of the Exchequer.

Sir Robert Smith: I thank the Minister for his answer, as far as it goes. We shall find out later how effective those representations have been. I hope that the Minister will make it clear to my constituents and the many people in Scotland who depend on the oil industry—those within the industry and the many small and medium-sized businesses contracted to it—that, despite the views of some Back Benchers, the Scottish Office understands how crucial oil investment is to the economic well-being of the manufacturing base in Scotland and the rest of the United Kingdom.

Mr. Wilson: It may be that, even at this moment, my right hon. Friend the Chancellor is watching Scottish questions and has taken notice of the hon. Gentleman's remarks. The Scottish Office is extremely well informed on the importance of the oil industry to the Scottish and United Kingdom economy. I can assure the hon. Gentleman that the appropriate representations have been made.

Mr. Godman: I may be a minority voice, but may I tell my hon. Friend that I think that it is perfectly reasonable to make representations concerning a comprehensive review of the current North sea fiscal regime? However, given the current price of Brent, it may be that this is not a propitious moment for such a review. I remind my hon. Friend that the companies involved under the regime of the job lot who formed the previous Government made massive profits from the North sea, year in and year out.

Mr. Wilson: We are all concerned to balance the proper taxation structure for the North sea oil industry against the incentives required to ensure that there is further exploration and exploitation. I am sure that my right hon. Friend the Chancellor will have noted my hon. Friend's argument.

Cairngorm Funicular Railway

11. **Mr. Randall:** If he will make a statement on the proposed Cairngorm funicular railway. [33165]

Mr. Macdonald: My right hon. Friend and I believe that the proposed railway will make a welcome and significant contribution to tourism and to the highland economy.

Mr. Randall: I thank the Minister for that reply. Given the serious financial difficulties now faced by the Cairngorm Chairlift Company and serious doubts about European Union backing for the scheme, does the Minister think that the £12.5 million might be better given to other, more viable, projects in the highlands?

Mr. Macdonald: The hon. Gentleman is being unduly pessimistic. As he knows, the Commission is considering the scheme, but will have to await the outcome of legal actions. When those actions have been resolved, the Commission will proceed to reach its decision.

Mr. David Stewart: I welcome the comments by the hon. Member for Uxbridge (Mr. Randall) and thank him for his interest in my constituency. On the funicular issue, I take more notice of the residents of Carrbridge than I do of Uxbridge. What are the Minister's views on the future of the funicular as an all-year-round tourist event, and on its great effect on jobs for the highlands?

Mr. Macdonald: My hon. Friend makes a useful point. The scheme's importance is that it will help to sustain jobs and economic activity throughout the year and not concentrate them in the winter months—which is an important objective for the community of Aviemore and for all the highlands, of which Aviemore is a very important centre.

LORD CHANCELLOR'S DEPARTMENT

The Parliamentary Secretary was asked—

Conditional Fees

31. **Mr. Heald:** When he plans to meet the chairman of the Bar to discuss conditional fee arrangements and legal aid. [33185]

The Parliamentary Secretary, Lord Chancellor's Department (Mr. Geoffrey Hoon): Both my noble and learned Friend the Lord Chancellor and I, and our officials, have had meetings with representatives of the Bar Council to discuss conditional fees and legal aid. Last Wednesday, 11 March, I met the chairman of the Bar to discuss conditional fees and legal aid. We shall have further meetings as and when necessary.

Mr. Heald: Does the hon. Gentleman agree that legal aid is an important part of the welfare state, enabling people who need legal assistance, but who cannot afford it, to receive such help? Exactly how many people will be denied legal aid because of his reforms?

Mr. Hoon: The consultation paper that we have presented to Parliament, and have discussed with hon. Members on both sides of the House, is designed to ensure that we target scarce taxpayers' money where it can do most good: on social welfare law, which has previously not been properly protected by legal aid.

Mr. Dismore: When my hon. Friend meets representatives of the Bar, will he tell them how popular conditional fees have become, and that increasing numbers of clients have signed conditional fee agreements? Will he also tell the Bar whether he has received any complaints from clients who have signed conditional fee agreements, and compare the number of those complaints with the number of complaints received from those whose cases were funded by legal aid?

Mr. Hoon: I am grateful to my hon. Friend for his suggestions. Almost daily, I receive complaints from hon. Members on both sides of the House about the operation of the legal aid scheme. Hon. Members have expressed considerable dissatisfaction with that scheme. Conditional fees have now been agreed in more than 30,000 cases and, to date, I am not aware of a single complaint from an hon. Member about the operation of that system.

Mr. Burnett: Does the Minister agree that the Government's far-reaching proposals for legal aid reform further demonstrate the importance of having an independent Secretary of State for justice who is accountable directly to the House—as proposed in early-day motion 961, which has now been signed by more than 100 hon. Members?

Mr. Hoon: All matters relating to the machinery of government are for the Prime Minister. The Government are committed to delivering results, not to interfering unnecessarily with the building blocks of government, especially when they have stood the test of time. That is particularly true of the office of Lord Chancellor—a position that is currently occupied by someone who is using his very considerable skills and intellect to promote the Government's policy and to implement their manifesto commitments.

Legal Aid

32. **Mr. Flynn:** What new proposals he has to improve the accessibility of legal aid. [33186]

Mr. Hoon: As my hon. Friend knows, the Government plan to modernise the legal aid scheme. Our proposals were debated in the House on 21 November last year. He also knows that, in my statement to the House on 4 March this year, I announced the first stage of the modernisation plans. We aim to promote access to justice for everyone through the wider availability of conditional fee agreements. We shall also begin to focus legal aid on priority areas of social welfare that are of particular concern to the most needy in our society.

Mr. Flynn: Is it not intolerable that the legal aid system, which costs the country a fortune, is completely worthless to the great mass of people? It provides aid to only two groups: rightly to the very poor, but very unjustly to millionaires. How will conditional fee arrangements provide access to justice for the great majority of the people who are excluded by the legal aid system that we inherited, which is unfair, unjust and thoroughly discredited?

Mr. Hoon: I entirely agree with my hon. Friend. The existing legal aid scheme fails almost everyone. It certainly fails the great majority of people who pay for it through their taxes, because they are not financially eligible for it. They cannot go to law for fear of the considerable legal costs that they might face. By extending the availability of conditional fees, we create the opportunity for everyone, rich and poor alike, to go to court regardless of their financial position.

Mr. Garnier: Is it not clear that the Lord Chancellor's announcement last October was an example of economic illiteracy and social division? Does the Minister accept that early-day motion 961, signed by 66 Labour Back Benchers, demonstrates that they have lost faith in his Department's ability to improve access to legal aid? They want his Department abolished. Why are they wrong?

Mr. Hoon: I have made it clear that questions on the organisation of the Government are solely for the Prime Minister.

The October statement announced our determination to consult as widely as possible. We have consulted widely. We have published a further consultation document, which allows the hon. and learned Gentleman a total of six and a half months to give his views. That is a reasonable way in which to take forward new policy.

Dr. Lynda Clark: Are we considering targeting some funds on the industrial tribunal system, which has long been excluded from all forms of legal aid? Given that some complex cases go before such tribunals, could some money be so targeted for important cases?

Mr. Hoon: I thank my hon. and learned Friend for her practical and constructive suggestion. The traditional legal

aid scheme has failed the great majority of our people. It has failed those who are not financially eligible, but it has also failed those with certain sorts of cases, especially those concerned with employment and social security. It is important that as we bear down on the cost of legal aid, we use the savings that can be achieved to direct scarce taxpayers' resources into areas of law such as social welfare, employment and social security law. That is a constructive way in which to approach the proposals.

33. **Mr. St. Aubyn:** If he will list those non-governmental agencies with which the Lord Chancellor and the Parliamentary Secretary have held discussions about the consequences for access to justice of his proposals for legal aid reform. [33187]

36. **Mr. Gray:** If he will list those non-governmental agencies with which his Department has held discussions about the consequences for access to justice of his statement on proposals for legal aid. [33190]

Mr. Hoon: There have been discussions at ministerial or official level with the Law Society, the Bar Council, representatives of the insurance industry, the Consumers Association, the National Consumer Council, Action for Victims of Medical Accidents, the Legal Action Group, the Personal Injury Bar Association, the Society of Labour Lawyers, Law For All, the Law Centres Federation, the Advice Services Alliance, the Association of Personal Injury Lawyers, Justice, Liberty, the Public Law Action Group, the Child Poverty Action Group, the Federation of Independent Advice Centres, Shelter and various local law societies and law firms. The hon. Gentleman might like to know that I met 13 of those groups last week in separate meetings to discuss the proposals in our recent consultation paper, many for the second or third time.

Mr. St. Aubyn: One of the colleges of law is based in my constituency, and I have also consulted the many firms of solicitors in Guildford. Is the Minister aware of the deep disquiet at his Government's proposals to take away legal aid from people with personal injury cases? How can he possibly defend taking away that right to justice from people when they are at their weakest and need it most?

Mr. Hoon: I had not hitherto been aware of the deep disquiet in Guildford, but I am grateful to the hon. Gentleman for communicating it to me. To judge from my meetings last week, most of the groups were pleased that the Government had listened and that our proposals were a practical, constructive way in which to ensure access to justice for the great majority of people. I hope that solicitors in Guildford will eventually recognise that.

Mr. Gray: Why has the Minister spent less on consultants to advise him on his reforms of the legal aid system than the Lord Chancellor has spent on wallpaper?

Mr. Hoon: We have certainly used consultants, and those consultants have been invited to look at the financial implications of our proposals for individual firms of solicitors. In due course, we will publish the results of those consultations, but I can tell the hon. Gentleman that the emerging findings make it clear that there is absolutely no reason why solicitors should not take forward cases on a conditional fee basis, thereby securing access to justice for the great majority in our society.

Mr. Bermingham: Does the Minister agree that the current perceived wisdom is that the overall result of the redirection of legal aid to housing and social security cases, and the growth of contingency fees will be that more people receive greater assistance and gain greater access to the law?

Mr. Hoon: I am grateful for my hon. Friend's comments. It is certainly the case that the Government are determined to control the cost of legal aid so that we can transfer scarce taxpayers' resources to meeting the needs of the poorest in our society. The present legal aid system fails in that. Only by controlling the traditional legal aid system shall we be able to provide advice and assistance to those who have problems with employment, social security, housing and so on.

34. **Mr. Loughton:** What plans he has to meet representatives of the National Consumer Council to discuss his Department's plans to reform legal aid. [33188]

35. **Mr. Randall:** What plans he has to meet representatives of the National Consumer Council to discuss his Department's plans to reform legal aid. [33189]

Mr. Hoon: I and my officials have had a number of meetings with representatives of the National Consumer Council. I met them most recently on Wednesday 11 March to discuss our plans to promote greater access to justice. We shall have further meetings as and when necessary.

Mr. Loughton: If the Minister has had those meetings, he will be aware that law firms are dropping the offer of legal aid in droves. Does that not represent a double whammy? The Government are denying access to justice to many thousands of ordinary people while undermining many law firms that are already reeling from the prospect of penal taxation on work in progress.

Mr. Hoon: I have not had the slightest indication that any law firms are not providing legal aid. They are certainly not doing so in droves.

Mr. Randall: Does the Minister agree with many consumer groups that conditional fees will deny access to justice to many people?

Mr. Hoon: I do not agree. In the meetings that I have just described—productive, useful meetings with both the National Consumer Council and the Consumers Association last week—consumer groups recognised that we had listened to the various problems that they had identified. They were pleased that we had produced a measured programme of modernisation which would achieve a legal aid system of which we could all be proud, but which would guarantee access to justice for everyone in our society. *[Interruption.]*

Madam Speaker: Order. The House must come to order. Conversations are too noisy at the moment.

Compensation

37. **Mrs. Ann Winterton:** What plans he has to ensure that people entitled to compensation are able to claim it. [33191]

Mr. Hoon: We set out the first stage of our plans to improve access to justice in a consultation document published on 4 March. We plan to reform the civil justice system to make it quicker, cheaper and more certain. We will improve access to justice by extending the availability of conditional fees so that the vast majority of the population who, at present, cannot afford to go to court can do so. We shall also take control of the costs of legal aid and concentrate scarce taxpayers' money to bring the right help at the right time to those most in need in our society.

Mrs. Winterton: Is the Minister aware that I have consulted most solicitors' firms in my constituency, which could perhaps be described as provincial firms, and that they are fearful about the abolition of legal aid for personal injury cases, because they believe, as most people do, that many deserving cases will not go to court? What does he say about that? It is the most appalling state of affairs. Surely he should not be in the least proud of what he is doing.

Mr. Hoon: I have had a considerable number of letters from the hon. Lady complaining about the operation of the existing legal aid scheme and complaining that her constituents are not eligible. She has indicated her anxiety to make sure that more people have access to court. The Government's proposals achieve precisely that, and I am sorry that the hon. Lady is not welcoming them instead of criticising them.

Legal Aid

38. **Dr. Starkey:** What effect the Government's proposals on legal aid will have on improving public access to the legal system. [33192]

Mr. Hoon: The legal aid system that we inherited failed everyone. The previous Government reduced eligibility to the point where only the very rich and the very poor have access to justice. We are going to build a modern system that will provide justice for all, by targeting legal aid where it can bring the right help to those most in need and by creating a community legal service. In partnership with the legal profession and with the assistance of the insurance and banking sectors, the Government will enable everyone to have access to the courts, regardless of their financial standing.

Dr. Starkey: I welcome that answer. Can my hon. Friend confirm that, for most people in my constituency, the circumstances in which their legal rights are most important are when they suffer unfair dismissal from their job or when they are denied benefit, and that both occurences fall outside the scope of traditional legal aid? Does he agree that Labour's manifesto commitment to create a community legal service will mean that those needs can be addressed, so that Government-supported legal assistance can be given where it is most needed and to those who most need it?

Mr. Hoon: I am grateful to my hon. Friend for her constructive suggestion. The Government will certainly carry through their manifesto promise to create a community legal service which will concentrate scarce taxpayers' money on the areas of greatest need—in particular, social welfare law, including social security, employment and housing cases.

WAYS AND MEANS

Financial Statement

[Relevant documents: The Third Report of Session 1997–98 from the Social Security Committee, on Tax and Benefits: Pre-Budget Report (HC 423), and the First Report of Session 1997–98 from the Environmental Audit Committee, on the Pre-Budget Report (HC 547).]

Mr. Deputy Speaker (Sir Alan Haselhurst): Before I call the Chancellor of the Exchequer, it may be for the convenience of hon. Members if I remind them that, at the end of the Chancellor's speech, copies of the Budget resolutions will be available to hon. Members in the Vote Office.

INTRODUCTION

3.31 pm

The Chancellor of the Exchequer (Mr. Gordon Brown): Only once in a generation is the tax system fundamentally reformed. The Budget I bring before the House and the country today begins the task not just of modernising taxation but of modernising the entire tax and benefits system of our country. We do this to encourage enterprise; to reward work; to support families; to advance the ambitions not just of the few but of the many.

For decades, under Governments of both parties, the great economic strengths of our country have been undermined by deep-seated structural weaknesses—instability, under-investment, unemployment. So behind the detailed measures of this Budget is the conviction that we must break for good from the conflicts and the dogmas that have held us back and have for too long failed our country. We must build a national economic purpose around new ambitions for Britain.

First, stability. We must break from our history of stop-go and the false trade offs between unemployment and inflation. The new ambition for our country is long-term economic strength and stability based on an unshakeable commitment to prudent monetary and fiscal rules.

Secondly, enterprise. Instead of punishing success by high taxation or offering the incentive of low taxation to only a few, the new ambition is a tax system that ensures that work always pays, that encourages skills and that rewards enterprise and entrepreneurship throughout the whole economy.

Thirdly, welfare reform. The new ambition for Britain is a modern welfare state that, instead of trapping people in poverty, provides opportunity for all.

And fourthly, strong public services. Instead of simply defending unreformed public services, or denigrating them simply for being public, the new ambition is to have modern schools and hospitals in an environment where investment and reform go hand in hand.

So this will be a new Labour Budget that demonstrates that a modern Government with new ambition for Britain can advance both enterprise and fairness and can advance them together—that, by rewarding work and rewarding work at every level, everyone and not just one section of society succeeds. It is a Budget to advance the ambition of all.

STABILITY AND PRUDENCE

First, stability. By spring last year, with consumer demand already rising by 5 per cent. and the money supply by 11 per cent., but industrial production by only 1½ per cent., the economy was exhibiting the same symptoms of instability from policy error that produced the boom-bust economy of the late 1980s.

To avoid a lurch backwards towards the conditions that led to interest rates as high as 15 per cent. in the late 1980s, the Government, and then the Bank of England, took action to ensure stability. And I followed this tightening of monetary policy by putting in place a tough five-year deficit reduction plan.

Last November, I was able to report that I was more optimistic that the economy was on course to get back on track for sustainable growth. That remains my view. But I also warned that there were risks ahead—on the one hand, the effects on the world economy of turbulence in Asian financial markets, and on the other, the domestic risk that an unaffordable rise in wage inflation would lead to higher interest rates and slower growth. Those risks remain.

A deteriorating situation in Asia has forced all Governments to revise downwards their forecasts for growth. And while this Government have contributed to swift international action, continuing uncertainties require continuing vigilance.

Similar vigilance is also required at home in the face of inflationary pressures. In the past few months, wage settlements have risen, even in the manufacturing sector where I fully recognise that a strong pound makes life difficult for exporters. Our aim is a stable and competitive pound over the medium term and I know that exporters agree with me that we must avoid any return to stop-go. It would not be right to sacrifice long-term goals in the face of short-term pressures.

No-one should be in any doubt about this Government's, and the Bank of England's, determination to meet our inflation target. I can now report that because of the action already taken, inflation, which when we came to power was heading well above our target and towards 4 per cent, is now forecast to peak at 3 per cent. this year and be at our target of 2½ per cent. next year.

It is because we have established a sound long-term framework and the expectation of low inflation that long-term interest rates have come down substantially from over 7½ per cent. just before the election to below 6 per cent. now, the lowest rate for 33 years.

Growth this year and next will depend crucially on what happens to wage inflation over the coming year. It would be the worst of short-termism to pay ourselves more today at the cost of higher interest rates, fewer jobs and slower growth tomorrow. All of us must therefore show greater responsibility.

If our welfare reforms can be complemented by responsibility across the economy, we could achieve two and a half per cent. growth this year. But if wage bargaining proceeds in the same short-termist way as in the past, then growth this year could slow to 2 per cent.

Similarly, growth could be between one and three quarter per cent. and two and one quarter per cent. next year and, as the economy returns to its sustainable path, growth could be between two and a quarter and two and three quarters per cent. in the year 2000.

[Mr. Gordon Brown]

Stability also requires a commitment to prudence in fiscal policy. The Chancellor is above all the guardian of the people's money. Last year, spending exceeded revenues by £23 billion under the previous Government and when we came into power we inherited not only a cyclical deficit, but a substantial structural deficit in excess of 2 per cent. of national income. Immediate action was required to secure long-term deficit reduction.

The five-year deficit reduction plan that I put in place last July is not only on track, but is being achieved more quickly than expected. A substantial fiscal tightening has been achieved this year, with borrowing coming down by more than £17 billion, over 2 per cent. of national income. Because at this stage of the cycle it is important to come down on the side of caution, my Budget will lock in this fiscal tightening for 1998–99.

Therefore, even if we exclude the windfall tax revenues, borrowing—which the previous Government had planned at £19 billion for this year—is now expected to be £5 billion, a fall from 3 per cent. of national income last year, under the previous Government, to around a half per cent. this year, comfortably within the Maastricht criteria.

On the same basis, borrowing is expected to fall to just under £4 billion in 1998–99. By 2000, the Budget is forecast to be in balance.

But our fiscal objectives are more long term: to meet the golden rule—that over the cycle Government revenues will cover consumption—and to keep debt at a prudent and stable level. Previous Governments have made the mistake, most recently in the late 1980s, of claiming that they had solved our deficit problem when all they had was a short-term surplus. Surpluses in 1988 and 1989 collapsed into a deficit approaching £50 billion in just four years—the biggest deficit in our history. What was claimed to be the end of one crisis turned out to be only the beginning of the next.

We are determined to avoid such mistakes. To balance the Budget for one or two years and then let it run out of control in the years that follow is simply to fail those who depend on public services being sustained year in, year out. So this, more than ever, is the wrong time to be complacent or in any way to compromise our commitment to long-term fiscal stability.

Just as we locked in our commitment to sound money through the Bank of England, it is now time to lock in a framework which guarantees sound finances. Our code of fiscal stability will place a duty on this Government, and every future Government, to report to Parliament on a consistent basis and provide full explanatory information on how they are meeting the fiscal rules that they have set. Stability and prudence are merely the preconditions for success—the platform from which success can be built. It is time now to show similar ambition and determination in the pursuit of long-term increases in productivity.

Enterprise

For years, as a nation our capacity to consume has not been matched by our capacity to produce. And it is because we have had insufficient capacity to sustain anything other than low long-term rates of growth that our upturns have been too short and too fragile, and our downturns too deep and too destructive. But with a platform of stability in place and with lower long-term interest rates, I believe we are now in a position to establish, for the first time for decades, a virtuous circle of low inflation, high investment and a higher level of sustainable growth.

Over the next few years we must seize this opportunity by challenging ourselves to lift our productivity in each and every industry towards the levels of the world's best. I want us to be as determined to raise productivity as we have been tough-minded about the need for stability.

Breaking free from old ideas of state control on the one hand and crude laissez faire on the other, our new ambition for Britain must be to encourage enterprise and entrepreneurship, to boost education and skills and, as our Competition Bill will ensure, to open markets to competition and new opportunities—in other words to implement for our country a medium-term strategy for growth.

First then, our proposals to help businesses invest and grow. To encourage long-term investment, today we will put in place the company taxation reform that we started last year, by abolishing one tax in its entirety.

From April next year, companies will no longer have to pay advance corporation tax. A new instalments system of payment for larger companies' corporation tax will be introduced. In the last Budget we reduced the main rate of corporation tax by 2p to 31p. In this Budget we reduce it further by another 1p to 30p from April 1999. This is the lowest main rate of corporation tax of any major industrialised country and the lowest rate in the history of corporation tax in Britain. When it is finally in place companies will pay over £1.5 billion less in corporation taxes each year.

The lower and fairer tax regime to encourage investment that business has wanted for years is now in place under a Labour Government. It will contribute to making Britain the best place in the industrialised world in which to invest.

Businesses need to plan for the long term, so today I make a commitment that for the rest of this Parliament corporation tax will be at 30p or less.

Stability is important, not least in our North sea oil industry, where planning horizons are long. Next month we will publish a consultative document on the future of the North sea fiscal regime.

In the new economy, however, jobs will come not simply from a small number of large businesses, but from a large number of small and growing businesses. Today we will make five changes that will help small business: we will cut the costs of investing; we will cut the burden of red tape; we will promote research and innovation; we will increase the rewards for doing well; and we will cut tax.

First, following the consultation on our corporate tax proposals, I will exempt medium-sized as well as small companies from paying corporation tax by instalments. Taken together with the abolition of advance corporation tax, that will improve the cash flow for small and medium-sized companies paying dividends by about £1 billion.

But I want to do more; 85 per cent. of taxpaying companies in our country—350,000 companies—are covered by the small companies' rate of tax. In the last

Budget, I cut the small companies' tax rate from 23p to 21p. I have now decided to go further. From April next year small companies' tax will be cut again to 20p, and we will keep the rate at that level or below not just for a year, but for the Parliament.

We are cutting not only the tax rate, but the costs of investing. For 12 months from July, first year capital allowances for small and medium-sized businesses will be set at 40 per cent., continuing our commitment to boosting long-term investment.

I want to make it easier and cheaper for small businesses also to take on their first employees, but setting up payroll systems costs those businesses money and time, so from April next year the Inland Revenue will offer businesses help in setting up their payroll systems, and will do so on a nationwide basis.

For too long the great scientific advances of British universities have gone on to become the manufacturing successes not of Britain, but of rival countries. To help turn British inventions into success for British businesses, I am announcing today plans for a new £50 million venture capital fund open to all universities—a new university challenge fund that will invest today in the innovative businesses that will create wealth and jobs in our country tomorrow.

Encouraging greater research and development investment is also crucial to higher productivity, so the Government are today publishing a consultative document indicating a determination to help businesses to achieve greater research and development.

Our venture capital industry is proportionately much smaller than that in America. By merging the enterprise investment scheme and capital gains tax reinvestment relief, I am now able to provide more generous, more efficient and better targeted help to encourage the venture capital industry in Britain. I propose a 50 per cent. rise in tax reliefs. From now on investors will be able to secure income tax reliefs for investment up to £150,000 a year.

We must do more to increase the quantity and quality of long-term investment. The capital gains tax regime that we inherited rewards the short-term speculator as much as the committed long-term investor. It is time also for a fundamental reform of capital gains tax.

In a low inflation environment a complex system of indexation is no longer necessary. Indexation will continue until April 1998 and will then be frozen. The annual exempt amount will rise in line with prices. Following extensive consultation, I have decided to phase out complex allowances, and instead I will introduce a new structure of capital gains tax which will explicitly reward long-term investment, and which is based on a downward taper and lower tax rates.

The short-term rate of capital gains tax will remain at 40p. For investors holding non-business assets, who invest long-term for 10 years, the rate of capital gains tax will fall from 40p to 24p in the pound. For those who build businesses or stake their own hard-earned money in them, the long-term rate will be reduced even more from 40p to 10p in the pound—the lowest rate ever achieved.

So with a 30p main rate of corporation tax, a 20p rate for small business tax, and a 10p long-term rate of capital gains tax, this Government today send a clear signal of support for enterprise to those who invest in the United Kingdom. My message to business is: "When you are ready to start out, start up, start investing or start hiring, this Government are on your side".

When half the population have only £200 or less in savings, there is broad agreement that we must do more to encourage savings by everyone. There is broad agreement also that an easy-to-access individual savings account, available over the counter in supermarkets and post offices as well as from banks, building societies and financial services providers, can encourage the savings habit among many more people.

I can now report the conclusions from our consultation on the individual savings account. First, the individual savings account will, as promised, offer complete freedom to move cash in and out, and so savers know their cash will always be accessible when they need it. Secondly, in response to suggestions from prospective providers, the cash holding for the first year of the new product will be raised to £3,000. Thirdly, the individual savings account will receive a 10-year guarantee that savings of up to £5,000 a year can be invested with all existing tax reliefs.

Fourthly, even when new TESSAs and contributions to PEPs cease next year, the entirety of capital accumulated in them will be able to continue, with all the accumulated gains, to enjoy tax reliefs. There is no retrospective element. Whatever accumulated capital there is will remain entirely free of tax, so existing PEP holders will be able to keep their accumulated savings free of capital gains tax and, at the same time, they will be able to save an additional, tax-free £5,000 each year in the new individual savings account.

Work

Just as the modern tax system should encourage investment, so too the tax and benefit system should reflect the value we place upon the responsibilities and rewards of work. For far too long in our country, too many men and women have found themselves working harder and longer, and have still been unable to lift themselves out of poverty into even modest prosperity. For too long, we have done too little to help those who work hard to advance up the ladder of opportunity from lower income into middle income jobs and upwards. The cap on aspirations in Britain must now be lifted.

While Budgets in the 1980s acknowledged the need for incentives, the incentives given to the few ignored the even greater problem of disincentives for the many. So it is time to reward the efforts of those who want to work their way up. First, there is welfare reform through welfare to work. The new deal is the most ambitious programme of employment opportunities our country has seen. From 6 April, every young person unemployed for more than six months will have the offer of work or training. From now on, no young person in Britain will be without opportunity.

It is now time to take two further steps that broaden the scope and ambition of the new deal—steps that will open up new opportunities to long-term unemployed adults in our country. From June, every one of the 225,000 men and women who have been unemployed for two years or more can benefit from a £75 a week employers' subsidy which, for them, will be a passport to work. But the Government are determined to do more, and we will offer—initially to 70,000 men and women—an individual service of expert help and advice to find work. In this way, we will take another step forward in tackling long-term unemployment in our country.

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Past employment programmes have helped men but often ignored employment opportunities for women. From this year, the new deal will be extended to thousands of women previously denied chances of work, and it will do so in three ways.

First, for a quarter of a million women, who are partners of unemployed men, we will offer expert and personalised help to find work through pilot programmes to be launched in every region of Britain, paid for from the windfall tax.

Secondly, my right hon. Friend the Secretary of State for Social Security will announce next week the personal help that will now be available on a national basis for all lone parents who want to work and whose children are at school. And we will implement a 12-week linking rule so that they do not risk losing benefits as a result of a brief period in work.

Thirdly, partners of the unemployed under 25 without children, who are not allowed to register as unemployed, will now be given exactly the same opportunities for training and work that others under 25 now enjoy.

With these proposals, equality of employment opportunity for women in our country is now far closer to becoming a reality. Unemployment blights not just individuals' lives, but whole communities. So we need a new deal for communities which recognises that the answer to social exclusion is economic opportunity. Working with the new social exclusion unit, my right hon. Friend the Deputy Prime Minister and other Ministers will announce a series of pathfinder projects that will put employment at the centre of initiatives to improve education, health and other services in our poorest communities.

But there is one group of young people who are the most excluded and most discouraged: young people who find themselves homeless. These vulnerable young people do not just need homes: they need jobs. So I want help to be linked to training and preparing them for jobs. Today, to help finance the advice available to the most disadvantaged young people and to create a nationwide network of mentors ready and willing to help advise and motivate young people who could get back to work, £50 million from the windfall fund is being allocated.

And we must do more. Today, while many are unemployed, extensive skill shortages are holding back our economy. I can also announce extra help in this Budget to promote investment in skills and lifelong learning.

But our priority must be to provide training in areas such as computers and the high technology skills, not least to help prepare for the millennium. Over £100 million extra will be allocated in the coming year to tackle the skills gaps in Britain. My right hon. Friend the Secretary of State for Education and Employment will announce details of this new skills initiative for our country. Our review of post-16 benefits and maintenance will continue along the lines that we have already set down.

Having provided new opportunities for work, it is now time to create a modern tax system that will help create jobs and reward work. So I want to announce today a tax reform to cut the costs of hiring at the wage levels where most new jobs are created. I want to make it easier for companies that are prepared to take on young people looking for a first step on the ladder of employment opportunity, and to take on men and women who want to return to work.

The tax and benefit task force headed by Martin Taylor, chief executive of Barclays, will publish its full report this afternoon. I am sure that the whole House will join me in thanking him for the work that he has done. One of his central recommendations—on which he has already consulted employers—is for a simpler, fairer and more employment-friendly national insurance system; one that makes it easier for employers to hire new employees, and one that also cuts the costs and red tape associated with the two separate and unaligned systems of income tax and national insurance.

Martin Taylor's proposal is radically to restructure employers' national insurance on a revenue neutral basis, which for business as a whole will involve no additional cost, and to set a rate of employer's national insurance of 12.2 per cent, but only after the first £81 of wages.

I have accepted the proposals. From next year, the Government will abolish the distorting entry fee for employers' national insurance. We will also abolish the multiplicity of separate national insurance rates. We will therefore cut the cost of hiring lower-paid employees. Employers will pay no national insurance on any employee earning less than the starting point of the personal tax allowance—£81 a week. The right to benefit for all employees earning between £64 and £81 a week will be upheld in all the changes we make.

With these changes, we are cutting the costs to business of employing 13 million of our lower and middle-income employees. We are taking up to 1 million of the lowest-paid employees out of employers' tax altogether and we are cutting the cost of hiring someone on half average earnings by more than £250 a year.

The Taylor report also recommends similar changes to national insurance contributions for the self-employed. This and other matters will be discussed and examined after the Green Paper on welfare reform is published next week by my right hon. Friend the Minister for Welfare Reform.

Employers and employees will also benefit from a further institutional reform: the establishment of a single organisation to deal with both income tax and national insurance. My right hon. Friend the Secretary of State for Social Security and I have agreed that the Contributions Agency will be transferred to the Inland Revenue with effect from April 1999. We are a Government who do not simply talk about cutting the costs of red tape and bureaucracy, but take the decisive action necessary to achieve it.

Welfare to work is stage 1 of the reform of the welfare state. Today's Budget moves us into stage 2—ensuring that work pays more than benefits and raising the rewards from work.

When it is right for the economy, I will introduce a 10p starting rate of income tax, but today I announce a tax cut for hundreds of thousands of working families on low income and we will do it through the introduction of a new working families tax credit.

Under the present system of family credit there is, quite simply, a ceiling on aspirations for women and men wanting to work their way up. In Britain today

there are nearly three quarters of a million working families who are held back by marginal tax rates in excess of 70 per cent. There are nearly half a million working families, with children, whose pay is so low that they receive in-work benefits and yet still are required to pay income tax.

From October 1999, the working families tax credit will not only be a tax cut for hundreds of thousands of working men and women with children, but will abolish the grotesque distortion where some low-paid employees have had to pay back more than £1 for every extra £1 they earn.

Instead of the state paying out benefit through the social security system to working families on lower incomes, in future they will receive cash directly through the tax system. Families will be able to choose to whom the credit is paid—either directly or through the pay packet.

By tackling the unemployment trap and increasing the help available to families, the working families tax credit ensures that work will always pay more than benefits and by tackling the poverty trap—through cutting the rate at which help is withdrawn as incomes rise, the working families tax credit ensures that the more you earn, the more you take home.

I say to those who can work: this is our new deal. Your responsibility is to seek work. My guarantee is that if you work, work will pay. Let me spell out in hard cash the difference that that guarantee will make.

For families with children where someone works full-time there is now a guaranteed income of at least £180 a week, and to the same working families there is a second guarantee: that no income tax at all will be paid on earnings below £220 a week.

The Government inherited a tax system whereby a family with two children paid tax even when they earned only 25 per cent. of average earnings. Under our proposals they will have no income tax bill until they earn over 50 per cent. of average earnings.

It is a transformation in the rewards for work in our country, and, because, in future, work will pay, those with an offer of work can have no excuse for staying at home on benefits.

I said in the last Budget that, in the new Britain, everyone had a contribution to make. Now, with these new guarantees for working families, we can also say that, in the new Britain, for millions more people, we will make work pay.

I have one further tax and benefit integration to announce. For decades, thousands of disabled people have been denied a basic right—the right to work—and the tax and benefit system is one of the barriers that have denied them opportunity.

As a Government, we will never compel to work disabled men and women who cannot work, and for those who want to work we will systematically remove the obstacles that, at present, prevent them from achieving their potential.

So, alongside the working families tax credit, the Government will introduce a new tax credit for disabled people in work, paid through the wage packet, and a new 12-month linking rule to improve the incentives for those on long-term benefits to take a job. Together, these measures will ensure higher rewards for disabled men and women if they choose to enter work, making work pay.

Today, I also want to make one further change that sends a signal to every employee in the country about the importance that the Government attach to work and fair rewards from work for men and women on lower incomes, middle incomes and upper incomes, right up the income scale.

We said at the election that we would not raise the basic or top rate of income tax, and we will keep this promise, not just for one year, but for the Parliament. But I am abolishing the perverse entry fee that every employee pays to be part of the national insurance system and, in doing so, I am cutting national insurance for every employee in the country.

Further reforms will also ensure that no one pays national insurance for the first £81 of their weekly earnings. All employees earning between £64 and £81 will have their right to benefits protected.

So, from next April, 20 million employees in Britain will benefit by paying £1.28 a week, or £66 a year, less in national insurance. This is not just a tax cut for lower-income Britain, it is a tax cut for middle-income Britain; a tax cut for everyone in work.

Our reforms—the merging of the Contributions Agency and the Inland Revenue, the radical restructuring of employers' national insurance contributions and the changes that I have announced in employees' national insurance—are the biggest change in the structure of national insurance for a generation.

I have one further change that will make thousands of men and women better off, and in particular make a difference to family incomes.

For too many parents, the cost of child care has meant that parents either cannot afford to work or find themselves paying out most of their wages on the cost of child care. So we will introduce a new child care tax credit as part of the working families tax credit, and put high quality child care within the reach of people who have never been able to afford it. For spending on child care of up to £100 a week for the first child and £150 for two or more children, the tax credit will cover up to as much as 70 per cent. of the cost.

The rules that we draw up, which will be reviewed after two years of experience, will be designed to ensure that parents have access to high quality child care: child minders, day nurseries and out-of-school clubs. That is a change that today makes a reality of choice for hard-working families previously denied it. Child care will from now on be affordable for the many and not just the few.

Supporting families and children

Families are the bedrock of a stable and healthy society, and, in a fast-changing economy—with its uncertainties and vulnerabilities—families, now more than ever, need the security of support when bringing up children.

"Family values" means that we value families—all families. So our economic policy must not only encourage a stable and healthy society based on mutual rights and responsibilities, but directly support families as they bring up children. That is not just for the 4 million children growing up in poverty in Britain today, but for every child who should have the best opportunities.

The system of child and, indeed, family, support which the Government have inherited is confused in its aims and contradictory in its impact, and it must now be reformed

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on the basis of clear objectives. The starting point in 1998 is exactly the same as stated by the Beveridge report in 1944:

"that nothing should be done to remove from parents the responsibility of maintaining their children and that it is in the national interest to help parents to discharge that responsibility properly."

We implement those objectives in a changed economy where parents try to strike the right balance between paid work and family responsibilities. In that new context, we must do more to encourage family-friendly employment that will help children and their parents. That is why, as part of the social chapter, we shall legislate to guarantee unpaid parental leave, and I am pleased to confirm that the Confederation of British Industry and others support that endeavour.

Giving children the best start in life requires good schools, good health services, good child care, good public services as well as cash help. This country invests some £10 billion a year in a wide range of services for young children. For the first time, a broad-based review of how we can integrate the whole range of services involved in the support and care of young children and their families is being carried out, and proposals will be announced with our spending review in the summer.

Giving a child the best start in life takes more than money, but it cannot be done without money. Child benefit remains the fairest and most efficient and cost-effective way of recognising the extra costs and responsibilities borne by all parents. Raising it allows us to do more for mothers who choose to be at home, working at home bringing up children. To underline the view that child benefit is society's support for, and investment in, the upbringing of children, child benefit should and will remain universal where it is already universal, and it should be paid, as now, directly to the mother. Thus, future support for children will be built around universal child benefit and I am convinced of the case for raising its level.

After careful examination, I believe that we should make three complementary changes. First, we all know that circumstances dictate that some families will need more help than others. The case for additional support for children in poorer families is strong, but that support should be on the basis of the identifiable needs of children, not on whether there happens to be one parent rather than two. There is no case for a one-parent benefit and we shall not return to that. Additional support should be provided on the basis not of family structure but of family need.

Secondly, our benefits system provides less help for children when families need it most—in the early years. Low-income families on benefit, in or out of work, receive £8 a week less for a child under 11 than for a child over 11. That distinction does not reflect some of the high costs of the early years and takes no account of the costs to mothers of staying at home when their children are young, or of the extra costs of child care if mothers work, so it is time to do more for children under the age of 11.

To achieve our goals, we must look more broadly at the current approach to children and families in the tax system. The state pays a tax allowance to married couples, but pays exactly the same amount at exactly the same rate to unmarried couples with children, whether or not they have ever been married. The state pays exactly the same amount at the same rate as married couple's allowance to single parents. Indeed, the state pays the same amount for up to a year to couples who separate or divorce, and does so whether they have children or not. Such is the confusion of the current system that if a married couple with children splits up, both man and woman can each receive the equivalent of a full married couple's allowance for up to a year. Thus, separated, they can receive up to twice the allowance of a married couple.

The only way to make sense of that chaotic system is to make our primary aim that of supporting families through supporting children. That is why, from next year, we propose to raise child benefit by reducing those allowances, now paid at 15 per cent., to 10 per cent. The change will not affect elderly taxpayers, whose extra allowances will be protected.

I have therefore decided that, from next April, for the first child, child benefit will be raised by more than 20 per cent.—a £2.50 a week rise in child benefit, in addition to the normal uprating for inflation. The £130 a year rise is the biggest increase we have seen in child benefit. These changes will be fully reflected in the family premium for income support. It is the right thing to do to support and strengthen families in our country, and, from November this year, for those on family credit and income support, child support for under-11s will be raised by an additional £2.50 a week, so that the needs of Britain's youngest and poorest children are properly recognised.

With these measures, we can give every child a better start, and I believe that, in future years, we can and should do even more. For those who want child benefit raised, the question undoubtedly arises whether it should be taxed for those at the top of the income scale. It must be right in principle that if child benefit is raised, there is a case for higher rate taxpayers paying tax on it. Modernisation of the welfare state makes possible more investment in the children of our country, and following the children's review, we shall bring forward detailed recommendations for reform.

I have one further announcement: for hundreds of thousands of men and women, care within the family extends beyond caring for children to caring for disabled or elderly relatives, so valuing families means valuing carers—spouses, grandparents, and all the carers who contribute to the family. As a first step to recognising the importance of carers within the family, I can today announce that I am ending an injustice that the previous Government tolerated. The tax allowance that has been available only to men with children whose wives are incapacitated will be extended to mothers with dependent children and incapacitated husbands. Because of the importance that I attach to ending this unfairness, I will backdate this additional help to April 1997.

I now turn to the environment. The Kyoto summit was a landmark for international agreements on the environment, and the work of my right hon. Friend the Deputy Prime Minister in securing agreement has been widely applauded. Having signed up to an 8 per cent. reduction in European Union carbon emissions, we are determined to play our part—nationally and internationally—in meeting those targets. In those

important policy decisions, which affect generations ahead, there will be proper information, proper consultation and full openness in government.

I can confirm, first, that VAT on the installation of energy-saving materials funded under certain Government grant schemes will be cut from 17.5 to 5 per cent. That will help to insulate 40,000 more homes a year, and we are pursuing with our European partners a wider relief.

There has been increasing pressure, not least from businesses, for measures that encourage greater energy efficiency in industry. I am grateful to Sir Colin Marshall, the chairman of British Airways and, until July, president of the CBI, for agreeing to head a Government review into economic instruments to improve the industrial and commercial use of energy. It will include a study of whether new economic instruments, such as an industrial energy tax and/or other market mechanisms, should be introduced to help to curb industrial emissions, and, if so, how that will be done.

Concern for the environment is, of course, not limited to the use of energy. Last year, we commissioned work on the environmental costs of the quarrying of aggregates, and on the options for dealing with water pollution. Detailed results will be published in the near future by my right hon. Friend the Minister for the Environment. We already know that we need to do more to reduce the amount of waste going to landfill, so I shall raise the standard rate on active waste from £7 to £10 per tonne from 1 April 1999. Consistent with our environmental objectives, from October next year I am exempting from landfill tax the inert waste used in the restoration of sites.

Road transport is the fastest growing source of carbon emission, so we need a more balanced transport policy. The Government therefore propose to make two major environment-led changes to long-term transport policy.

The quality and quantity of public transport must be improved. I am pleased to announce that, over the coming three years, as a result of this Budget, a total of over £500 million additional money will be invested in public transport. My right hon. Friend the Deputy Prime Minister will announce details later this week.

I can announce today a £50 million a year rural transport fund. Three quarters of rural parishes and communities have no bus service. Our aim must be to extend the range of transport services throughout the country. The fund will invite applications from rural communities that want to improve their local transport services. As an added incentive, I shall increase the rebate on fuel paid to bus operators to help to keep bus fares down.

The Government recognise that, for many people, especially in isolated areas, car ownership is not a choice but a necessity, so I now want to rebalance car taxation so that it falls less on car ownership. I want to make the change in an environmentally sensitive way.

From January next year, I am cutting the licence fee for lorries and buses with clean engines by up to £500. But I also want to make a major reform of the licence fee for cars. From next year, I plan to reduce the licence fee for cars with the lowest emissions. For the cleanest and the smallest cars, I plan to cut the licence fee by £50.

As we make the preparations for this long-term environmental change, for this year I propose, at a cost of £145 million, to freeze the licence fee for all vehicles. To encourage lower emissions, the costs of converting company cars to road fuel gases will, from now on, be disregarded for income tax purposes. At the same time, I am increasing the scale charges for fuel provided by an employer, which will cost the typical company car user around £1 a week. The duty on road fuel gases will be frozen, increasing the incentive to use those cleaner fuels.

The previous Government introduced a road fuel escalator, the principle of which we supported. They set it at 5 per cent., and since July it has been 6 per cent. There is agreement that only with the use of an escalator can emission levels be reduced by 2010 towards our environmental commitments.

As a result of the escalator, road fuel tax will rise by 4.4p a litre for unleaded petrol and for ultra-low sulphur diesel. As is normal, that change will take effect on Budget day at 6 pm. To encourage all diesel users to switch to cleaner fuels, ordinary diesel will increase by 1p more than that. These increases will reduce carbon emissions by 1.7 million tonnes of carbon.

Of course, the price of petrol will also be affected by movements in oil prices. The oil price has fallen by 25 per cent. in the past six months: a benefit enjoyed by oil companies which has yet to be passed on to consumers, especially consumers in rural areas, who already pay higher fuel prices, which is something the Office of Fair Trading is already investigating.

Whatever the short-term changes in oil prices, however, the Government have a duty to take a long-term and consistent view of the environmental impact of emissions, and that is what we have done. Today we are publishing in the Red Book an environmental assessment of our proposals.

Section 7: Other Tax Measures

I said that we would maintain the basic and top rates of tax for this Parliament. As is usual, we will increase all income tax allowances, income limits and tax thresholds in line with inflation.

I turn now to this year's Budget decision on mortgage tax relief. I can tell the House that I have decided in this Budget not to make any further change in the rate, or to make any change to stamp duty on property below £250,000. For property sales above £250,000, stamp duty will be raised to 2 per cent. from next Tuesday, and to 3 per cent. on property sales above half a million pounds—a change which leaves 98 per cent. of house transactions unaffected.

I also had a decision to make on inheritance tax. Many have put to me the case this year for freezing or even lowering the threshold. I have decided to do neither of those things. This year, I will raise the threshold for inheritance tax by £8,000. Under this Government, there will be no inheritance tax to pay on estates below £223,000: 97 per cent. of estates will not have to pay inheritance tax. Rules on inheritance tax concerning chattels will, however, be tightened to ensure proper access.

I also want to improve access to our nation's museums and galleries. I have therefore decided that extra money will be made available to help museums and galleries that do not currently charge for admission, to maintain free admission in the coming year.

As promised in the last Budget, I will raise revenue over the next three years by closing a number of loopholes left by the last Government, including those relating to

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offshore trusts. The measures that we shall take to deal with such loopholes will raise a total of £1.5 billion over three years. Next month, we will publish and consult on draft legislation for a general anti-avoidance rule for direct taxes.

From 1 January next year, alcohol duties will be uprated in the normal way, by 1p on a pint of beer and 4p on a bottle of wine. For a bottle of spirits, the duty will be frozen at its current level. I shall be taking action to clamp down on smuggling and fraud.

On tobacco, in line with the commitment that I announced last year, the excise duty will rise by 5 per cent. above inflation. From 1 December, the tax on a packet of 20 cigarettes will rise by just over 20p. Details of those duty changes, together with details of changes to certain gambling duties, are published this afternoon.

I have had many Budget representations, including many widely publicised campaigns, pressing for new tax reliefs. I have decided that there is a case for one new tax relief, for giving. I want British citizens to be able to contribute more to poverty relief and education through charitable work in the developing countries. For every £100 that a British citizen donates, the Government—under the proposals that I have announced today—will contribute up to £40.

I want the millennium to be remembered, not just nationally but internationally, for the redemption of debt and the reduction of world poverty. This new tax relief will allow individuals to make their contribution to the reduction of world poverty.

Public Spending

I said that this would be a Budget based on prudence for a purpose and that guides us also in our approach to public spending. When we came into government, we said that, while we undertook a strategic review of future spending priorities, we would work within a two-year ceiling on departmental spending.

The comprehensive spending review—the results of which we will announce this summer—will shape our public spending priorities into the next millennium, but, as a result of the work of my right hon. Friend the Chief Secretary to the Treasury, and as a result also of departmental willingness to root out waste and, this year, to reallocate resources to our priorities, we have already achieved more than some people expected: £400 million to help pensioners with fuel bills; £1.5 billion already to patient care in the health service; £3 billion to employment opportunity; and more than £2 billion to education.

Because of our disciplined approach this year, we are able to carry over extra money from this year to next. I have already said that public transport will receive an additional £500 million over the next three years. Ours is prudence for a purpose: to meet the people's priorities. We are determined to improve education all round, so I am allocating for the coming year to education an additional £250 million. That makes a total additional commitment to education since we came to power—above what the previous Government proposed—of £2.5 billion. I can also tell the House that my right hon. Friend the Secretary of State for Health and his colleagues in Scotland, Wales and Northern Ireland will make announcements this week.

The extra money that I announced last July for the national health service comes on stream in the health service from next month and I have decided that additional allocation to health of £1.2 billion for the coming year should today be increased by a further 40 per cent.—another £500 million to £1.7 billion. That takes the total additional investment that this Government have provided for the NHS in our first 10 months to £2 billion. The NHS is safe in this Government's hands.

Because we will always be prudent, I am allocating £500 million to add to the reserve in 1998-99. It is because of our prudence that we are able to meet our manifesto commitments, to reduce the deficit and to invest more in transport, education and the NHS.

The ambitions of the British people are again the ambitions of the British Government, so this is a Budget which, by its measures, advances both enterprise and fairness. We have cut corporation tax, small business corporation tax and national insurance for every employee in the country, and we have raised child benefit for every family. This is a new Labour Budget which has set new ambitions for Britain, so that, for millions, ambitions can become achievements, and I commend it to the House.

Provisional Collection of Taxes

Motion made, and Question,

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effect shall be given to the following motions:—

(a) Sparkling wine, made-wine and cider (rates of duty) (motion No. 3);

(b) Hydrocarbon oil (rates of duties and rebates) (motion No. 8);

(c) Hydrocarbon oil (ultra low sulphur diesel) (motion No. 9);

(d) Hydrocarbon oil (mixing of heavy oil) (motion No. 10);

(e) Amusement machine licence duty (rates of duty) (motion No. 13).—*[Mr. Gordon Brown.]*

put forthwith, pursuant to Standing Order No. 51 (Ways and Means Motions), and agreed to.

Mr. Deputy Speaker: I now call the Chancellor of the Exchequer to move the motion entitled "Amendment of the law". It is on that motion that the debate will take place today and on succeeding days. The remaining motions will not be put until the end of the Budget debate next week, and they will then be decided without debate.

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Gordon Brown.*]

4.35 pm

Mr. William Hague (Richmond, Yorks): I begin on a personal note, by congratulating the Chancellor on the stamina with which he delivered his speech. There are measures in the Budget that we will wish to support, including the measures that he has announced on corporation tax, small companies' tax rates, the challenge fund for universities, the reduction in national insurance contributions and his reform of capital gains tax, which is almost exactly on the lines proposed by the shadow Chancellor, my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), except that it is not quite as ambitious.

In his talk of new ambition, the Chancellor may be getting a bit ahead of himself. We have always associated the Chancellor—as has the Prime Minister—with old ambition rather than new ambition, and I think that that has been on display again today.

We will also look at the details of some of the right hon. Gentleman's proposals before deciding whether we support or oppose them. We will look at the details of what he has proposed on stamp duty. It will be a great relief to the Prime Minister that he sold his house before the Chancellor introduced a measure that will affect only rich people with houses over a certain value.

Any analysis must start where the Government started when they inherited last year an economy in the finest shape of any economy inherited by any Government after any election since the second world war. They started with their now notorious pre-election promises, which must be seen against the background of this Budget and their previous Budget taken together. Before the election, the Prime Minister said:

"We have no plans to increase tax at all."

He told Radio 4 listeners last January:

"The programme of the Labour party does not imply any tax increases at all."

He told BBC 1 viewers four days later:

"There are no hidden tax rises."

Two months after they took office, the Labour Government tore up those solemn promises and introduced 17 new taxes or tax rises in their first Budget. Now, under this Labour Government, after the taxes and mortgage increases that have taken place over the past 10 months, the typical family is £798 worse off in a year. Nothing that the Chancellor has done today remotely compensates for the price people have already paid over the past 10 months for a Labour Government. The overall tax burden in this country is set to rise by almost 3p in the pound, even before this Budget. We will look carefully at today's figures to see what the new rise in the tax burden will be.

In the course of those two Budgets, there has been a betrayal of businesses by the Labour Government. They made great play of being a friend of business, but in the past year, they have slapped £22 billion of extra taxes on to businesses. Nothing that the Chancellor announced today remotely makes up for the tax increases that he announced before.

For all the Chancellor's cosmetic gimmicks today, there has been a betrayal of rural areas. The Labour party, which posed as a friend of the countryside, has today added to the costs of people in rural areas with an additional tax hike on petrol.

There is also a betrayal of many women and children, by a Labour Government who promised to protect universal benefits and are now becoming the first Government ever to tax child benefit. So there is a betrayal, and a great deal of disappointment for many people who will have heard today's Budget.

The Government were lucky when they started in office. They inherited the fastest growth of any major European economy, unemployment that was falling fast, the lion's share of investment from outside the European Union, inflation that was under control and—as this morning's borrowing figures have shown—public finances that are even stronger than our final Budget forecast. The previous Government hit our inflation target right on the button; the current Government have now missed their inflation target in nine out of 10 months, including in the latest figures, which were published today.

It was the Chancellor's duty to preserve a golden economic legacy, but, step by step, he is betraying that legacy. His record is already telling a tale of two economies: services booming, and manufacturing on the brink of recession. Manufacturing output has fallen for five successive months. If those figures turn into a manufacturing recession, it will be a recession that was made in Downing street. The Chancellor has created the worst of all worlds for industry: higher tax and higher interest rates. With higher interest rates leading to an ever higher pound, export orders and jobs are at risk.

The Chancellor has so little confidence in his own policies that—in the fine print of today's Budget—he has even downgraded his own growth forecast for this year. Last November, he was predicting between 2.25 per cent. and 2.75 per cent. growth; now he is predicting 2 per cent. to 2.5 per cent. growth. That change has occurred in only a few months. The Red Book, which was published only a few minutes ago, says that manufacturing output will be flat this year. In a wonderful euphemism, it states that net trade will

"make a negative contribution to growth"

of the economy this year. In Treasury-speak, what is the meaning of the statement that net trade will

"make a negative contribution to growth"

of the economy this year? It means that businesses are being crucified by the exchange rate.

[Mr. William Hague]

The Government could have done plenty in the Budget to help industry out of those difficulties. The Government could have cut the cost of creating jobs in other ways. Although the Chancellor has made some changes, he could also have abandoned the idea of a national minimum wage. He could also have further freed capital markets. However, in the past year, he has hit on the worst solution: an all-out assault on pensions and savings—the £5 billion annual pensions tax in last year's Budget—introduced by stopping pension funds claiming tax credits on their dividends.

The Government then had the plan of abolishing personal equity plans and tax-exempt special savings accounts, and of replacing them with individual savings accounts. I am glad that we have forced the Government into a humiliating U-turn in their plans for ISAs. We may have lost the vote in the House, but we have clearly won the debate. Nevertheless, we should not let the Chancellor think that he has not done damage to savings in the United Kingdom. Savers now know what the Government really want to do. They know that the Labour party has an instinct for retrospective taxes on savings.

The Government have done permanent damage to Britain's savings culture. In the forecast published with the Budget a few minutes ago, the Chancellor forecasts a sharp fall in personal savings—but that is what happens when one clobbers pensions and savings. He forecasts that the percentage will fall from 11 to 9 per cent. How will he build a high-investment and high-productivity economy while pursuing policies and issuing forecasts that show a sharp fall in the personal savings ratio?

The Government have made only a small step in getting their policy right. Dropping the retrospective savings limit is the right thing to do, but there is no case for keeping a lifetime limit for any savers when there is also an annual limit. Any lifetime limit will increase the cost of a scheme, making it less attractive to savers. We shall await the details of the Chancellor's proposals.

No Government can seriously claim to be building the economy for the long term when they slap a £5 billion a year tax on pension funds. As even the Government Actuary has told Ministers, if the Government take a tax hike out of pensions, people will have to pay more. Speaking at a dinner last week, the chairman of the Association of Consulting Actuaries said that the ramifications of the Chancellor's proposals last year

"were clearly not thought through at the time of the Mini-Budget. Frankly they should have been."

He also said:

"We all know how much damage has been done because our words went unheeded . . . They must stop loosening the foundations on which the hitherto robust system of Occupational"

pension

"Schemes is built."

The Chancellor has done nothing today to repair the damage of those measures.

The Chancellor has proposed the working families tax credit system to replace our current family credit system. The Prime Minister vowed at last year's Labour party conference to reduce spending on welfare. He made that a top priority of his Government, and the test by which he wanted to be judged. Opposition Members have always made it clear that we support reform of the welfare state. However, it is now clear that Labour came to power with a heap of promises, a bundle of aspirations, a lorry-load of cliches, but nothing resembling a plan.

Today, the Chancellor has produced a plan: a reform that increases expenditure, increases the number of people tangled up in the benefit system, and increases complexity. The central reason for that mess is the scrapping of family credit and its replacement with the working families tax credit. To redeem a pledge to reform welfare, the Chancellor has devised an extremely complex system, which I think he hopes that none of the commentators will understand. When they study it, they will find that it has put women at a disadvantage—*[Interruption.]* The Chancellor says that people will be able to choose to whom the benefit is paid.

Mr. Gordon Brown *indicated assent.*

Mr. Hague: What happens if they do not agree? Who will arbitrate? Will Ministers decide which member of the family receives the benefit? Will the Chancellor personally decide who will receive the benefit?

When people have read the details, they will discover that the scheme is a burden on business and demands that businesses keep records of family circumstances. They will discover also that, if the Chancellor changes the tapers and more gently withdraws benefit from some people, the Government will be spreading means testing higher up the earnings scale. They will discover that that will produce higher marginal rates of taxation and benefit withdrawal for those on middle incomes. They will discover that his scheme will extend the problem of benefit withdrawal up the income scale, from one-earner families to two-earner couples, and that, consequently, it will hit women on modest earnings, who are particularly sensitive to such disincentives.

We do not object to the Government

"running its own neck into the noose, but we object when it is taking millions of poor working families with it."—[*Official Report, Standing Committee B*, 18 March 1986; c. 942.]

[Interruption.] The Deputy Prime Minister says no. Those are the words of the current President of the Board of Trade, when the scheme was floated by a previous Government, in 1986. She was objecting to the scheme in 1986. The difference is that, whereas we withdrew the scheme when the problems became clear, the Chancellor has pressed on with it, hoping that, the more problems and chaos he causes, the more radical his reform will seem to be.

There has been a report on a very similar system that now prevails in Canada, by a Mr. Mendelson—I hope that no Ministers are moonlighting. On the Canadian scheme, Mr. Mendelson writes that if, in Canada,

"the working income supplement"—

which is the comparable scheme—has proven a false start,

"there is reason to suspect that the British experience"—

should it attempt to establish a UK earned income tax credit

"may turn out to be more like Canada's"

than that of the United States. So we suspect that the Chancellor is making a great mistake.

Although changing from family credit to tax credit does not in itself alter family income by a penny, the Government's policy looks at first sight—from what

the Chancellor has said today—as if it will cost the taxpayer a great deal more, will be a disincentive to work for thousands of people, and will mean that hundreds of thousands of women will see more than £50 a week taken from their purse and placed into their partner's wallet.

Introducing that reform makes an incomplete job of welfare reform, at considerable cost to the taxpayer. It means that the Chancellor has done a botched DIY job on welfare reform, at a price that the Lord Chancellor's decorators would have been proud of.

The Chancellor's spin doctors like to claim that they came into office with a carefully worked out programme for government; so how embarrassing it must be, once again, to postpone the 10p income tax rate. Never has a policy been more frequently announced than the 10p income tax rate to which the Chancellor says that he is committed. He announced it before the election, he announced it during the election, and he announced it after the election. He has announced again today, but still no one is going to enjoy a 10p tax rate.

When will the Chancellor actually implement it? Let him be in no doubt; if he wants to cut taxes, we will support him. We will certainly join him in the Lobby to vote for lower taxes, but let him now produce the 10p tax rate to which he is committed.

We are pleased that the Chancellor accepts the need to reform national insurance contributions, and we will support smoothing them out and reducing the burdens on employing lower-paid people. However, instead of reducing burdens, he has decided to redistribute them.

Before the Budget, even those employing workers on more than £210 a week were paying only 10 per cent. Now even those paying £81 a week will carry a marginal employers' national insurance tax of 12.2 per cent. instead of 10 per cent. As a result, although the Chancellor did not refer to this in his speech, he has increased the burden of employing many quite low-paid people. If he was going to make such reforms, he should have done it by cutting tax, not shifting it on to someone else. If he admits that reducing the cost of low-paid staff is a vital job-creating measure, why does he support a minimum wage? Exactly the same arguments that he proudly deployed today in favour of his reforms devastate his case on that.

The Chancellor has also introduced measures on child care. The Opposition welcome much of that. That is why we introduced child care disregard into family credit during the last Parliament. It is not clear that what he has announced today is anything more than switching our policy on family credit into his new tax credit system. By itself, today's measure helps only lone parents and two-earner couples who use registered child minders and clubs. What about people who stay at home to look after their own children? A proper child care package would be aimed at least equally at them.

It is crazy that, on first analysis, it seems that, after the Budget, two neighbours may be better off looking after each other's children than looking after their own. We will not agree with that policy. We want a policy that supports people who look after their own children, as well as those who look after the children of other people. At least the right hon. Gentleman was self-sacrificing and did not introduce a special tax relief for looking after children for the duration of a photo call. We are pleased about that.

The decision to tax child benefit for upper-rate taxpayers poses more questions than it answers. Why leave untaxed the wife of a millionaire who does not work, while taxing the head teacher who does? Why take away a cash benefit and spend it on unspecified Government programmes, when the real aim is to reduce the size of the welfare state? The Chancellor has some time, because of his review—yet another review—to find the answers to those questions. We will judge him and his reforms of child benefit by his answers over the next year.

The Government have got themselves into a hole on welfare reform. After messing about with a bucket and spade for a few months, the Chancellor has came along today with a huge mechanical digger, but the reforms that are intended to make work pay will for many people make hard workers pay. Welfare bills that the Government vowed would go down will instead go up, and the dependency that they pledged to reduce will instead increase.

The Chancellor announced some spending increases. We welcome the use of money not spent elsewhere for education and health. What is remarkable about the increases in the health budget is not that the Government are putting more resources into the health service but that it would have been a national scandal if they had not. They came to office with a pledge to reduce waiting lists, yet, step by step, month by month, they have betrayed that promise. Waiting lists have risen relentlessly, up by almost 100,000 in the 10 months that they have been in office. Far from being more generous to the health service as they promised, over the past year they have dramatically cut the rate of increase in spending on our health service.

Under Conservative Governments over 18 years, the average increase in health spending was 3.1 per cent. in real terms. This year, under a Labour Government, it has risen by 1.2 per cent. in real terms. That is the background against which the Chancellor's announcement must be judged.

For the majority of the 50 years of the health service, it has been managed, expanded and turned into a success by a partnership between Conservative Governments and the doctors, nurses and others who work in our national health service. Before the Chancellor takes a pat on the head from the old rebels and new robots on the Back Benches, perhaps he will spare a thought for the thousands more people who must this year wait for operations who did not have to wait before this Government came to power.

The best way to tackle welfare dependency is for people to find it easier to get a job. The Chancellor talks a good game on welfare to work; it is a shame that he does not play one. The Government are pursuing employment policies that are likely to destroy jobs rather than create them. How does he think that many companies will pay for the £22 billion of new business taxes that the CBI has identified? By cutting back on their work forces, of course. How does he think that they will pay for the minimum wage? By employing fewer people, of course. The Institute of Fiscal Studies is only the latest in a long line of expert organisations to argue that a minimum wage risks

"generating significant levels of unemployment amongst young people".

[Mr. Hague]

How can the Chancellor introduce such policies and say that in his Budget he is breaking away from dogma? How does he think that companies will absorb the extra social costs of signing the social chapter? How does he think that companies will find people with the skills and training they need if they are going to compete in the next century, when his Government have introduced student fees and abolished the maintenance grant in such a way that applications to universities and colleges have fallen dramatically? The answer, of course, is that they will not.

Last November, the green Budget accepted that the Government had a responsibility to promote a flexible and adaptable labour market and encourage investment in skills. Against that test, huge new business taxes, the minimum wage, the social chapter and the student fees scheme are the height of irresponsibility. The Chancellor might talk about welfare to work, but the policies of this Government could force many people out of work and into welfare. It is yet another step in the step-by-step betrayal of many people in this country by the Government.

The Chancellor mentioned environmental policies. The increase in petrol duty that he announced today is another step in the Government's step-by-step betrayal of motorists. In the past, we increased petrol duties above the rate of inflation on environmental grounds, but in the past two Budgets he has taken that policy too far. An extra 4.4p on a litre of fuel means that the tax has gone up by 20 per cent. in the past two Budgets—twice the rate of increase under the previous Government. Introducing the rise from today, rather than the normal November rate, will cost motorists hundreds of millions of pounds extra. That sleight of hand is yet another of the underhand stealth taxes that the Chancellor likes to introduce.

The Chancellor announced his gimmick of £50 million on rural transport, which will not remotely pay for the extra cost faced by rural motorists because of other policies. Let us hope that that policy is more successful than some other cosmetic announcements and some announcements in the previous Budget. When he announced extra winter fuel payments, it turned out that most people had to wait until the end of winter to receive them. Let us hope that this Budget is implemented more successfully.

Every day, step by step, it is clear this is the Government of the nanny state. This is the Government who tell people how to live. We see it again in the Budget. They tell people, "Don't drink, don't smoke, don't hunt, don't have a pension, don't eat beef on the bone, don't save, don't drive a car; if you drive a car, don't park it." The Prime Minister preaches to people about what they should and should not do. This Budget and the last one represent the collection plate being passed around after the sermon.

The Chancellor's next betrayal was in his so-called crusade against tax avoidance. We notice that the Paymaster General could not bear to be here to listen to the announcements. This is the Government who appointed as the Minister responsible for offshore tax trusts and tax avoidance a man with offshore tax trusts who influences them and is presumably in charge of implementing today's changes to them.

That is breathtaking hypocrisy. We shall judge today's changes in tax law against this simple test—the Robinson test. Will the Paymaster General continue to escape tax after today's changes? Will the Minister for tax avoidance continue to avoid tax? We suspect that he may, and that, despite all the pre-election rhetoric and the Chancellor's reforms today, the Swiss bank family Robinson will stay in business and out of tax. That is another step in the step-by-step betrayal of Britain.

There is a simple way for people to understand what the Government are doing. Listen to what they say, and they in fact do the opposite. They say that they will not raise taxes at all, and then, step by step, they impose stealth taxes that hit hard-working families. They say that they will encourage savings, and then, step by step, they slap new taxes on pensions and scrap popular savings schemes. They say that they will tackle welfare spending, and, step by step, they set about spending more money on welfare. They say that they will be pro-business, and then they load on to businesses £22 billion of taxes that they have not adequately alleviated today. They say that they are for middle Britain, and then they impose higher taxes on middle Britain.

When the Labour party put up all those posters before the general election with a picture of the Prime Minister promising no tax increases, it did not add footnotes saying, "Except if you are a home owner," "Except if you are a pension plan holder," "Except if you are a PEP or TESSA holder," "Except if you are a motorist," "Except if you are a student," "Except if you are council tax payer." They call themselves the people's Government. Which people? Not the people who own their own home. Not the people who are saving for retirement. Not the people who drive their own car. This Budget, taken together with its predecessor, sends a clear message to the family that works hard, saves hard and tries to be independent of the state: "The Government are not on your side." It is the step-by-step betrayal of Britain.

Several hon. Members *rose—*

Mr. Deputy Speaker: I call Mr. Paddy Ashdown. Will right hon. and hon. Members leaving the Chamber do so quickly and quietly?

5.2 pm

Mr. Paddy Ashdown (Yeovil): Even allowing for the fact that the speech that a leader of the main Opposition party has to give straight after the Budget statement is probably the most difficult that has to be made in the House, in my time, I have not heard a more intemperate or more inaccurate speech than the one that has just been made by the leader of the Conservative party. We are used to being astonished by Conservative U-turns and even Conservative hypocrisy since the Conservatives lost the election, but I have not yet heard a U-turn so extraordinary as the Conservatives' criticism of the Government for their NHS spending plans when the Government are following the Conservatives' NHS spending plans. It seems pretty remarkable to me.

All Budgets are interesting—fascinating, indeed—but the Budget that sets the direction for a new Government is more interesting than most. This Budget is therefore, important not just for what it is, but for what it tells us about the Government's long-term programme.

The Chancellor may not, to his regret, be the captain of the ship, but he has today provided its compass and set its course. We can tell a great deal from the Budget about the direction in which the Government will go.

We have our criticisms of the Budget, of course, but there are also things with which we agree. I think that the Chancellor has been too timid, but we welcome the broad directions that he has set. We think that he could have gone further, but we believe that those directions are right. Many of them seem to have come more from the Liberal Democrat manifesto than from the Labour manifesto. Let me see whether I can list some of them.

The Chancellor has taken a longer-term view on economic management. He has made a commitment to welfare reform. He has shifted much further than I thought he would towards helping enterprise and small businesses, and that is welcome. He is apparently serious about tackling poverty, although the proof of that pudding will be in the eating, not in the words that describe it on the menu. The Chancellor has allocated some extra money for the education and NHS budgets, about which—we will not be surprised to hear—more later.

We applaud the Chancellor for adopting what has been our policy for years on a fiscal responsibility code and the independent status of the Bank of England—something that was in our manifesto, but not his, yet he adopted it three days after the election. We think it right that the Government have adopted a Budget judgment that is broadly neutral and pretty cautious. We are glad that they have listened to some of the legitimate criticisms, not least from Liberal Democrats, but also from the Conservatives, about their proposals on saving and business taxation. I am a little concerned that what the Chancellor has announced today will launch a bonanza in the next 18 months in PEPs and TESSAs, but let us wait and see. I shall return to some of those points later.

First, I shall take a broader look at the Budget, the Government's record and the origins of the present economic situation. On some of the big things, the Government have done well since they came to power. The chief exception is their failure to fund their promises to improve health and education. It is, oddly, on issues of presentation that the Government have come most unstuck—sometimes very seriously. I say "oddly" because they claim to be the great progenitors of the art and science of presentation.

The Government have made two major mistakes—one before the election and one after it—which have now come home to roost in the Budget and must very soon be corrected. Before the election, the Labour party foolishly, even dogmatically, joined the Tories in telling people that they would not increase their taxes. That was a silly promise and an undeliverable one, as the previous Government found to their cost. It has cost us dear under the new Government. It meant that in last July's Budget, when the Government should have been raising income tax to take the heat out of private spending, they could not do so and were forced to add extra burdens on businesses instead of taking money out of consumer pockets to dampen the consumer boom.

The Government seem, by their own actions, to have painted themselves into the corner of one-club economics, rather as the Conservatives did in the early 1980s. They have to rely almost exclusively on the single instrument of interest rates, backed up by a fierce public spending freeze. The problem is that Britain's economy is not a single economy. It is now, much more than in the early 1980s, not one economy but two. The service sector is booming and needs to be slowed down, but the industrial sector is flagging and needs to be stimulated. Interest rates alone are simply too blunt an instrument to cope with that. They have proved ineffective in dampening the consumer boom, but they are seriously damaging industry, not least by pushing up the level of an already uncompetitive pound.

The Government are left in a cleft stick of their own making. They need to dampen down the consumer boom in the service sector, but they cannot use personal taxes to do so, so they have to use higher interest rates, which industry needs like a hole in the head. That dilemma was graphically and perhaps painfully illustrated by the recent 50:50 split in the monetary policy committee on the question of raising interest rates.

I do not know, and I do not believe that we can yet tell, whether there will be the soft landing that the Government want and we all pray for. The odds seem broadly in favour, but it has now become much more touch and go than it was. In that sense, this is a fingers-crossed, hope-for-the-best Budget. It will be remembered, I fear, not for all its details—commendable though many of them are—but for what happens next in the economy. On that, I suspect, for all his confident performance today, the Chancellor is as uncertain, and has his fingers as tightly crossed, as the rest of us.

Once again, the sensible management of the British economy has fallen prey to electoral promises and the electoral cycle. Once again, we are faced with the possibility—I place it no higher than that—of another spin around that old back-breaking British cycle of boom and bust, which has dogged us for so long. That is a depressing outcome for a Chancellor whom I believe to be sincere about wanting to manage for the long term, and whose first act was, commendably, to give independence to the Bank of England—something that we proposed, but he did.

The second consequence of Labour's foolish pre-election promises on taxation and spending is that the Government cannot now fund an early start to delivering their self-declared early pledges on health and education. That looks even more bizarre in the light of today's figures showing a bigger than expected surplus on the current account. The consequence is clear and painful to many people who voted for the Government: waiting lists are at record levels in the NHS and rising, and they are set to rise far higher; school classes are at their largest for 20 years and growing; hospitals are being closed and teachers are being sacked. I hazard a bet that there is not a single Labour Member who has not received, as I have, bewildered letters about yet more cuts in school budgets and yet more sacked teachers from people who voted Labour on 1 May in the belief that a Labour Government would improve education in their schools.

We welcome the allocation of some extra money for schools and the NHS—after all, we have been calling for that since the general election and have been roundly abused by the Chancellor and the Prime Minister for our temerity in doing so. Apparently, when Liberal Democrats call for extra money for schools and the health service, that is short-term opportunism; but when it is announced by the Chancellor, it suddenly and miraculously becomes

[Mr. Paddy Ashdown]

responsible long-term management. *[Interruption.]* I shall be happy to take an intervention if any Labour Member cares to make one, but I see that none does.

The new money, welcome though it is, will do little to save the job of a teacher who is being sacked this year, or to shorten the waiting time of the 68-year-old widow who wrote to me the other day saying that she could not understand why, under the Labour Government she voted for, she now had to wait six months longer for her hip operation.

The Government's actions will ultimately be judged not by inputs, but by outcomes. Does the money mean universal early-years education for all three and four-year-olds whose parents want it? No. Does it come with a commitment to lower class sizes for all primary school pupils? No. Will it double the cash for books and new technology as the Liberal Democrats have urged? No.

Crucially, will it mean that hospital waiting lists will come down this year? I fear that it does not mean even that. The pressures on the NHS are now too great—not least because the Government would not fund it properly earlier—and this settlement does not properly reflect that fact. I simply do not understand why a Government who are rightly committed to ending boom and bust in the private sector seem now to be actively promoting a bust-and-boom approach to public services. It is not possible, in two years' time, to unsack the sacked teacher or unsell the building that used to be a cottage hospital.

The Government's second mistake came not before the election, but after 1 May, when they injudiciously allowed themselves to be bounced into foreclosing the option of an early decision on Britain's entry into the single currency by a single *Financial Times* headline and an incautious phone call from a Westminster pub by the Chancellor's press officer. That the Government appear to have decided in favour of the single currency is a good thing; that they have decided to sit on the fence about when to enter it is not. I make the prediction that I have made before, and I make no apology for that: as soon as the rates are fixed on economic and monetary union on 1 May, the Government will be forced down the road by events and will have to take a decision in principle backed by a referendum before—not after—the next election.

It is sad to see the current Government, who are unquestionably more pro-European than any of their predecessors, still being led by events on Europe instead of leading them. It is sad indeed to see that, on the Government's timetable, even Greece will now be sitting at the top table deciding future economic policy in Europe while Britain is stuck in the waiting room outside. It not only a question of leadership: we are paying a real and painful price for that fatal mobile phone call from the Red Lion pub in Parliament square. Our industrial and export industries are bleeding because of the uncompetitive level of the pound; jobs are already being lost, and more—I fear, many more—will follow; interest rates are higher than they need to be, piling on the agony for our manufacturing sector; crucial investment is already beginning to go elsewhere; and much, far too much, of the genuine good will and enhanced influence that the new Government have won for themselves in Europe is being allowed to ebb away.

As the Budget figures reveal, Britain has met all the main criteria for joining monetary union, so I urge the Government to adopt now a declaratory policy on EMU. They should set a clear target date for joining, follow policies consistent with that aim and announce that they are prepared to have a referendum on the principle of the single currency before the next election. The result would be immediately beneficial both to the Chancellor in his predicament and to the country in that it would bring a lower pound, lower interest rates, more inward investment and a real boost to the Government's influence and standing in Europe.

There are two other areas of the Budget on which I shall comment. The first is what might be called its central thrust: welfare reform. We welcome both the Government's overall commitment to welfare reform and much of the detail announced in the package today. We especially welcome their proposals on child care, although, again, we think that they could have gone further. Whether the package as a whole is a success will depend to a great extent on that detail, particularly on the question of working families tax credits. We welcome the changes to the payment of attendance allowance, which has now become available to working wives. That welcome is not in any sense diminished by the fact that the Chancellor has now backdated it to April last year, which is when we were proposing the measure in the Finance Bill and he was opposing it.

We shall look at the detail of the Chancellor's welfare package before we make a judgment. I have no intention of making the sort of knee-jerk response that the leader of the Conservative party has made today. There are many items to which we are prepared to give a warm welcome. However, there is still a suspicion that some of the detail is being shaped by political gimmickry rather than by practical good sense.

For example, an increase in the personal income tax allowance—the zero per cent. tax rate—makes far more sense than the 10p tax rate. It is more progressive, better for incentives and simpler for the tax system, as the Institute for Fiscal Studies has recently pointed out to the Government. I am also disappointed about the lack of any immediate help for our poorest pensioners for which the Liberal Democrats have called—for example, through a £5 premium for the over-80s, who tend to be among the poorest in our country.

The second area I wish to touch on is the environment. The Government have gone further than we anticipated that they would and we welcome that. I particularly welcome the idea that we can have a variable rate of vehicle excise duty—again, that is something that was in our manifesto, not Labour's, at the last election, but that does not diminish our welcome for the measure. However, the Government seem to think that environmental taxation is simply about taxing motorists. What we really need is a broadly based energy tax—a carbon tax—to tax pollution, not people. We also need a national scheme to boost household energy efficiency, which the Government promised when they were in opposition, but which is not contained in the Budget. Without those policies, how are the Government going to keep their manifesto promise to cut carbon dioxide emissions by 20 per cent.?

This is not a bad Budget; in fact, if the details turn out to be appropriate, it might be a good Budget in the long term. It is not a bold Budget, but it does some things well: it is long term, it tackles welfare and it says the right

things about poverty. However, it does other things inadequately: it does too little to correct the underfunding of public services, too little to make serious progress on the Government's self-declared environmental aims and too little to correct the Government's unhealthy reliance on one-club, interest-rates-only economics. It does nothing, I fear, to clarify the Government's unsustainable position on the single currency.

It is good that the Government are getting people back on their feet with welfare reform, but it is bad that the Government are still sitting on their hands over health and education and still sitting on the fence over the single currency. However good the Budget may be in the long term, I fear that the price that we shall pay for those inadequacies will be paid in the months ahead and in the short term.

5.19 pm

Mr. Stuart Bell (Middlesbrough): It is always a pleasure to follow the right hon. Member for Yeovil (Mr. Ashdown), although he was somewhat grudging in his support for the Budget—only towards the end of his speech.

The right hon. Gentleman always raises the issues of health and education, but he does not take into account the fact that we have already provided £2.3 billion for education, that we immediately released £300 million into health care last year and that we are releasing £1.3 billion into health care this year.

Mr. David Rendel (Newbury): Will the hon. Gentleman give way?

Mr. Bell: If the hon. Gentleman does not mind, I would rather make a little progress with my speech.

If the right hon. Member for Yeovil continues to advance the argument that there must be more money for health and education, he should at least give us the satisfaction of stating what we have already done in both those areas.

Mr. Ashdown: I am grateful to the hon. Gentleman for giving way to me, as he did not allow my hon. Friend the Member for Newbury (Mr. Rendel) to correct him. The hon. Gentleman should have noticed that, when the Chancellor talked about extra money for health and education, he carefully pocketed inflation, but was not prepared to pay it out. The effects of the Chancellor's Budgets over the past two years mean that, after inflation is taken into account, the amount of money invested in the NHS by the Government this year is less than that invested by the Conservatives, and over the two years—this year and next—will be nearly £250 million more. Those are the figures that should be taken into account.

The Chancellor should remember that when the Conservatives tried those tricks in 1988, he said:

> "When health costs are rising faster than even ordinary inflation, the sum that the Chancellor has provided today will barely cover the basic inflationary pressures that the health authorities face".—[*Official Report*, 1 November 1988; Vol. 139, c. 826.]

What the Chancellor said of one of his predecessors, we now say of him.

Mr. Bell: I say this with great deference, but the right hon. Gentleman has shown that he lacks any grasp of the economic arguments. He is saying that, if we put £2.3 billion into education, £1.3 billion into health, plus £300 million, we also have to write in inflation—how ridiculous. If we were to do that, we would have to write inflation into the whole system. We would actually be saying that we do not want an inflation rate of 2.5 per cent., which is the target, but that we want it to rise consistently with the amounts of money put into education and health. The actual inflation rate that we would then be talking about would be 5 or 6 per cent.

I sympathise with the right hon. Gentleman over not understanding the basic economic fact about how inflation builds into the system. If we had inflation rates of the sort that the right hon. Gentleman suggests, we would be hearing cries of dismay from the Opposition. That would contradict the argument that the right hon. Gentleman advances: he consistently tells us to join the single currency with a convergence rate of 2.5 per cent. inflation, but his statements on education and health would build inflation into our system so that we could not meet that rate. He will have to work out in his own mind the various contradictions in his policy.

The right hon. Gentleman described the Budget as interesting; the Budget is extraordinary. The Liberal Democrat party has now taken over as the official Opposition. It is a great sadness to the House that the Conservative party, which was in government for so long, has deserted the Opposition Benches, deserted the argument and deserted the battlefield. It is extraordinary that a Budget that places emphasis on the family, the low-paid, welfare to work, redistribution and child care should find absolutely no echo from the official Opposition. While the right hon. Member for Yeovil spent much time talking about the Maastricht treaty and joining the single currency, he referred to child care only in the last few words of his speech.

Today's Budget is extraordinary. It is a Budget that redistributes but, at the same time, does not add to taxation. My right hon. Friend the Chancellor has announced a fundamental reform of the tax system. He has shown clearly that it is a Budget for the many, not the few. He has talked about building stability into the system, not creating the sort of boom-and-bust conditions to which the right hon. Gentleman referred. My right hon. Friend the Chancellor has talked about having sustainable growth and rising employment levels while maintaining a low inflation rate. He has talked about fiscal policy and monetary restraint.

Such policies may not bring an echo from the right hon. Gentleman, but it is surprising that the Liberal Democrat party, which aspires to be the official Opposition, cannot take into account the proper arguments in the Budget. In my constituency, there will be great satisfaction at my right hon. Friend the Chancellor's view that we can move from poverty to modest prosperity, and that what he has created today is a ladder of opportunity, building on the welfare-to-work schemes and the new deal, which comes into effect on 6 April.

My right hon. Friend also spoke of lone parent benefits—a subject that has aggravated many in the country. It was argued that lone parents would lose benefit because, if they took a job, lost it within a short time and then took up benefit again, it would be at a lower rate. Today, that issue has been addressed by my right hon. Friend. He has made it clear that benefits for lone parents will not be lost if those parents take up work for a brief

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time—and that brief time is to be at least 12 weeks. He has clearly shown that there will be no loss of benefit to the lone parent in such circumstances.

Ms Diane Abbott (Hackney, North and Stoke Newington): I am grateful to my hon. Friend for referring to lone parents, a subject about which I am very concerned. My hon. Friend is quite right to say that the 12-week link will deal with one of the objections that some of us had to the Government's proposals, whereby single parents who took up work that did not last would find themselves worse off. But the Chancellor said something chilling when he said that there was no case for one-parent benefit. The Chancellor refuses to recognise that being a single parent in itself involves extra costs. It is important to flag up that issue at an early stage of the debate.

Mr. Bell: I am grateful to my hon. Friend for accepting that the 12-week period to which my right hon. Friend the Chancellor referred is welcome. It will certainly ease much of the anxiety in my constituency, as in others. What my hon. Friend did not mention, but the Chancellor made great play of, is the equality of work opportunity for women, which everyone in the House should welcome.

While my right hon. Friend did not address the point mentioned by my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), he said that child benefit would be raised by 20 per cent. from next April. He has also talked widely and in great detail of the modernisation of the welfare state. He has also suggested that carers will have a sense of place in our system because help for them will be backdated to April 1997. The Chancellor has also made it clear that he will introduce a new child care tax credit, which the House should welcome.

Those who argue one way or another, whether old or new Labour, must accept that the Chancellor referred to the Beveridge report and did so in the context of a changed economy. We are in the year 1998 and looking towards the millennium. We have an entirely changed economy and an entirely different social mix; it is right and proper that, while we adhere to the values and traditions that have guided this Labour party of ours for so many years, we modify and adapt them for the age in which we live.

I was pleased to hear the Chancellor say that child benefit would stay as a universal benefit, and that its levels would be raised.

I am sure that the Liberal Democrats, who now make up the Opposition, join us in welcoming the new working families tax credit. That is an excellent suggestion, which will help 750,000 people who are held back by low wages. By tackling the unemployment trap and increasing help to families, the working families tax credit should ensure that work will always be more attractive than benefits. That will please those who have been raised on the work ethic in our industrial cities and towns. They understand the nature of work—the dignity and respect that it gives to those who have it and how those who do not have it are deprived of dignity and respect.

The working families tax credit will tackle the poverty trap, meaning that the more one earns, the more one takes home. That is part of the new deal. As my right hon. Friend has said, there is an onus and a responsibility on people to seek work. My right hon. Friend has guaranteed that work will pay.

My right hon. Friend also had a word to say about the disabled. The debate on welfare reform has become more excitable, with disabled people chained to railings because they think that somehow their benefits will be cut and they will be victimised. My right hon. Friend has made it clear that the Government will never compel the disabled to work, but that he will remove the obstacles that prevent those who want to work from achieving their potential. That is an admirable principle.

My right hon. Friend said that he would introduce a new tax credit for disabled people in work. The measures that my right hon. Friend has announced will ensure greater rewards for disabled men and women who enter work. The essence of the Budget and the welfare-to-work programme, which should have been welcomed by the Conservatives, is that those who wish to work can and should work, and that work will pay.

I shall limit my remarks to the welfare-to-work proposals. I shall not follow the, as it were, Leader of the Opposition—the right hon. Member for Yeovil—by debating the single currency. He did not give my right hon. Friend credit for the drop in the long-term interest rate from 7.5 per cent. to 7 per cent. He also failed to explain how we could enter a single currency with a short-term interest rate of 7.25 per cent., while short-term interest rates in Europe are 3.5 per cent. How can we enter a single currency when there is no convergence in our economies?

Mr. Ashdown: The hon. Gentleman was—uncharacteristically, perhaps—not listening to my speech as carefully as he might. I said that the Government should follow a declaratory policy; I did not say that we should enter the single currency now. We should set a target date of 2001 or 2002. We should follow policies consistent with that, by which time we can, no doubt, achieve convergence, and then hold a referendum on the principle before the next election. I do not know whether the hon. Gentleman agrees, but I believe that the Government will do that.

Mr. Bell: I made a shorthand note of what the right hon. Gentleman said, so I am sure that my interpretation of his remarks was accurate. He predicted that, after the rates were set on 1 May, we would be obliged to join the single currency.

Mr. Ashdown: No. I have said this twice in simple English. The Government will be forced to take a decision and hold a referendum on the principle of joining a single currency before the next election. They can then join on their target date of 2001 or 2002. That is pretty simple. I should have thought that the hon. Gentleman could understand that without too much further assistance.

Mr. Bell: I understand that, but it comes to the same thing. The right hon. Gentleman wants the Government to make a commitment to joining the single currency after 1 May. He has disregarded the Government's clearly set out policy that there must be convergence of business cycles throughout the European Union, that there must be a referendum and that the referendum must be won.

The right hon. Gentleman should be advocating fixing our rates against other currencies, or possibly entering the exchange rate mechanism, rather than putting forward hypotheses about what he thinks will happen.

In the days of old Labour, we used to talk of a fundamental and irreversible shift in the balance of wealth and power to workers and their families. In the days of new Labour, my right hon. Friend the Chancellor is seeking to achieve an irreversible shift in opportunity towards those who are less well off and less privileged in order to create a modern Britain. That is the essence of the Budget, placing emphasis on those who need help in our society and those who want to climb the ladder of opportunity. The Budget should be commended by hon. Members on both sides.

5.35 pm

Mr. William Ross (East Londonderry): I have listened to a good many Budget debates during my time in the House. This one has had a different flavour from usual. It was different in structure and, to some extent, in content. We usually hear a list of all the goodies that the Government intend to provide in the coming year. We are then told the global cost of those goodies and the revenue that has to be raised to meet that cost.

We have not heard that today. We have been left in limbo, having to go away to get the bundle of papers, sit down with a cold towel over our head and start to work it all out. No doubt the financial editors of the newspapers will do that ere tomorrow.

Very few of the changes announced will have effect from today or tomorrow. The first main change seems to be planned for December, with all the others flowing from about April next year. The measures are being introduced over a long period.

Not having heard any great detail about how the Government intend to pay for the measures that they have announced, I am driven to the conclusion that they are depending on the economy continuing to expand strongly. That is all very well if the economy follows the course that they are predicting, but if it does not, the situation could be catastrophic. As a fairly cautious man, the Chancellor will know that. No doubt measures to deal with that eventuality are buried somewhere in his speech. I shall read it carefully.

It is difficult to make a speech about the detail of the Budget within half an hour or so of the Chancellor sitting down. It is necessary to try to absorb the broad framework and then try to work ones remarks around the salient points. During the long debate to come on the Finance Bill, we shall be able to examine in detail what the Chancellor is setting before us.

I have always been an advocate of balanced Budgets. I was happy when we were ejected from the exchange rate mechanism, which, sadly, because of the perception in the country, was one of the greatest financial disasters that the Conservative party suffered. The ejection was a happy event. Going in to the ERM in the first place was the cause of much of the misery that the Conservatives suffered and, ultimately, of their coming to join us on this side of the House after 1 May last year. The ordinary citizen may not have been clear about what happened, but he figured that something bad had happened and did not like it. That, along with the poll tax, sealed the Conservatives' fate.

I hope that the present Government will not take the advice of those who are urging them into the single currency. In the longer term, they would suffer the same fate as their predecessors, and ordinary citizens would pay the same unhappy price.

Following our ejection from the ERM, the policies pursued by the previous Conservative Administration with regard to the country's finances have practically brought us back to the position where we can start to repay public sector debt. I welcome that, because I believe that we should try to redeem the indebted state in which we live. We should look forward to a long period in which as a nation we are rarely in budget deficit. In the long run, that huge burden of debt, and the huge financial commitment that must be made in interest payments every year, should shrink away.

I am well aware—and I am sure that it is well known on the Treasury and the Opposition Benches—that that happy situation will not be achieved without pain. I hope that, as the next election approaches, the Government will not lose their nerve, and that the next Government, whoever they may be, will continue on the same path, so that we can earn our keep in the world honestly.

I shall touch on some of the details of the Budget. The first concerns tobacco. The issues are well documented. Only a small proportion of the population, or of those engaged in the tobacco industry, would deny that tobacco is dangerous. It is dangerous, and it is better not to smoke. I am in the happy position of not smoking, although I confess that I do not think it is so dangerous that we should demand that smoking be stopped in every public place. I am not so politically correct that I am willing to go along with that manifestation of correctness.

I have noticed from the documentation that has been sent to us recently that there has been a rise in the number of smokers, especially among the young, over the past year or so. Why should that be? It cannot simply be a matter of price. It must have something to do with peer pressure among the young. I wish that the Government would spend some of the enormous sums that they receive from the tax on tobacco to investigate the reasons why people start smoking, and that they would put the large number of spin doctors whom they employ to a more useful purpose—to come up with a good anti-smoking advertising campaign aimed at the young, to prevent young people from starting to smoke.

That will not make me very popular with many of my friends who work at Gallaher in Ballymena. I understand that, but everyone in the industry knows that, in the long term, the tobacco industry as a major employer is doomed.

Mr. Brian Cotter (Weston-super-Mare): Does the hon. Gentleman agree that the Government signalled in their statement today that they would put more emphasis on controlling smuggling and on the Customs operation? The revenue from tobacco sales should go to the Exchequer for the purposes that the hon. Gentleman identified and also for the national health service. Much of that money is not being paid to the Revenue, and is also being lost to our small shops.

Mr. Ross: I was coming to that, as it is an important issue that is well understood by those of us who represent constituencies in Northern Ireland, and especially by those of us who have a connection with the Gallaher factory,

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which approaches us each year, worried about the increase in costs and the effect of that on smuggling and on its sales. This is not a black and white issue: it is complex and difficult.

Mr. Roy Beggs (East Antrim): Does my hon. Friend accept that, as our Government increase the taxation on tobacco products, that creates an even greater incentive to smugglers, and that our Government should use their presidency of the European Union to close the gap in taxation on tobacco products?

Mr. Ross: My hon. Friend pre-empts me—I shall deal with that, but first I shall conclude my remarks about the young.

Despite the vast sums that they collect from tobacco, the Government have neglected the necessary education process. They want the money, but they also want the good health of the population that would flow from denying themselves that money. I urge them to use some of the money to educate the young and so reduce smoking.

It has long been my view that, although the damage that an individual suffers from smoking is more personal than the damage caused by the excessive use of alcohol, it is still a dreadful thing to see friends, relatives and neighbours dying from cancer. For that reason I object to smoking in general, but I am not so naive as to believe that it will be easy to get rid of it.

There are enormous costs in health provision as a consequence not only of smoking but of excessive alcohol intake, and the latter shows up more vividly in car smashes, broken bodies, broken limbs, smashed lives and young people dead. I sometimes think that too much concern is directed at smoking as a health hazard, and not nearly enough at the excessive use of alcohol.

Tobacco creates large, important and pretty well-paid employment in Northern Ireland, but as my hon. Friend the Member for East Antrim (Mr. Beggs) pointed out, the high taxes encourage smuggling. There is an enormous loss to the public purse, which has been quantified time after time by the tobacco companies for the Chancellor. The Treasury is well aware of the problem. It knows that the hand-rolling tobacco that leaves Ballymena today will be back in the stalls all over the British isles within a fortnight, no tax paid. It is extremely difficult to crack down on the trade. The number of lorries passing backwards and forwards to the continent is enormous.

Although there have been considerable successes as a result of increased surveillance and a crackdown, smuggling is still a huge operation. A great deal of it is organised crime. It is not, so to speak, a simple home-based industry, but organised criminal activity on a very large scale. The only way that we will ever get rid of it is by getting rid of the money-making element, which means the harmonisation of tobacco taxes across Europe.

It is about time that, on health grounds, the rest of Europe started getting its tobacco taxes up to our level. Then we would see whether the smuggling would last. The revenues properly payable in this country would flow into the coffers of our Treasury, rather than into the bank accounts of the criminals running that massive industry.

Rev. Martin Smyth (Belfast, South): My hon. Friend mentioned hand-rolled tobacco. My understanding is that the bulk of it that is coming in is illegal—it is not British tobacco coming back. However, what has happened, especially since the last tax increase in December, is that more cigarettes are coming in. That has not affected UK manufacturers, who export the cigarettes to the continent which then come back into the country, but it is hitting the small businesses—the tobacconists and newsagents. That should cause the Government concern. It is estimated that £1 billion a year is being lost to the Exchequer. How do the Government expect to make that up by putting another 20p on a packet of cigarettes?

Mr. Ross: The 20p increase on a packet of cigarettes will probably increase that loss to above £1 billion as more cigarettes are smuggled into this country. The weekend press was full of stories about how Andorra, of all places, is one of Europe's principal conduits for tobacco. The Government must examine that complex problem—I shall not go into it in great detail, because I know that the Government have far more information on the subject. They know the evil effects of tobacco.

The Government are also aware of the problems caused by different pricing and taxation rates, not only for tobacco but for all sorts of goods. For instance, the high cost of cars in Northern Ireland compared with the Irish Republic is absolutely devastating the garage car trader industry in the Province. That price difference results purely from reduced taxation levels in the Republic and the pricing structures of the companies that manufacture the vehicles. The United Kingdom is one of the highest-priced car sales points in the world—it is certainly the most expensive market in Europe. The Minister may care to apply his mind to that issue.

I now wish to discuss fuel tax. I am well aware of the strong lobby seeking to increase fuel tax for environmental purposes. I am aware also of the pressure to use gas for propulsion—there was an interesting exhibition on that in the House not long ago. However, a gas car, like a diesel car, is much more costly than a petrol car, and it will be some time before gas is able to compete effectively with other fuels. I suspect that a fuel-efficient car with low emissions is also rather more costly than an ordinary vehicle. I fear that it will be some years before those cars penetrate into the rural areas where people depend on private transport.

Personal vehicle transport is extremely convenient, and no other form of transport will ever be as popular. Cars are vital for many people in their work. People in very different occupations—such as commercial travellers; Members of Parliament, who must visit their constituencies; and district nurses—depend on cars to a greater or lesser extent. Some occupations are totally dependent on cars.

Although it may be possible to introduce mass public transport systems for urban, suburban and regular there-and-back journeys, that will never be possible in rural areas. Even urban and suburban public transport will always have to be subsidised to some extent if prices are to be kept down and people are to be persuaded to use it. There is a limit to how much the Government can increase the costs of cars and of running them.

We face even greater difficulties with rural public transport, including buses and so on. It is always difficult to service sparse populations. There is no easy answer to that problem, and it cannot be right to put up the price of fuel year after year. It is easy to travel by personal transport to many regions where public transport simply cannot meet existing need.

We know that people—especially those in rural areas—will do without other things in order to hang on to their cars. Steadily increasing fuel costs are creating great hardship for many people who live and work in the more remote areas of this country. There is no point in demanding Rolls-Royce standards for the environment if that creates penury for the individual in other respects—in the form not only of fuel tax but of taxes on rural activities such as quarrying and gravel extraction, which provide vital employment. I shall come to that issue in a moment.

I had an interesting experience just before Christmas when a constituent informed me of a nice legal way to avoid paying excise duty on heavy commercial vehicles in Northern Ireland. I wrote to the Chancellor about the matter on 15 January, and I received a reply from the Financial Secretary saying that the Treasury was grateful to me for drawing its attention to the problem of evasion of vehicle excise duty in Northern Ireland. Although it is evasion, it is not illegal—in fact, it is very clever. People open an office for a quarrying or sand-washing business in the Irish Republic and, if they live within 20 miles or so of the frontier, they can take their vehicles into the Irish Republic where they pay their vehicle excise duty—which can amount to a saving of £500, or £1,000 for the heaviest vehicles, per year. It is even better if the operators can use those vehicles occasionally in the Republic.

Such operators not only deprive the United Kingdom Exchequer of revenue but put themselves in a powerful position in relation to their competitors who pay their vehicle excise duty in the Province. The Treasury must address that loophole. I hope that Ministers will refer to the letter that I received from the Financial Secretary on 18 February because, although the Treasury seemed delighted to hear about that little swiz, it does not seem to have done much about it.

I am a gentle sort of chap, but I was not satisfied with the Treasury's response. I recently asked the Secretary of State for the Environment, Transport and the Regions what assessment he had made of the impact on vehicle registrations in the United Kingdom of the different rates of vehicle excise duty that apply to commercial vehicles in the United Kingdom and the Irish Republic. The answer I received was that no assessment had been made. Perhaps the Treasury could tie in its examinations with those of the right hon. Gentleman.

It was also pointed out that the sums accruing in respect of vehicle excise duty for heavy goods vehicles in Northern Ireland have fallen by about £2 million in the past three years. I do not think that there are fewer heavy vehicles of that class on Northern Ireland roads; I am sure that there are as many as ever—I always seem to get stuck behind a sand lorry when I am out driving. If the excise duty is short by £2 million, that money must be going somewhere else. We should remember, too, that the rate of vehicle excise duty has increased in the intervening three years, so the take should be up by £2 million or £3 million.

I have also discovered that the total number of goods vehicles has increased by some 3,000. Therefore, one can safely assume—I have made further inquiries into the matter—that the lighter vehicles are still taxed in Northern Ireland while another class of vehicle is taxed on the other side of the frontier. Will the Government take that information on board and do something about it?

Most businesses in Great Britain do not have to accept the consequences arising from an open land frontier and the different tax regimes and standards of pollution control on either side of it—which brings me to my next point. Northern Ireland cannot escape those consequences. The two jurisdictions are side by side, so it is easy to adjust and work in the jurisdiction where one will derive the greatest financial benefit. The consequences are that one firm may save money and accrue excess profits while another is driven into bankruptcy. That results in considerable damage to the Northern Ireland economy—to employment, to the tax take and to spending power. The Government must address that problem and create a level playing field so that businesses may compete fairly.

Another issue—it will become worse as a result of today's announcements—arises from the difference in fuel costs between Northern Ireland and the Republic. The overall duty in Northern Ireland on unleaded petrol and diesel is 40.28p per litre. In the Republic, unleaded petrol carries a duty of 29.45p a litre. That is a difference of about 10.5p. The duty on diesel is 25.62p, giving a difference of slightly more than 15p per litre.

It is no wonder that all the petrol stations in the Republic adjacent to the border are making a fortune. Those which are unfortunate enough to be in Northern Ireland are being crucified. In Northern Ireland, the price per litre of unleaded petrol is about 61.9p sterling. In the Republic of Ireland, it is 61.9p in punts, which is a heck of a difference.

Mr. Beggs: It is about 15 per cent.

Mr. Ross: That is right.

In Donegal, the price of diesel is 62.9p. The equivalent price is .0.529 punts. That is a huge difference. As for Down and Louth, the price of petrol is 64.9p in Northern Ireland and 0.569 punts in the Republic. Diesel is priced at 63.9p sterling as against 0.499 punts.

With such differences in pricing, the honest trader or business man in Northern Ireland is being hung out to dry.

Mr. Beggs: Does my hon. Friend agree that there is an even greater disparity in the price of red diesel, which is being used illegally by hauliers? That disparity is creating great difficulties for legitimate business men who seek to compete with fly-by-night operators. It would be well justified for Customs and Excise staffing in Northern Ireland to be increased to deal with that illegal trade.

Mr. Ross: My hon. Friend is right. I am sure that the Minister will be aware of the order that had to be rushed through the House some years ago when diesel tankers were parked on one side of the border from which pipes were run across to the other side. In that instance, the IRA was involved, and the sums were horrendous. Very few of these activities on the Northern Ireland border are merely matters of commercial advantage or disadvantage. Many of them have a terrorist element.

I expect that the Minister will be more interested in revenue. However, she and her right hon. and hon. Friends at the Treasury should turn their minds to the implications for criminal or terrorist activity, with violence being funded from such activities. I ask the Minister to take those elements on board and for heaven's sake to do something about them before we are very much older.

6.3 pm

Mr. Bill Michie (Sheffield, Heeley): Thank you, Mr. Deputy Speaker, for calling me so early in the debate. I shall be as brief as possible, confining myself to one or two subjects in the Budget proposals, most of which I welcome. There are, of course, still some worries about the benefit changes that are already taking place, such as those affecting lone parents. However, I welcome my right hon. Friend's initiative in considering new benefits to cater for family need.

I genuinely and sincerely hope that the shake-up of the tax and benefits systems will have the desired effect of helping those in greatest need. I hope, too, that we shall be able to provide proper training for proper jobs for those who are seeking work. I look forward to the schemes that have been outlined being a great success.

I understand the concern about inflation. Economists—and especially former Chancellors—have apparently always been obsessed with inflation. It seems that newspaper inflation reports are almost as popular as weather forecasts for the day—will there be rain or sunshine, or has the rate of inflation increased or decreased? However, many people understand inflation and many of my constituents feel that they are not affected greatly by a slight shift in the rate of inflation weekly, monthly or even yearly.

I understand that we cannot allow rampant inflation of the kind that has occurred in other parts of the world. We are aware of the consequences for economies generally. However, it is slightly narrow and dangerous to concentrate solely on price stability, which in its turn brings serious consequences. One example is the value of the pound and the effect that that is having on industry and the export market. I was pleased to hear my right hon. Friend say this afternoon that he fully recognises the problems that manufacturing industry is facing, especially with the export market, as a result of the strength of the pound.

Imports are similarly affected. The fact that we have a strong pound means that it is easier to suck in goods from abroad, and that has an effect on our United Kingdom base. I am sure that the TUC has written to every Member of this place, and certainly to my right hon. Friend, expressing the fears about the strong pound, or the overvaluing of the pound.

Another problem lies with interest rates. I am sure that we have all received letters from employers expressing concern about them. I am no longer sponsored by the Amalgamated Engineering and Electrical Union, but I am still a member of it. I meet members in their factories and firms throughout the country, including my constituency. In that regard I still have an interest, because the industry employs much skilled labour, both male and female.

Manufacturing industry is different from many other forms of employment. Consistently high interest rates along with a consistent over-valuation of the pound have a dramatic impact on our manufacturing base. Manufacturing industry is not like the corner shop, where it is possible to order a gross of cornflake packets one week on the basis that, if business is good, it will be possible to order two gross the following week.

Industry operates on a longer-term basis than that. It is extremely expensive to modernise or expand. Industry has to borrow millions of pounds to improve and modernise so as to become more competitive in the world market. Massive changes in interest rates, especially rising rates, have a serious effect on manufacturing companies. Such fluctuations have brought many companies to their knees.

Investment in manufacturing is long-term, and there are long-term cycles for order books: when are the products made; how long will it take before they are sold; and how long will it be before payment is made? Against that background, a stable economy is important. Stable interest rates and a pound that is not overvalued are also crucial to our industry.

Mr. Alan W. Williams (East Carmarthen and Dinefwr): Does my hon. Friend agree that, if we want an end to boom and bust and look to stability in the economy—the Government's overriding long-term objectives—we shall not achieve those objectives with the present level of the pound? We must have lower interest rates and a lower pound.

Mr. Michie: I appreciate my hon. Friend's point, which is absolutely crucial if in the long term we are to achieve high growth, production and wealth for all our people.

I welcome my right hon. Friend's announcement of a reduction in the rate of corporation tax from April. That will certainly be helpful. Nevertheless, the value of the pound and current rates of interest are causing concern in manufacturing industry.

Sir Robert Smith (West Aberdeenshire and Kincardine): Does the hon. Gentleman realise that about 20 per cent. of United Kingdom manufacturing investment results from expenditure in the North sea oil industry? There will be concern among contractors who will have to wait another month to find out whether the Government plan any reforms of the tax regime. The hon. Gentleman referred to long-term investment in manufacturing. Does he accept that stability in any tax regime helps to encourage long-term investment, and uncertainty as to whether the Government plan to change the tax regime may drive investment away to other countries?

Mr. Michie: I agree with the hon. Gentleman in respect of the oil industry, the steel industry—on which we have all received letters—and engineering. Long-term investment means holding one's breath for a long time and hoping that nothing drastic happens to the economy and interest rates during a five, 10 or 15-year investment programme.

It is a tough world out there. I may be bragging, but I have every confidence in the ability of British manufacturing, engineering, science and technology to compete with the best in the world.

We would like a level playing field, however. To use a sporting analogy, given that the world cup is nearly upon us, we should like a fair kick at the ball on a level playing field. We are not seeking special favours or subsidies, just the chance to prove our worth—and I am sure that we will do it.

A strong pound means cheap holidays, and this year thousands of people may be enjoying extra holidays abroad. That is the up side. The down side is that a strong pound is detrimental to industry, particularly manufacturing, and could lead to job losses. If people lose

their jobs, they will have no holidays, so what may be good for some people may badly affect thousands of others. It is essential that we protect our manufacturing base. I admit that am biased in favour of engineering and science, but it is clear that our manufacturing base has been, and will continue to be, the strength of the nation.

My right hon. Friend's welfare-to-work measures are also welcome.

Mr. William Ross: Will the hon. Gentleman give way?

Mr. Michie: No. The hon. Gentleman spoke for 27 minutes on fag ends.

Welfare to work requires proper training and jobs, which depend on a stable economy and a strong industrial base. I welcome the encouragement that my right hon. Friends the Chancellor and the President of the Board of Trade have given British Aerospace in respect of launch aid for the Airbus 340, 500 and 600. It is a classic example of British industry as a world beater.

For 18 years under the Tories, particularly before I entered the House, industry—and the workers within it—was left to the wolves. It took years for the previous Government suddenly to realise that industry no longer had a skills base or a production base for when the economy recovered. Their policies were so short-sighted that they were criminal. Now that we have a totally different Government who are much more sympathetic to industry, and certainly understand it better, confidence is growing. We need to improve our skills base through welfare to work and training programmes.

Sir Michael Spicer (West Worcestershire): Will the hon. Gentleman give way?

Mr. Michie: No. I am about to finish my speech.

In respect of research and technology, I welcome my right hon. Friend's announcement that £50 million is to go into university research. It may not be as large a sum as some people would like, but it is a step in the right direction.

Since the general election, confidence has improved and there are great expectations. I hope that my right hon. Friend will take into account my points about the manufacturing base, the strength of the pound and the level of interest rates, and that the measures he has introduced will help to realise the nation's aspirations. I know that the present Government can do it.

6.15 pm

Sir Michael Spicer (West Worcestershire): Before I comment on some of the points raised by the hon. Member for Sheffield, Heeley (Mr. Michie), I should like to welcome the Paymaster General to our humble debate. His presence now makes his absence from the Front Bench during the Chancellor's statement even more mysterious. Perhaps he was hiding, in which case I apologise. The Paymaster General normally occupies a more prominent position during Budget debates.

I sought to intervene on the hon. Member for Heeley when he referred to industrial production. It is a nice mythology that industrial production collapsed under the previous Administration. In truth, the reverse happened. In the latter period under the previous Government, industrial production peaked. It was a different composite of industrial production, but it was highly successful. The structural reforms that were implemented by the previous Government are benefiting the present Government and this year's Budget.

The Government have the benefit of the strongest economy inherited by any incoming Administration in recorded history, so it will take them some time to mess things up. I sympathise with an earlier, sedentary, comment that it was irresponsible of the Conservative Administration not to have left behind a worse economy, as that would have averted prolonging the agony of a Labour Government. They will undoubtedly mess it up, but the good news is that it will take them some time to do so.

It is also good news that the Government have inherited sensible policies that they have decided to stick with, at least for the time being. For example, they have retained a £266 billion control total for expenditure.

As the hon. Member for East Londonderry (Mr. Ross) said, we were not given the global totals. That is quite extraordinary. Usually we are in a position to compare expenditure and income. One advantage introduced by the Conservatives was that we had access to both figures. That was a tremendous innovation. This time, however, we are not able to compare the figures, although we know that the Government have decided to retain the control total. Outside commentators tell us that the control totals have been undershot; in that case, what I suggest is even more sensible.

The Government have also sensibly decided to retain the same rates of income tax, although that terrified the left wing of the party. Perhaps that is why so many of them escaped so quickly after the Chancellor sat down—presumably to report him to the newspapers—although the hon. Member for Hackney, North and Stoke Newington (Ms Abbott), who always takes a great interest in these matters—and bravely so—is still in her place. On some issues, particularly in respect of economic and monetary union, I find myself in enormous agreement with the hon. Lady, although she see things from a rather different perspective. However, I would not wish to embarrass her or spoil her career by associating myself too closely with her.

The good news is that the Government have accepted, albeit ungraciously—they have had to accept it—that we left behind an extremely favourable legacy. We left behind some good policies which it will take the Government some time to mess up.

The bad news is that, in the end, Labour always mishandles the economy. In the end, it always loses investors' confidence. However good the motives of those in the Labour party, or in its higher reaches, in the end it is the victim of the fundamental tensions in its ranks between the true socialists—the true inheritors of Keir Hardie and those who built up the socialist movement—and the lotus-eating types who from time to time take over the party.

One of the ways in which the Government have responded to that tension is to hand over a large chunk of the management of the British economy to the Bank of England, which, to a large extent, now effectively runs the economy on a narrow statutory objective.

The hon. Member for Heeley said that we must not treat inflation too seriously. I do not want to caricature or exaggerate what he said, but the problem he faces is that

[Sir Michael Spicer]

the Administration he supports has handed over the British economy to an unelected body—the Bank of England with which, from time to time, I have the honour of debating in the Treasury Committee—with the specific narrow statutory objective of a 2.5 per cent. inflation rate.

Members of the Treasury Committee may say to the Governor, "You don't really believe in this, do you? You are really on our side. You will match this up with other objectives, won't you? We are worried because the present high interest rates are forcing up the pound. That might be good for the cost of imports, but it is bad for exports, so we want you to modify that." The Governor can say what he likes in response, but the only legal response that he can make is, "I'm terribly sorry, but my overriding objective is a 2.5 per cent. inflation target."

The Government cannot have it both ways. One of the features of this Budget, and of the previous Budget, is that under this Administration so much of economic policy now has to be conducted within the boundaries of the fact that economic management is no longer the responsibility of the House of Commons and is constrained by limited economic objectives.

Sir Robert Smith: Would the hon. Gentleman argue for a higher inflation target, or is he happy with a more relaxed target?

Sir Michael Spicer: I do not disagree with keeping inflation down. What I am concerned about is that it is no longer the responsibility of politicians in the House. So much of the debate that we have now is artificial—it is nonsense because we can no longer affect policy.

No doubt that nonsense is the result of the best of motives. The speech of the hon. Member for Heeley was an echo of the past when we had some say in the running of Britain from this Chamber. The Treasury Committee can summon the Governor of the Bank of England from time to time and ask him some polite, or rude, questions, which he must answer in fairly constrained terms; then he goes away, and the Select Committee produces a report and everyone is happy, but the House no longer has any real involvement or accountability.

Therefore, to an extent, debates such as this are a pure waste of time. Monetary management is crucial to economic management, particularly if the Government are committed, as they say they are, to relating fiscal policy to monetary policy. In effect, that was said today about the new fiscal code. If that is to mean anything, it must mean that fiscal policy is running in tandem with monetary policy. It would be nonsense if the Government's stated policy was to run fiscal policy in opposition to monetary policy, if only because interest rates would have to go up and up because of the inflation target. It is arguable that they have gone up to the extent they have because fiscal management has not been in tune with monetary management.

Mr. Bill Michie: Does the hon. Gentleman agree that, if my right hon. Friend the Chancellor—as I am sure he will—gets the Budget absolutely or near enough right so that he has money in his pocket, he will be able to have a dialogue with the Bank of England about the exchange rate, and therefore its effect on the pound? It is not that the two things are in different worlds. The two interested groups know exactly what is happening and if my right hon. Friend has the money in his pocket, it will have the effect that we all want.

Sir Michael Spicer: I am sure that Ministers and the Governor of the Bank of England will collude on matters of policy from time to time. The other day on the "Today" programme, a Minister said exactly that—that the Government have ways of getting their message through—but the problem is that a statute has been passed by Parliament not only giving the Bank of England responsibility for monetary policy, to which fiscal policy must be attached, but stating that that monetary policy must be carried out in a precise way to meet a, 2.5 per cent. inflation target.

Mr. Geoffrey Clifton-Brown (Cotswold): My hon. Friend is right to say that the Bank of England's narrow remit is leading to severe problems. Does he agree that one power that might have been given to the Bank of England is the ability to control the money supply? Does he agree that the present increase in the money supply will lead to problems?

Sir Michael Spicer: There are inconsistencies in policy—my hon. Friend is right. M4 is running at about 10 per cent. on an annualised basis, which is serious in terms of monetary policy as defined by the Government, and it is one reason the Monetary Policy Committee was split 50:50 on interest rates. I agree with my hon. Friend that it is important that such things should be in sync. That adds to my point that, once policies have been set in such narrow terms, everything flows from that decision.

The debates that we used to have about monetary and fiscal policy and economic management are fairly worthless now. We are left struggling with a little taxation here and there, some tinkering around and a little prioritising, but in terms of Britain's grand economic management, the House of Commons can no longer join in properly. It may try to or pretend to, as it would if we had a European Parliament with the ultimate say in our affairs, but in reality we have no such power.

I was distracted from what I was saying about the tensions in the governing party being one reason why there will be an ebb of confidence from Britain, which is one reason my right hon. Friend the Leader of the Opposition asked what had happened to the 10p tax rate and the welfare reforms. I assume that they have not been introduced precisely because of those tensions in the Labour party, to which there is an attempt to pander by not lowering direct taxes too fast. Neither have the Government got to grips with welfare reform.

The tension in the Labour party also explains why taxes have soared in the past two Budgets. The first Budget took out £4 billion of tax, excluding windfall tax, and £5 billion will now be raided from pension funds. Hon. Members need not take the Opposition's word on that; the Institute for Fiscal Studies has shown, based on the Chancellor's first Budget alone, that by 2001 or 2002 taxes will rise from their current level of 38 per cent. of gross domestic product to 40 per cent.

That figure assumes an average growth in GDP of some 2.5 per cent. If the high interest rates, the high pound and the natural economic cycle result in GDP stabilising or

even falling during that period, the percentage tax take will soar because the taxes are now inbuilt; what is not inbuilt is the guarantee that GDP will rise.

It now seems that, should the Government decide to enter economic and monetary union, under the Maastricht conditions the United Kingdom will have to enter the exchange rate mechanism. It was thought that we could simply shadow the euro or the deutschmark. In the new circumstances, interest rates, far from coming down—as people assume they will—in the next two or three years, will come down only a little and then the Germany economy will dominate. The German economy is the size of the French and British economies put together, it is beginning to come out of recession and interest rates in Germany and the EMU area are beginning to rise.

As we approach the next general election, instead of British interest rates coming down, they may start to rise as we try to match the EMU currency. That may worry Labour Members. The hon. Member for Hackney, North and Stoke Newington is right to worry about those matters. If I were a Labour Member, I would be dead scared. The Government have already given up control over monetary policy—to fate, as it were. If they start seriously to prepare for entry into EMU, which will mean joining the ERM again, they will make trouble for themselves.

The best that can be said about this Budget is that it is not as bad as some people feared. That is why all the left-wing Labour Members rushed out of the Chamber to report the Chancellor to the press.

Mr. Bill Michie: Not all of them.

Sir Michael Spicer: I have already exonerated the hon. Member for Hackney, North and Stoke Newington and I exonerate the hon. Member for Heeley. If other Labour Members want to raise their hands, they should do so now.

A Government whose pronouncements are not as bad as everyone had feared are not good for long-term confidence. When people go through a mental sauna bath and worry themselves stiff that the Budget will be awful but then find that it is not quite so bad, markets and confidence are unsettled. It is particularly unsettling when the Chancellor gives no proper figures to show how he has balanced the books.

We know that a combination of excise duties, taxes raised at the last Budget and, above all, fiscal drag, which is the result of the strong economy that the Government inherited, has meant that the Government have had some money to play around with, to use the illusion of the hon. Member for Heeley. At the moment, a Government can do wonderful things without much pain, but it will be interesting to see how they perform once the pain sets in and the constraints start to emerge, as they will even according to the Government's own forecasts. It will be interesting to see the tensions build up within the Labour party, but disturbing to see the confidence that will be lost as a result.

When studying the confidence surrounding the Budget we must consider the wider political context in which it is set. The right hon. Member for Yeovil (Mr. Ashdown) said that he was worried about the Government sitting on the fence about monetary union. I worry about that from the opposite perspective. Whatever one's perspective, the fact remains that it does not help the confidence of this country not to know whether we will join EMU.

The Government say that they want to join, but that first we must fulfil certain tests; when the Chancellor comes before the Treasury Committee and is asked how he will judge whether the tests on convergence and on British interests in EMU have been fulfilled and whether he will occasionally report back on how he is getting on with fulfilling those test, there is a complete fudge. Those tests were produced as a fudge to paper over the Government's problems when they were trying to decide about EMU. Uncertainty about EMU is part of the problem that the Government face in terms of the lack of confidence that is beginning to emerge.

Mr. Alan W. Williams: That is the third time the hon. Gentleman has mentioned lack of confidence in the Government's economic policies. The FTSE index shows that shares have soared, especially since we were elected, and the pound is also high. Our problem is not lack of confidence, but far too much confidence and a flow of money into London.

Sir Michael Spicer: My argument is based on the fact that this has been a roaringly successful economy because of the previous Government's legacy. When Mr. Wilson took over the economy from Mr. Barber, it was argued that the Conservatives left behind a phoney boom that then burst. This time, manifestly, the Conservatives left an economy that was so structurally sound that it will take some time to mess it up. There is an inevitability about the fact that it will be messed up. I mentioned EMU as one of the longer-term features and said that lack of certainty about our joining would be increasingly unsettling, particularly as more and more evidence about the effectiveness of the Maastricht treaty emerges—the two-year requirement now appears to be quite specific. All those issues will create uncertainty.

The Budget must be viewed in the context of two other serious factors. The Government and the Liberal Democrats appear to be dabbling with proportional representation, which has economic consequences. New Zealand is an example of a strong economy that adopted PR and became weak as a result. Governments of the left and right in New Zealand pursued liberal policies and surged forward strongly in the 1980s. New Zealand's currency became extraordinarily strong and its agriculture was freed from all controls and roared ahead. Along came PR and, with it, certain government collapsed. Its Government are now controlled by parties of the extreme left and right, which is a nonsense.

Anyone who has visited New Zealand knows that the Government now face crises daily. People are beginning to withdraw their money; investment is no longer being made because of the uncertainty surrounding the Government. The prospect of this country moving to a similar system tremendously handicaps its economic management.

The Government's policies of breaking up the United Kingdom fit into that context. The Treasury Committee is beginning to delve into the Barnett formula and the enormous disparities in expenditure per head between Scotland and England.

Sir Robert Smith: I do not think that the hon. Gentleman realises that these issues were emerging before

[Sir Robert Smith]

the general election, when the party in power, which was committed to no change at all, began to delve into the figures. The then Secretary of State for Scotland initiated many comparative studies and brought the issues to life.

Sir Michael Spicer: No Treasury Committee was beginning seriously to question patterns of expenditure around the United Kingdom as the current Treasury Committee is beginning to do. A Pandora's box is opening up: the backlash is emerging in every English constituency, and instability in budgeting compounds a worrying situation.

The Government pat themselves on the back, but they should pat us on the back. We left them an immensely strong economy, but it is only a matter of time before it unravels and investors start to withdraw their money. Luckily, Governments with huge majorities have short shelf lives. The majority of the 1906 Government disappeared by 1910 and that of the 1945 Government, who are more familiar to Labour Members, disappeared by 1950.

Governments break up from within and the omens are not good for this Government—one can already feel the tensions in the Tea Room. The true socialists are about to burst blood vessels; when they do—metaphysically, of course—the country will be the beneficiary, because that will be the end of the Labour Government.

6.44 pm

Ms Diane Abbott (Hackney, North and Stoke Newington): It is always difficult to assess a Budget so soon after a Chancellor has finished speaking, and before one has read the Red Book properly. It is even more difficult for those trying to assemble a few ideas of their own, as I am, in my usual imprudent fashion, rather than using the Millbank brief. None the less, I shall try.

The Chancellor said that the Budget was a signal of support for enterprise, and that the Government are "on your side". But, as Member of Parliament for Hackney, North and Stoke Newington, which has the highest unemployment in the south-east, I am constitutionally obliged to ask myself whether the Government are on the side of my constituents and of people in inner-city communities up and down the country.

The point of departure is the broad macro-economic themes of the Budget, the first of which is stability. The Chancellor still boasts about handing control of interest rates to the Bank of England, but he will not boast for much longer. For the past seven or eight years, my position on the Bank's independence has been consistent. Handing control of interest rates to the Bank of England did not require us to look into a crystal ball—we could read the book. Far from implementing a great modernising measure, we moved back to the position that obtained before the war. Interest rates have risen inexorably, as we said they would.

The problem with the separation of monetary policy from fiscal policy and public expenditure is that it is created in the rarefied atmosphere of Threadneedle street, away from the needs of the real economy. We made a precipitate move, which was never debated by the Labour party conference. The Chancellor gave control of monetary policy to the Bank of England and the Monetary Policy Committee: interest rates have risen inexorably, and the pound has become overvalued, which has had a crippling effect on manufacturing industry.

Mr. James Plaskitt (Warwick and Leamington): Doesmy hon. Friend not she accept that since the Government granted independence to the Bank of England, long-term interest rates have consistently fallen and are at their lowest for more than 30 years, and that that is the pointer for the future movement of interest rates, rather than what has happened over the past few months?

Ms Abbott: My hon. Friend must accept that a socialist Government should run the economy not for the benefit of the bond market and bond speculators, but with a view to the prospects for growth and jobs in the real economy.

The argument that an independent Bank of England by itself produces stability and low inflation is an argument of reverse causality. Germany has an independent central bank, and low interest rates and stability, and people say that we would have the same happy conditions if we had such a bank. I argued at length in the Treasury Select Committee that the Germans are prepared to have an independent central bank and such a monetary policy for specific historical reasons. There is no statistical evidence of a causal relationship between an independent central bank and low inflation.

The Chancellor still boasts about handing over control of interest rates to the Bank of England, but he will not boast for much longer. He also boasted, rather more quietly, about how he was comfortably meeting the Maastricht criteria. There is no doubt in anyone's mind that Britain would enter economic and monetary union on time in 1999 if it were left to the Chancellor.

The Government's cautious approach has my 101 per cent. support. The leader of the Liberal Democrats said that even Greece is round the table on economic and monetary union, but if he thinks that it will be round the table for much longer, he has not looked at the figures. I am not putting a partisan spin on it when I say that an economic and monetary union that involves economies as disparate as those of Greece, Spain and Italy is not sustainable. If my hon. Friends do not believe me, they should talk to the Governor of the Bank of England, because that is what he has said and is still saying.

It is all very well to boast about stability, but if people in inner-city areas such as Hackney are to have any hope of jobs, they need growth. I have taken the trouble to read the Red Book, and it contains some positive and some worrying indicators. The Government's economic forecast is that GDP growth is slowing, that there is a deterioration in the net trade performance and that manufacturing output is stalling.

My concern about the direction of monetary policy is that pursuing low interest rates at the expense of the real economy will give us a form of stability, but we will not have the growth and the manufacturing output to provide jobs for my constituents and others in the inner city. The holy grail of low inflation to the exclusion of all else should not be the aim of a Labour Government.

My constituents need healthy, balanced growth. There is a danger that, at the behest of the Liberal Democrats, fashionable opinion in the City or fashionable economic

commentators, we are pursuing the stability of the graveyard. Anyone can produce a stable economy with no growth, but the trick is to have growth and stable inflation. We do not yet know whether the Government have pulled it off, but there are some worrying indicators on growth, trade and manufacturing output. I am glad to put those worries on the record, because I believe that we shall come back to these issues in the coming months.

The second broad macro-economic theme of the Budget had to do with enterprise. In this context, enterprise seems to mean low taxation for individuals and for business. It is regrettable how low taxation as an end in itself has become the mantra of modern politics. Nobody likes to pay tax, and on a superficial level low taxation is attractive politically. Nobody likes to go to the dentist either, but we do not make rotten teeth the be-all and end-all of our national health policies, and we should not make a natural human reluctance to pay tax the be-all and end-all of our economic policies. Pursuing the goal of low tax for its own sake will cripple the Government's ability to invest in the public sector, which is one of the few measures that will provide jobs for the people whom I represent in the inner city.

Mr. Clifton-Brown: Does the hon. Lady agree that small firms need help to make a profit in the first place? If they do not make a profit, they do not pay tax. The way to help them to make a profit is to reduce bureaucracy. Although the Chancellor mentioned that in his speech, he did not say specifically how he intends to achieve it. All the portents are that the Government's policies will lead to an increase in bureaucracy.

Ms Abbott: I have faith in my Chancellor. I agree with the hon. Gentleman that reducing bureaucracy is very important for small businesses. The enterprise in Hackney is mostly small businesses. Ethnic minority business men have opened small family businesses in Hackney and are hoping for growth. I am sure that the Treasury is committed to cutting bureaucracy.

The Chancellor referred to the importance of an open market for competition. Again, I give him my 101 per cent. support. An open market for competition should apply to everyone, including Rupert Murdoch. I hope that, when we consider the Competition Bill, Treasury Ministers will see fit to reinforce and support the changes that were designed to smash Murdoch's detrimental monopoly hold on large swathes of the print and electronic media. It is no good the Chancellor talking about an open market for competition on Budget day, if the Government continue to give tacit support to the arch-monopolist of the media, Rupert Murdoch.

Another of the Government's macro-economic themes is welfare reform. We all wait to read the fine print in the Green Paper. Hon. Members are united in wanting welfare reform, but the Government cannot delude the public into believing that it comes cheap and that it is an easy, short-term way of cutting the social security budget. All the evidence, whether from America or from Sweden, shows that to achieve genuine welfare reform we have to be prepared to spend money and to see welfare costs rise in the short term. The public will have to be disabused of the notion that welfare reform is an easy way to cut benefits.

The Red Book is not explicit about welfare reform. It is interesting to examine the control totals and the budgets for each Department. The social security budget remains constant. It is telling that the Chancellor is not saying that it will rise very much, or that it will fall very much.

One of the biggest issues surrounding welfare reform in recent months has been the benefit integrity project. I was in the House for the last Budget presented by the right hon. and learned Member for Rushcliffe (Mr. Clarke), and I remember the launch of the benefit integrity project. It was not called that: it was a project to bring down social security spending. Everything that Ministers have said since is misleading. The benefit integrity project was first and last a project designed to bring down and contain social security spending. That is why disabled people are having such problems with it, and why people are being harassed. The real intention is not to provide a better service for the disabled or for welfare recipients, but to bring down social security spending.

Work was one of the themes of the Budget, and it will be taken up by the Government. It is important that everyone who can work should go to work to keep their families. In his speech, the Chancellor told the nation that their responsibility is to seek work, and that he will guarantee to make work pay. That is all well and good, but people want to know what responsibility the Government have for ensuring that jobs are provided. It is a cruel deceit to urge people to work and to tell them that he will make work pay, if the Government are not pursuing the broad economic policies designed to achieve growth, especially job growth in the inner city.

Another of the Government's broad macro-economic themes is strong public services. We cannot have strong public services unless the Government are prepared to invest in them, and the money can come only from general taxation. I take a particular interest in the public sector, because the largest employer in my constituency is the local authority, and the second largest is the health service. Without investment in the public sector, jobs will not be provided in my constituency.

On Friday, we are launching the new deal in Hackney. I was concerned to learn that, although much hard work is going into the new deal, the local authority is in no position to take on new people. Hackney council is in the process of restructuring, so it is losing staff, not taking them on. I do not see how the new deal can work in the inner city if there is no investment in the public sector, which is most used to, and most skilled in, recruiting and training in the inner city. I do not see how the new deal can work without investment in the public sector to make jobs available for young people in my constituency.

There are many measures to welcome in the Budget. I welcome the steps to ensure that museums and galleries need not charge. I welcome the tax relief for donations to the third world, although I remind the House that the most important thing that the Government can do for the third world is provide a package of debt relief for the millennium. We need much more substantial debt relief than we have seen before. I also welcome what was said about child care, although I wait to see the fine print.

I particularly welcome the Chancellor's announcement that he will crack down on offshore trusts. I am an old-fashioned Labour person: I believe in equality. We cannot talk to the British people about work and productivity, or about fairness, if we as a Government are

[Ms Abbott]

not prepared to crack down on the way in which the rich members of society evade taxation by the use of offshore trusts.

As I said at the beginning of my speech, this Budget was announced with a deal of bravura. It will be impossible to judge it until we have read the background documentation thoroughly and have seen the fine print, which is not yet available to us. As I have also said, however, those who read the documentation that was provided with the Budget statement will note some worrying economic indicators.

Let me give a final quote from the Red Book:

"Higher interest rates"—

which we have experienced—

"take time to bite on spending . . . As the economy slows in response to the tighter policy stance, a downturn in the growth of real incomes is also expected. In particular, employment growth is likely to abate".

I welcome the new deal. I welcome my Government's commitment to work. I welcome the commitment of my new Government to jobs. But I worry that handing responsibility for monetary policy to the Bank of England, and deflationary tendencies in relation to manufacturing and trade, will create a climate in which—despite the best efforts of the many people working in Hackney and, indeed, up and down the country to make the new deal successful—jobs will simply not be there for my people.

7.1 pm

Mr. Peter Bottomley (Worthing, West): I am grateful for the opportunity to speak briefly. What I want to say follows from what was said by the hon. Member for Hackney, North and Stoke Newington (Ms Abbott). I think that we will see an increase in unemployment during the current year.

I cannot claim to have read every page of the Red Book, but I do not see the forecast for unemployment that I usually begin to see around the time of a Budget statement. If the Government are working on the planning assumption that unemployment will be at the January level throughout the year, and if it has been falling for the last two or three months, presumably they must expect it to start increasing. It has started increasing in Scotland.

My fear is that, because of the effect of some of the Government's policies on manufacturing industry, unemployment will be increasing throughout the United Kingdom by the end of the year. As far as I can see, the costs of that are not taken into account in the Government's projections on tax and spending. There will, however, be other opportunities to debate those issues during the coming year.

Like the hon. Member for Hackney, North and Stoke Newington, I welcome some parts of the Budget. For instance, I welcome the initiative on third-world donations by individuals. Let us remember, however, that, even if 10,000 individuals take advantage of that initiative and the 40 per cent. extra is received from the Chancellor, that will be no substitute for the progress that I wish had been made under the previous Government—the achievement of at least half the target of 70p out of every £100 of our recurrent wealth that we had agreed to give to those who needed it.

Those who argue that some of the aid projects are not worth it ought to join in the effort to find projects that are. The fact that some have gone wrong in the past is no argument for not finding some that will go right in the future.

Of course, we need to do more on aid provision. It is often difficult for a constituency Member of Parliament to argue for more freedom of imports, but if we do not give the developing world the opportunity to trade, our aid will not work to full advantage. I look forward to progress both on what the Government have done and on what I hope they will do, with some bipartisan support.

If the Chancellor starts to say that there is no great support in the constituencies for increasing trade and aid provisions and debt relief, I invite him to send his people down to my constituency. West Worthing is one of the areas that contain a fair number of mature people—the highest proportion of retired people in the country. Those people rightly put pressure on me to put pressure on the Government with regard to this issue, among others, and I do so with enthusiasm.

Ms Abbott: Does the hon. Gentleman agree that one of the remarkable aspects of the debate on aid and debt relief has been the positive and energetic role played by the Churches? Given that we have a churchgoing Prime Minister, I use this opportunity to ask the Churches to take that message to the very top of Government.

Mr. Bottomley: I agree, but I would go a stage further. I think that what the Chancellor has already done would be rewarded if the Churches persuaded their members to write to him saying how much they welcomed the opportunity of adding to private gifts, and also saying, "By the way, can we have some more public commitment as well?"

I support the Chancellor's proposal for increased benefit for the first child in a family. That certainly helps all families.

There is an eternal truth that Governments occasionally forget. Forty years ago, when people retired they were at their poorest. Most had no significant pension; many did not even receive the full state pension because of contribution deficits. Those people, however, had to pay the same rent as they did when they were working, and life was very grim. We should pay tribute to the way in which our parents and grandparents managed to survive. Nowadays, that is changing for most people.

The time when people are poorest now is the time of family formation, when many go from two incomes with two mouths to feed to one income and three mouths to feed. In 1967, what subsequently became the Department of Social Security produced a report called "Circumstances of Families". It was not known then how many families contained one child, because there was no family allowance, and many people did not receive child tax allowance. That has changed. If we want to help people when they need help most, we should do so when they have at least a first child.

I have grave doubts about the sense of taxing child benefit. That applies even to those like me, who are paying the higher rate of tax. The money gained by taxing child benefit might be £150 or £200 per year; in comparison with the amount of tax that I pay throughout the year, even at the higher rate, that is insignificant.

We should remember that child benefit is the only reliable source of income for parents, whether they are in or out of work, or in higher-paid or lower-paid work. Regardless of whether one parent is in gaol or has gone abroad or has disappeared, child benefit matters most. It is the only reliable income for the carer, who is normally the mother. The answers given about taxation in the early 1980s by the then Prime Minister, Margaret Thatcher, still apply. I warn the Treasury that I hope that, in a cross-party coalition, the Chancellor will consider the arguments against taxing child benefit. Frankly, it is not worth it.

Table B9, on page 117 of the Red Book, concerns general Government receipts. It refers to

"Income tax (gross of tax credits)",

and gives the cost of income tax credits. I believe that, without any subterfuge, we should do something about payments such as the payment of child cash allowance. That is a better expression than "child benefit", which suggests that the benefit is an income support measure for those with the lowest household incomes. In fact, the only households on whom child benefit confers no advantage are those on income support, because it is rightly taken into account. It is a child cash allowance.

When people are caring for children, their needs are increased and their taxable capacity is reduced; therefore, an allowance is worth while.

The next question is whether the allowance should be a tax or a cash allowance. For all the reasons we know, a cash allowance has many advantages over a tax allowance. Let us suppose, however, that, in public accounting, we could "net off" the cost of the child cash allowance—now known as child benefit—and could ensure that the Chancellor alone decided the level of that allowance, as he does in the case of other personal allowances. It could then be accounted for as a tax credit. Without any change in the public sector borrowing requirement, there would be a change in the level of public spending.

Table B9 tells us that, for income tax gross of tax credits, outturn for 1996–97 was £71.5 billion, the estimate for 1997–98 is £79.4 billion and the forecast for 1998–99 is £86.1 billion. Below that are the figures for tax credits. I think that we should add figures for the child cash allowance, so that it features as a declared sum that does not count as public spending. I repeat my point about the PSBR.

According to the next page of the Red Book the amount of extra Government receipts expected since the calculation for the July budget is £7 billion. The Chancellor has £7,000 million more than he expected. Leaving aside any particular price pressures, medical development pressures or the aging population, if we seriously have to wait another year before trend spending for the NHS is back to 3 per cent. of real growth—or at least of growth of the economy as a whole—which it should be and needs to be, the Chancellor has made a mistake.

Again, if the Chancellor comes to Worthing, he will discover that most of the procedures that are being delayed affect elderly people. The young are the people who have the emergencies. The elderly are the ones who have the important MOT needs: the hip, heart or cataract operation.

In Worthing, West, the eye surgeon who used to do three afternoon cataract operations a week has been ordered to do one a week. Instead of having 300 people waiting, as he did in May, he had 600 waiting in September and he probably has 1,000 waiting now. For a person aged 70 or 80 to wait a year and a half to get his or her eyesight back is a disgrace. I ask the Chancellor to bring at least one seventh of that extra £7,000 million into the health service now, to ensure that pensioners in my constituency and those throughout the country do not wait for mobility or for their sight.

Incidentally, we see in the Red Book that the waiting list initiative is there for this year and next year, but not for the two years after that, so any extra money that the Chancellor or the Secretary of State for Health announces for a year or two more has to be netted off against the minus £500 million—the money that will not be there in a year and a half's time.

My final point is one for the Government as a whole. If they want to reach bipartisan agreement on some of the radical changes, which should be possible as we move towards the millennium, they should stop being so triumphalist about the result of the last election. In that election, they won power. Well done to them, but let us also recognise that, if they spend all their time trashing the achievements of the past 18 years, and the people who put their backs into that, they are going to disappoint many of the people who would want any Government, whether Tory or Labour, to succeed. Those people include not just those in pensionable employment, such as Members of Parliament, but those who take risks running pubs and shops and building businesses.

Those people seldom get the chance to put money by until they are in their 40s, 50s or sometimes even 60s or 70s. If we can pay attention to their needs and their circumstances, we will do a better job in the House. This Budget and these provisions matter to everyone, but they matter most of all to the wealth creators and those who help the rest of us to be more self-reliant.

7.12 pm

Mr. Barry Jones (Alyn and Deeside): I should like to follow the hon. Member for Worthing, West (Mr. Bottomley), but I shall resist his provocations. However, I appreciated his remarks on overseas development.

I congratulate my right hon. Friend the Chancellor of the Exchequer on his finely presented Budget. He got the balance right. He has made the right judgments, and I am confident that the Budget that follows will develop on sound foundations.

For Wales, the Budget means £25 million extra to tackle patient waiting lists, from which my constituency will gain, and an extra £12 million for our schools service. Again, Deeside will share in that large-scale money. I am especially glad that £2.5 million will go into rural transport services, because Cefn Gwlad, the large hinterland of Wales, needs such a boost. I understand that the new deal will receive £3 million to £4 million extra from the Budget, which means that youngsters and the long-term unemployed in Alyn and Deeside will receive even more investment than was previously announced and planned. The Budget is therefore a big boost to Wales, and I welcome the increases.

My right hon. Friend has been a prudent Chancellor. He has kept a tight, indeed ruthless, hold on public finances, and, as *The Economist* said, has revolutionised financial supervision in the City. He threw away his

[Mr. Barry Jones]

dinner jacket at Mansion house, and even sanded the floor of his residence to avoid buying any more carpets. In four days, he freed the Bank of England to set interest rates. Anyone who renders the Governor of the Bank speechless with both rage and surprise has it in him to be a Chancellor of Gladstonian proportions.

Therefore, this Budget will assist my constituency, my country—Wales—and Britain as well. I want a reinvigorated industrial scene, an attack on poverty, smaller waiting lists, modernised and repaired social housing, and an attack on unemployment. The Budget does all those things. It is also sensitive to the needs of women and those who head single-parent families.

I have no regrets that the better off in Britain are being asked in this Budget to assist the poor. It does Britain no good that there is a sizeable underclass, millions strong. It shames our nation. Millions are still without hope, dignity, homes and work. That situation divides Britain, and I hope and expect that the Budget will help hugely. It is inspired by social justice and, dare I say it, by economic efficiency. The Budget and the Chancellor point to a Britain that is more united, fairer, and with hope.

The good thing is that the Budget does not fall guilty of the charge of causing boom and bust. It aims to remove barriers to growth. We have started to modernise the welfare state. We now embark on developing a fairer tax system. Moreover, the Government have placed employment at the heart of their objectives. I welcome that whole-heartedly, and I know it to be a principle and a standard of the Chancellor himself.

The Government are guilty. They are guilty of keeping their election promises. Many were met at that Dispatch Box as the Chancellor revealed his policy. There is to be a minimum wage. Our schools and hospitals are to be priorities. High-quality public services are now in sight. Pensioners are being helped with winter fuel bills. The assisted places scheme has gone, and five, six and seven-year-olds will now have smaller classes. There is a new deal for lone parents, and a national child care strategy. There is a new deal for the long-term unemployed and for the many young unemployed, and I think that we can say that we are modernising our aging council house stock.

A recent speech by the Chancellor explains and puts into context today's Budget. He said:

> "The challenge is to reclaim flexibility in the progressive cause, not as a codeword for employer exploitation but as the basis for employee choice and opportunity."

It surely is that. This Chancellor and this Budget encourage creative talents. I like his agenda of the attempted settlement, which is certainly overdue, between the individual, the community and the state. We are looking for a fair middle way, with a broad moral commitment to civic improvement.

In Wales, we have a saying, "It is chwarae teg," which translated means "fair play". This is a fair-play Budget. The rich are going to be asked to help the poor, and the hopeless are being given hope by the Chancellor.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. The last two speeches were brief. If hon. Members follow that example, I can certainly try to ensure that everyone is called. Nothing is more soul-destroying than sitting in the Chamber all night and being disappointed.

7.19 pm

Mrs. Theresa May (Maidenhead): As one of those who entered the House last May, I can still describe myself as a new Member. I have to confess that there is excitement and anticipation on Budget day, because a Budget is a very big thing. I had that feeling today as I came along to only my second Budget, albeit a Budget from a Labour Chancellor.

In the Chancellor's opening remarks, that sense of anticipation and expectation was increased. However, the first two paragraphs of his speech could have come from a primer for new Labour speakers by the Minister Without Portfolio, along the lines of, "If you have nothing of substance to say, tell them you are going to modernise for a new Britain, with a new agenda for a modern Britain." Within the first two sentences, we had been modernised twice. We had a new Britain, new Labour and a new ambition. I am not sure whether that was a reference to the Chancellor's personal interest in the Prime Minister's job, but that was what we heard.

We were told that it was to be a radical and reforming Budget, with the most radical reform of the tax system that had ever been seen. Having sat through the entire Budget, if there was a radical reform of the tax system, I must have missed it. In that respect, the Budget was exceedingly disappointing. Our response to the Chancellor's claim about a radical reforming Budget must be to ask where it is. Where was the beef? Sadly, there was no beef on the bone of this Budget.

Far from introducing new ambitions, in many areas the Chancellor revealed old Labour and old ambitions. Yet again we saw a Labour Government hitting middle Britain and business in so many of the measures introduced. At the end of the Budget speech, Labour Members, as is their wont—I understand that this happens after every Budget speech—waved their Order Papers and shouted their approbation. However, their silence during the speech was noticeable. There were no shouts of approbation when the Chancellor was introducing his various measures. I am not sure whether that was because they did not understand what the Chancellor was doing or because they understood but did not like it.

We should look at the background against which the Chancellor presented his Budget. Last May, the Government inherited a golden economic legacy from the previous Conservative Government. It was the best set of economic circumstances for generations. We now see that they have been throwing that away.

I receive complaints from business about increased taxation and the strength of the pound, which means that many exporters are finding life incredibly difficult. I also hear from retailers about their real concern at the downturn they are seeing in consumer spending, which is hitting the retail sector marketplace.

We have seen £22 billion of extra taxes on business, which have already been introduced by the Chancellor. We have seen that the strength of the pound is hitting exporters, and we know that the Government are introducing further costs on business. Also, we had a well informed, interesting and lengthy debate in the Chamber on the national minimum wage not long ago, to which I was able to contribute.

I am grateful for certain aspects of the Budget. I am grateful that the Chancellor has listened to the Conservative opposition on long-term savings, PEPs and TESSAs. Our campaign has forced the Government into a climbdown on their proposals for PEPs and TESSAs. I am glad that I will now be able to write to the large number of my constituents who have written to me expressing their concern about the impact of the measures that the Chancellor had proposed previously on the money that they had put into PEPS and TESSAs as a form of long-term saving. I am grateful that he has listened to us, and changed his policy.

Mr. Tom Levitt (High Peak): Is the hon. Lady not aware that the change of direction on individual savings accounts shows that the consultation undertaken by the Government was genuine? From a position of strength, we are able to say, "Tell us what you think, and respond to our policies." We will listen to what people have to say on these issues and many others. It is not a sign of weakness to have changed our mind on a mere detail.

Mrs. May: If the hon. Gentleman thinks that what his Government were proposing to do to PEPs and TESSAs was a mere detail, he should talk to some of those who would have been hit by what the Government were proposing to do, and who will now be pleased at the Government's climbdown.

What trust can people have in the future with a Government who had an inclination towards retrospective taxes on long-term saving? I suspect that, for all the Chancellor's protestations about stability, many people will still be concerned that, on long-term saving, there is no trust in the stability of the Government's policies.

What concerns me most of all about the Budget is that, with many measures, we see a sleight of hand from the Chancellor. We see smoke and mirrors. For the Chancellor's sake, I hope that the mirrors are not as expensive as the Lord Chancellor's. In many areas, the Chancellor appears to give while taking away with the other hand.

I was pleased to hear the Chancellor announce that he intends to introduce a working tax credit for people with disabilities. I am sure that we all agree that the artificial barriers for those with disabilities who are able to work should come down. However, from the Red Book, I see that, far from being a new idea, that is a replacement for the current disability working allowance. We will need to see the impact that it will have when taken alongside the fear that is felt by people with disabilities that, as part of the comprehensive spending review, the Chancellor intends to cut disability benefits. Far from taking people from welfare into work, such cuts would result in people with disabilities going from work to welfare.

Another sleight of hand involves the working families tax credit. The Red Book shows that that will not begin to be paid until April 2000. That is a sleight of hand that we see in all too many of the Chancellor's measures. He has a good line in announcing something well in advance, so that he can continue to announce it year after year.

I am concerned about the impact that the working families tax credit will have on women. The Chancellor said that each family will decide how that tax credit will be paid, but I wonder what the default position will be. I suspect that we all know what it will be. I suspect that most women will lose as a result of changing to the working families tax credit. It will have a negative impact on women. Also, it will impose a bureaucratic burden on business, something that the Chancellor failed to mention in his speech.

My hon. Friend the Member for Worthing, West (Mr. Bottomley) commented on the advantage of increasing the amount of child benefit paid for the first child. However, the giveaway on child benefit is balanced by a takeaway in the reduction of the married couple's allowance. The increase in money for children is to the detriment of those who are bringing up children in a married partnership.

Corporation tax reductions are to be welcomed, but the reduction announced in the Budget will not come into effect until April 1999. Doubtless next year it will be announced as if it is another new measure, when it is just a reiteration of a measure already announced.

We see exactly the same in terms of the spending on the national health service. Last year hon. Members were waving their Order Papers about extra money going to the health service. In fact, most of that extra money was not be spent until the financial year after this one. On the overall figure, compared with the 18 years of Conservative government when the average increase for the NHS was 3.1 per cent., under this Government we see an increase of only 1.2 per cent. So much for what the Government claim to be doing for the health service.

Nothing in the Budget will reduce the waiting lists mentioned so passionately and graphically by my hon. Friend the Member for Worthing, West. Nothing in the Budget will reduce the education cuts that are being made across the country, particularly in the shire counties, because of the Government's appalling local government settlement.

The Chancellor spoke of help for the unemployed across the country, which will be focused on mentors, counselling and individual advice. I am sure that all hon. Members will agree that it would be beneficial for someone who is unemployed to be able to receive much more one-to-one advice covering job opportunities and, for example, how to present oneself for job interviews. However, it was made clear to me—when I recently visited my local jobcentre in Maidenhead—that jobcentre employees are keen to give extra help and advice to people, but that they are currently able to do so only because of low unemployment, which entails fewer people requiring their assistance. Should the unemployment level increase, Ministers will find themselves in some difficulty in fulfilling their promises on mentoring and counselling.

The Chancellor also mentioned reducing red tape. I am sure that all hon. Members will agree that such action is beneficial, particularly for small businesses. However, as my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) said, despite several references in the Budget to reducing red tape, the Chancellor mentioned no specific action. Again we fear that the statements were mere rhetoric—soundbites—played out for the benefit of those listening. Perhaps Ministers are thinking, "If we say the soundbites often enough, people will believe that something is happening"; whereas the reality will be that nothing at all is happening. We await specific proposals.

As I said, some aspects of the Budget already entail an increase in bureaucracy. Working families tax credit, for example, will increase bureaucracy for business. One of

[Mrs. May]

the threads coming through in the Budget—as in the Government's previous policies—is an intention to shift the burden from Government to business. Ministers make much-vaunted claims for the national minimum wage, saying that, as fewer people will have to claim family credit, it will be extremely beneficial.

Mr. Clifton-Brown: My hon. Friend mentioned the effects of increased bureaucracy on business. Does she agree that—contrary to what the Chancellor said about reducing the burden on businesses by reducing bureaucracy—everything that the Government have done has increased the burden on businesses? Does she specifically agree that the measure introduced this week by the Social Council of Ministers to extend work councils to small businesses of fewer than 50 employees, will massively increase the burden on small businesses?

Mrs. May: My hon. Friend is entirely correct. In so many areas of the Government's policy, Ministers are doing precisely that—increasing the burden on businesses. The Prime Minister claimed that, in signing the social chapter, he would be able to defend businesses from the type of burdens that my hon. Friend mentioned. The reality is that he cannot defend business, because of the voting structure in the European Union. He has been unable to defend businesses in the United Kingdom from such impositions, and, consequently, British businesses will suffer.

In the national minimum wage, the burden is being shifted from state welfare spending to businesses. British businesses will be hit not only with the national minimum wage but with £22 billion extra tax and further bureaucratic impositions. The ultimate consequence of those burdens will be fewer jobs. The Government, sadly, seem to fail to understand that. Perhaps they will understand it only when dole queues start lengthening.

One very specific matter that I should like to mention has been raised in my constituency surgeries: extra increases in petrol duty. Although my constituency is called Maidenhead, it has a number of villages in it—indeed, I claim that my constituency contains some of the most beautiful villages in east Berkshire—and people in those villages have to rely on their cars.

I recall the case of an elderly gentleman whose wife was disabled. They were dependent on a car to get her to hospital appointments, and generally to be able to get her out of the house. A few weeks ago, before the Budget, he specifically mentioned his concern about what the Chancellor would do about petrol duty. That man will not be happy with the Budget; nor will others living in rural or in other areas who are elderly or who have a disability and have to make car journeys. The petrol duty increase will hit them particularly hard.

I echo the comments of my right hon. Friend the Member for Richmond, Yorks (Mr. Hague): the Budget is another step in the Government's step-by-step betrayal of the United Kingdom. The Budget hits middle Britain particularly hard, betrays middle Britain with extra taxes, and throws away the golden economic legacy that the Conservative Government left for the Labour Government. Although it is sad to see that happening, it is even sadder that the Government will probably not learn their lesson. There will be further hits on middle Britain in increased taxes, and further burdens on business. The Budget is not good for business or for middle Britain. It is bad for business, for middle Britain and for the United Kingdom.

7.35 pm

Mr. Alan W. Williams (East Carmarthen and Dinefwr): Thank you, Mr. Deputy Speaker. I am grateful for the opportunity to speak in this debate.

Somewhere in the middle of her speech, the hon. Member for Maidenhead (Mrs. May) talked about the lack of growth in the past 12 months in expenditure on health and education. It is very hard to take any criticism of our public expenditure plans from Conservative Members, as our plans are precisely those that were made by the previous Government. We have merely accepted the previous Government's plans—although, in health and in education, we have found very large extra sums to try to improve the situation. Their criticisms are therefore quite ill founded.

Mr. Nick St. Aubyn (Guildford): Does the hon. Gentleman not understand that, in government, one makes projections, and that one adjusts to the facts as they unfold? Over 18 years, the Conservative Government consistently raised spending on the national health service by more than the current Government have raised spending on it. That is the fact.

Mr. Williams: We have been in power for only 10 or 11 months—although we intend to be there for quite a long time. Judge us, and our record on health and education, after five or 10 years. As my hon. Friend the Member for Alyn and Deeside (Mr. Jones) said, all we plead guilty to is keeping our election promises. Our promise on health and education was not to exceed—for reasons of sound economic management—the public expenditure totals established by the previous Administration.

I very much welcome the Budget's welfare-to-work emphasis, and the new emphasis on measures to "make work pay". All hon. Members have thousands of constituents who, over the years, have told us that there is no point in their looking for a job, because they are better off on benefits. They say, "I will lose this or that benefit if I work." The previous Government knew that there was a large poverty trap, but they did very little about it. Indeed, in their 18 years in power, they exacerbated or multiplied the problem. However, the poverty trap is now being comprehensively tackled by our Chancellor, and I very much welcome the many parts of his programme. The working families tax credit will be quite revolutionary in helping low-paid employees.

Today's national insurance changes, which allow £81 a week of income before the employer has to make any contribution, will greatly help low-paid workers. For spending on child care of up to £100 for the first child and £150 for two or more children, the new tax credit will cover up to 70 per cent. of the cost, which is a massive help for parents with young families who need child care to go to work. The £2.50 a week extra child benefit for the first child and for children under 11 will greatly help families who are among the poorest in our society.

As the hon. Member for Worthing, West (Mr. Bottomley) said, the elderly are usually the poorest, but now it is parents—whether lone parents or simply low-paid—in their 20s with young families. Many measures in the Budget are directed at that problem.

Mr. Peter Bottomley: I wish to add one point, not for argument but for illumination. If I had a teenage child, above supplementary benefit level, I would get child benefit, which is about £10, going up to £14. An elderly person would bring in about £100 a week, yet teenagers cost three or four times as much to run, with their active social lives, clothes and other activities. I do not disagree with the hon. Gentleman, but I want to put that on record.

Mr. Williams: That is a magnificent point to put on the record. Our demography is changing. Factors such as the size of the family unit must be considered. Much of what the Government inherited in respect of the way that the benefit and taxation system works needs to be changed to take account of such social conditions.

I enthusiastically endorse the main drift of the Budget—welfare to work and making work pay—for two reasons. First, there is the anti-poverty emphasis. Secondly, it is anti-inflationary. The best weapon against inflation is expanding the work force to create opportunities for people, especially poor people, to come into the labour market.

The venture capital fund of £50 million for small projects coming out of higher education, science, and research and development is excellent seedcorn money for the businesses of tomorrow. That is one of the deficits we need to make up. The raft of measures on small businesses are welcome.

We realise that education and health are badly underfunded, and I am pleased that £250 million extra has been found for education and £500 million extra for health. Added to last year's announcement of £1.2 billion, that means that £1.7 billion more will be spent on health than was planned by our predecessors. The £1.7 billion works out at about 5 per cent. of the total NHS budget of £35 billion.

Two matters concern me in our management of the economy. First, on the long-term financial strategy, the Chancellor said again that the public sector borrowing requirement was rapidly disappearing. It is down to £6 billion this year, and may be in balance next year. It appears that the Chancellor's long-term policy is to aim for surplus in 2000-01 and the early years of the next century, and to use it for debt repayment. I think that that is unnecessary.

We are well within the Maastricht criterion of a borrowing requirement of 3 per cent. of gross domestic product—with a massive safety margin. Debt is not a big problem. We spend about £25 billion a year on debt repayment, which is 2.8 per cent. of GDP, but the figures are similar across Europe. Our total debt is about 60 per cent. of GDP, again well within the Maastricht criteria. There is no problem there. As long-term interest rates are falling, the burden of debt repayment falls each year. I hope that, in years three, four and five of this Parliament, the Chancellor will reconsider and respond to pressures from within the party on those figures. There is no reason to be in surplus.

Dr. Lynne Jones (Birmingham, Selly Oak): We all accept the golden rule about not borrowing for consumption, but I agree with my hon. Friend that we do not act as guardian of the people's money by neglecting investment in our infrastructure or by moving from public borrowing into private finance, which is borrowing on the never-never.

Mr. Williams: I am grateful to my hon. Friend for those comments. I agree whole-heartedly. It is prudent economic management to invest properly in education. Not to invest in the health service is to cause unnecessary suffering. Health and other parts of the public sector, particularly education, are starved of investment. It is unwise to stack away money rather than investing it in our young people, in schools and in colleges.

My other reservation is the strong pound and high interest rates. Now that the Bank of England is in control of interest rates, I accept its economic judgments, but it is our challenge to create an economic climate in which it can bring down interest rates step by step over the next few years to the 3 per cent. or so of our European partners.

We must not be as sanguine as the Treasury, the Department of Trade and Industry and the Cabinet generally have been about the effects of having for a prolonged period an exchange rate of more than DM3 to the pound. That is higher than when we were in the exchange rate mechanism. In 1991–92, the overvalued pound caused recession, but once it was devalued and we came out of the ERM, we had a recovery. That recovery could be stymied by a long period of unrealistic exchange rates. It is important that we work to deal with that.

In that context, my one regret about the Budget is that there is an imbalance between the private and public parts of the economy. We need to take more money out of private pockets. I would have liked mortgage tax relief to be phased out over the next two years, because there is too much money in the economy. The money raised could have been used in education or the public sector.

Those are criticisms for the longer term. Generally, having sat through the first proper Labour Budget for 20 years, I was enthused by its drift, especially in tackling poverty, in helping people into work and in making work pay.

7.48 pm

Sir Robert Smith (West Aberdeenshire and Kincardine): I shall try to be brief, and stick to key issues that affect my constituents.

This is the second Budget that I have watched in person. Having also watched many on television, I am wary of initial impressions, glosses or feelings that come from the selective presentation of an hour's speech with only a small amount of documentation. I hope—this may have started with the concept of consultation—that we shall develop a more flexible approach to the Budget process and a more informed build-up, so that there is a much clearer idea than the headlines provide of exactly what has happened to people on the day after the Budget.

For many of the electors in my constituency, the general election was about the state of the public finances. My constituents did not vote Labour; Labour came fourth in my constituency. However, my constituents took on board a message that a change of Government could bring about a change in the public services that they enjoyed, especially education and the health service.

[Sir Robert Smith]

A mistake that the Government have made is to believe that people vote on the basis of the small print in the contract in the manifesto, rather than on an overall impression of what they want to get out of the election. I hope that as the Chancellor examines the finances of the country, he will start to recognise that the priorities of the electorate are the early promises on waiting lists, class sizes and quality of education. If schools are being closed, there is clearly a problem in the education budget which needs to be tackled. That is something to which the Chancellor will have to return in the future.

The three issues that specifically affect my constituency have been raised already. The value of the pound has affected the farmers in my constituency in a high-profile way. The forestry industry has also made the point to me that it exists in a global market and is severely pressurised by the high pound at the moment. Hon. Members have spoken about the fact that the Bank of England is now independent, but the Chancellor is not ignorant of the policy that the Bank has to operate or of the climate in which it operates. He can still affect the climate that affects interest rates and he has to be aware of how his actions will affect it. One way of creating some stability is to bite the bullet and hold a referendum on joining the single currency.

We should tell the markets which way the country is going. We are to have five years of sitting on the fence by the Government and we would have 10 years if the Opposition were in power. Giving the markets information would assist them to understand where the economy was going. A referendum would be a message in principle to the markets on which way the country was going.

In a rural constituency such as mine, there has been considerable concern in the build-up to the Budget about petrol taxation. The previous Government introduced the concept of increasing tax on petrol on environmental grounds, but I detect that the Treasury has seen petrol in the same way as it sees tobacco. There is a nice argument for the tax, but the Treasury is far more interested in the yield from it than the environmental or health benefits.

We argued that the previous Government should consider ways in which to compensate rural communities before they increased petrol prices. The Labour Government have hinted that they want to do something for rural communities. They have put some money towards rural transport and have talked about a review of vehicle excise duty, but they have gone ahead with petrol tax increases rather than waiting until they have the whole package in place. I am concerned about that. If environmental taxation is to have any long-term beneficial effects, people need to be able to plan for it. The point of the previous Government's policy was that the tax would be increased annually so that the market could plan for the consequences. If Governments abuse the system and start increasing the tax twice a year or in three consecutive Budgets, they will make it far more difficult for people to have confidence in the stability of environmental taxation.

If environmental taxation is to benefit the environment, it should be neutral in its effect; the Government should introduce compensating measures elsewhere in the economy. Once Chancellors are let loose with environmental taxation from which they can keep the proceeds, there is no way of holding them back. If the Government put money back into the economy to compensate for the tax, they can genuinely condition behaviour rather than merely impose back-door taxation. As we saw with the previous Government and in the previous Budget, if there is back-door taxation, the public do not know where they stand and the Government cannot engage them in a genuine debate about how much public services cost. If, by sleight of hand, the Government pretend to spend more money here and less there, they cannot address the long-term structural problems in public services. The public must be fully involved in the debate. That is why I hope that the idea of opening up the Budget process will come to fruition.

The last issue affects my constituents more visibly because there is a high concentration of people involved in the oil industry in my constituency, but it affects the whole of the United Kingdom economy. The issue is the future stability of the North sea oil industry and the potential for growth in it. In the previous Budget, the Chancellor announced a review of North sea oil taxation. That in itself has caused considerable concern among many of my constituents whose livelihoods depend on a thriving North sea industry. They hoped that their concern would come to an end with this Budget, but we now have to wait another month for the Government to decide what they are going to do. I hope that we are waiting because the Government are planning to do nothing to upset the market in the North sea oil industry.

The North sea oil industry is at a fragile point. It is a mature province; the oil industry has been there for some time. The larger fields are coming to an end. There are smaller fields and there are ways in which to get more money out of existing fields, but it is basically a mature field overall. There is not enough residual capacity to attract investment into the industry if we frighten it away. The Government can play around with oil taxation at the start of a new province. They can afford to experiment, frighten off investors and try to tempt them back again, but we need stability in the North sea oil industry to maintain investment for the future.

We must recognise that the oil industry is not a simple utility. The Government cannot simply leap in with an extra tax and get the money. Oil production companies are global investment companies that invest in a world market. The bulk of the work is done by contractors in small and medium-sized businesses, and some large ones. The investor-contractor relationship is important. If the Government start to tax the investor, companies are free to invest elsewhere.

Companies are much freer than they were even a few years ago. The former Soviet Union, the far east and south America are opening up to oil investment. Azerbaijan is now a much more welcoming place. Oil companies have to balance out the costs of production, the risks involved in their investment and the return on their investment. The United Kingdom has done well by being an extremely stable political regime and, therefore, one in which companies can afford to invest, knowing that there is a fairly good likelihood of return. In other parts of the world, it is much cheaper to produce the oil, but countries lose out because they are politically unstable.

If there is a sense that, whenever there is a little movement and he thinks that he needs a little more money, the Chancellor will start tackling the North sea oil industry, the United Kingdom will become an unstable,

risky political environment in which to invest. Investment will be driven away. The consequences of that for my constituents and the constituents of most hon. Members is a reduction in investment in United Kingdom manufacturing. It is estimated that roughly 20 per cent. of UK manufacturing investment comes out of the North sea oil industry.

The oil industry is very much out of sight and out of mind, because much of the activity is over the horizon out at sea, and much of the work is done by small businesses throughout the United Kingdom. It is extremely important that the Treasury recognises that. The Department of Trade and Industry seems to recognise that, and the Inland Revenue recognises that any downturn in the oil industry produces a reduction in revenues from other sources connected with the industry. I hope that when the Treasury review is concluded, the Government will vote for stability and the long-term future of the North sea oil industry.

Those of us who saw the oil recession in the 1980s in Aberdeen and the north-east of Scotland would not like to see it return unnecessarily early. It was extremely depressing to see row upon row of houses for sale when the rest of the country was booming. We have seen what a depression can do to our local economy. Another factor is that, finally, the contracting community has woken up to the world market and is beginning to break into the investment market. If we have a stable home base, the country can reap the benefits of having had the oil industry here by breaking into the export markets. The technologies that are being developed now in the North sea could be of great benefit in other deep-sea applications off south America and in other parts of the world. The efficiencies that have been driven into the industry by the oil price shocks of the past have produced some effective and forward-looking mechanisms for transport abroad.

I urge the Government to look for stability for the oil industry. I hope that when they conclude their review, stability will be the watchword as an encouragement for future investment.

7.59 pm

Mr. Christopher Leslie (Shipley): First, I should like to comment on the remark made by the hon. Member for Maidenhead (Mrs. May) to the effect that, if you say something often enough, people will start to believe it. It is interesting to note that all the Conservative Members who have spoken tonight referred to the golden economic legacy, which we have somehow started to turn down the path of economic decline. That legacy was one of structural unemployment, poor investment and little capacity, and it was riddled with short-termism, so we can really only go up.

Several themes are set out in the Budget. It is a Budget that will make work pay and make work more worth while. It is a radical Budget, containing comprehensive tax and benefit reform, encouraging enterprise and supporting families. The themes are fairness, work and opportunity. It is a strong Budget, a popular Budget and a much-needed Budget. I am especially glad to see the combination of tax breaks for the lower-paid and working families, and the way in which the Budget is helping to eliminate the poverty trap. That, together with the national minimum wage, will help the less well-off to become better off. It is a well-judged approach, and good for the economy as a whole.

In addition to the Budget, the economic framework set out by the Chancellor is helping to create general prosperity throughout the whole economy. My right hon. Friend is steering the economy into equilibrium, and the economic context and the trends we see in the economy focus on the stability in economic policy he emphasised. We are beginning to see stability come through into the economic cycle, which has been a chief aim of the new Government. It is already beginning to provide rewards, by promoting dynamic and competitive business and industry, at home and abroad. The depoliticisation of monetary policy has given interest rate stability in the longer term and we have the lowest long-term interest rates for 33 years, which is helping to make capital investment, particularly in product process technology, more attractive.

The Chancellor has chosen policies to ensure that the economy does not overheat, and that economic expansion is steady and, more important, sustainable and stable over the longer term. He has instituted a monetary policy framework that has reined in the inflation problem by bearing down on price expansion and taking no risks that might mean that the economy returned to the destructive boom-bust cycle experienced under the Conservatives. Stable low-inflation conditions are the foundation for lasting economic growth and prosperity, and the evidence is that the Government have been successful in keeping inflation in line with their targets.

One of the best aspects of the Budget is the strength of the deficit reduction plan instituted by the Chancellor. There has been a sharp and impressive reduction in the public sector borrowing requirement since Labour entered office, which has been achieved without significant privatisation proceeds. The national debt is a burden around the country's neck and a drain on the public purse because of the cost of financing the interest on that debt. National debt interest eats up more than £24 billion each year, which is money that could be spent on vital public services. I am extremely pleased that my right hon. Friend is signalling a further fall in the PSBR and that the golden rule of borrowing only to invest and not to consume is now achieved.

The Chancellor, who likes to be known as the iron Chancellor, has now obtained a reputation for prudence, which is enhanced by his policies in continually bearing down on areas of public expenditure that do not meet the long-term investment and public service objectives we all share. A low PSBR is good, in that it is the sign of tight fiscal policy which, in turn, helps to bring down interest rates in the longer term and to bring sterling into a more trade-favourable position. That is the best policy to pursue in the long term.

The other innovative aspect of the Budget statement is the new fiscal stability code, which is to be welcomed in that it enshrines those new measures in law. I understand that, from now on, the Comptroller and Auditor General of Her Majesty's Government will have to corroborate Budget statements. Those measures are extremely welcome in terms of transparency, responsibility in fiscal policy, fairness, efficiency and, again, stability by making sure that long-term planning and the capacity to plan over the long term are an integral part of economic policy from now on.

All the tax measures announced in the Budget statement are to be welcomed. Looking at the Taylor report and the changes to the national insurance system,

[Mr. Christopher Leslie]

we can see that the Chancellor is beginning to align employee and employer national insurance contributions within that restructuring measure, so that they come into line with income tax. That is a simplification of the national insurance contributions system and it gives positive help to the lowest-paid employees, so helping to end the poverty trap.

The Chancellor has taken steps to encourage investment by industry and business, not only by reducing corporation tax to the 30p rate—lower than any level charged by our major competitors—but by enshrining the principle of stability throughout the lifetime of this Parliament by stating that that rate will apply for the next four years. In addition, my right hon. Friend has instituted the 20p rate for small companies tax. Those measures combined help to give large, medium and small enterprises the encouragement they need to make technological investment and so broaden the United Kingdom competitive base.

I pay tribute to the Chancellor for his measures relating to the individual savings account, especially the extreme generosity in his tax treatment of investment income. That will certainly be welcomed by many of my constituents, who have made representations to me on that matter. Bringing in a wider range of savings products, making them accessible to a larger number of people and encouraging investment rather than short-term consumer spending, will help to set the economy on a stable footing that is sustainable in the long term.

One of the most interesting aspects of the Chancellor's statement is the measures to close tax loopholes. My right hon. Friend has already closed loopholes to the value of £1.7 billion and is now taking steps to close loopholes to the value of £1.5 billion, including offshore trusts. That is an extremely important measure and a good way in which to set fiscal policy in the longer term. It is an enormous achievement to close tax loopholes, which are sometimes highly technical. A tax system riddled with such loopholes was perpetuated by the Conservatives, and my right hon. Friend is now beginning to rein it in. That is a clever and intelligent Budget strategy, and a popular way in which to raise revenues. Tackling tax loopholes and making sure that those who exploit them do not get away with it will be a popular move.

The Budget is eco-friendly, and it is successful in making sure that the tax system reflects our longer-term environmental objectives. As well as keeping the less well-off warm with changes to the VAT charged on fuel and loft insulation materials, the Budget is usefully putting £500 million into public transport and £50 million a year into a rural transport fund, which will help to get people out of their cars and into more environmentally friendly forms of transport.

Mr. Andrew Stunell (Hazel Grove): Does not the hon. Gentleman recognise that the reduction in the VAT on insulation materials does not apply to the normal insulation materials that can be bought at, for example, B and Q? It is restricted to specialist schemes, which are themselves restricted because of cuts in the budget of the Energy Saving Trust.

Mr. Leslie: The home energy efficiency scheme, to which the hon. Gentleman is broadly referring, now has the capacity to extend to many thousands more homes as a result of the Budget measures. However it is looked at, the measure will extend environmental benefits to many more people.

The Budget successfully gives support to families and children. There were many faults in the old family credit system, particularly inasmuch as it perpetuated the process whereby employers could dish out low wages instead of providing enhancements and incentives for people to go out to work and keep the money that they earn. The working families tax credit achieves that aim. I am glad to say that it also gives a guaranteed minimum working income of £180 a week.

The Chancellor was generous in terms of investment in child care. The 70 per cent. tax credit that he has given to cover the costs of child care helps to make it more affordable and accessible. The Budget also introduced other child-friendly measures, such as targeting help at children, with a 20 per cent. rise in child benefit. That will benefit more than 13,000 families in my constituency, and I know that they will be very pleased.

Dr. Lynne Jones: Is my hon. Friend not a little disappointed that those measures will not be implemented until next year, in April 1999?

Mr. Leslie: No. I think that, if we look at the total cost involved, we see that the Chancellor has taken a major step. A 20 per cent. increase in child benefit is extremely significant. If we are to be prudent, we must ensure that the money is in place. The right way to go about it is to ensure that, as we get the money, the resources are released—that we spend as we can afford to do so.

The Budget fulfils many pledges made in Labour's manifesto. We have already heard how the Chancellor has not increased the basic or top rate of income tax. That pledge has been kept, which shows that the Labour Government can be trusted to keep their promises.

The Chancellor has not introduced value added tax on food, children's clothes, books, newspapers or public transport. He has kept the promise to keep VAT on fuel at the lowest level. That is in stark contrast to the Conservative Government's approach to VAT—given half a chance, they would have splashed it on whatever they could.

The Budget has moved in line with the public spending priorities set out in the Labour party's manifesto at the general election, particularly the extra £2.5 billion on education and the extra £2 billion that has been spent on the NHS since the general election. Those moves will be welcomed by people the length and breadth of the country.

As a new Member of Parliament and a new member of the Public Accounts Committee, I have been working upstairs on the Committee Corridor for many months, scrutinising how a lot of taxpayers' money is spent. It is an important job. The Budget also sets the scene for ensuring that waste and inefficiency in public expenditure are rooted out wherever possible. I note that my right hon. Friend the Chancellor has published the "National Asset Register", which is progressing in tandem with the comprehensive spending review. I hope that, in future, the Public Accounts Committee, in conjunction with Government Departments, may think of looking at the

"National Asset Register" to help us to achieve our objective of ensuring that we root out unnecessary elements of public expenditure.

The Budget sets stable foundations for the economy. It is an excellent Budget which sets the course for the modernisation of Britain. It is a great achievement for the Labour Government, and I am extremely proud to play my humble part in today's proceedings.

8.12 pm

Mr. Quentin Davies (Grantham and Stamford): The previous speech sounded like a pretty thorough synopsis of the Labour party line from Walworth road. We must all be grateful to the hon. Member for Shipley (Mr. Leslie) for his speech, as it will at least save us the trouble of reading the original version, which was doubtless very turgid.

It would be wrong not to recognise that the Budget contains many positive features—as my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), with characteristic generosity and fairness, acknowledged. It would be rather difficult for any Government, however incompetent, faced with the rapid growth in revenues and the substantial cash flow that the present Government inherited, not to do a few positive things, in terms of tax cutting and of new allocations of expenditure.

It would also be churlish of the Opposition not to acknowledge that the Government have listened, thank goodness, to the strong representations that they have received from the private sector and from the House. Three weeks ago, we had an interesting debate on the Labour Government's original plans for long-term savings schemes, which would have done enormous damage if they had not listened. It would be wrong of us not to acknowledge the fact that, fortunately, they have listened.

We must not be too readily fooled, however. One would have to be extraordinarily naive—even more naive than I think Labour Members actually are—seriously to believe that one could generate from a standing start, on the basis of nine months' effort and nine months' policy, the buoyant revenues that this country is now enjoying. One would have to be even more naive to suppose that one could generate from nothing the buoyant economy that has given rise to the buoyant revenues that the Government are now enjoying and for which they are shamelessly taking the credit.

Of course, this country's strong fiscal position is a result of the policies and good husbandry carried out over many years, largely by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). This Government inherited the most extraordinarily strong position last May.

Unfortunately, it is also true that, while reaping that very rich harvest, they have done quite a lot of damage to the soil that has produced it. I am afraid that they have made it less likely that in future—in another two, three, five or seven years' time—this country will have the same opportunities to spend new, unexpectedly buoyant revenues that the Government have today. That is largely because their major budgetary policy decision in the past nine or 10 months has been a colossal fiscal mistake.

In May, the Government inherited a buoyant economy that had been growing for five years or more without interruption. There was no doubt that growth at that time was above trend. There was no doubt that consumption was growing at an unsustainable rate that could not have been continued indefinitely. In the face of that, in their first Budget, the Government should have generated a greater budgetary surplus to reduce public borrowing, or should have restrained private consumption through appropriate fiscal measures, or should have encouraged greater saving in the private sector. Any of those policies would have restrained demand and allowed fiscal policy to take some of the necessary strain for stabilising the economy.

What the Chancellor actually decided to do last summer was a classic mistake. Instead of restraining consumption through the Budget, he cut consumption taxes. That was an inconceivably damaging and incompetent response to the conjuncture of events at the time. As if that were not enough, instead of encouraging private saving, he taxed it to a degree that has never before occurred in this country's fiscal history. When the new measure—the abolition of the dividend tax credit—comes into effect, it will take £5 billion in a full year, each year and every year, out of pensions. We have said that before and we shall have to say it again, because we are going to reap a very negative harvest from that colossal mistake.

Dr. Lynne Jones: Would the hon. Gentleman confirm that the words that he has just spoken called for increases in taxes in last July's Budget?

Mr. Davies: I was saying how colossally inappropriate and incompetent it was to cut consumption taxes—something that the Chancellor, whom the hon. Lady occasionally supports, did. At the same time, he compounded that error by taxing the return from savings, thereby reducing the incentive to save—in this case, through the important medium of pensions. Irrespective of the human consequences of that measure for people's expectations of standard of living in retirement—which is a major human and social issue—it was the wrong economic response to the prevailing circumstances, and it has had a damaging effect.

The burden of stabilising the economy—ensuring that demand does not increase at an unsustainable rate, bringing about inflationary pressures and destroying a lot of the good work of the Conservative Government over many years—has fallen entirely on monetary policy. The Monetary Policy Committee of the Bank of England has had to increase interest rates to a higher level than it would otherwise have done. That was explicitly acknowledged by the Governor of the Bank of England, no less, before the Treasury Committee last November. Interest rates have gone higher than would otherwise have been necessary simply because the Chancellor did the wrong thing last summer. The country is paying, and will continue to pay, a major price for that.

What has been the consequence of that increase in interest rates? Sterling has appreciated excessively. The reduction in demand has come about, but not across the board through a reduction in consumer spending—the area that was clearly expanding too fast last summer. The whole burden has been taken by the so-called internationally traded sector of the economy—that part of the economy that either exports or competes in this country with imports. That sector is largely, although not exclusively, manufacturing. We have a crisis in manufacturing.

[Mr. Davies]

During my more than 10 years in the House, Labour Members, with their traditional industrial base, have often made eloquent speeches about the importance of a manufacturing base and how mistaken certain Conservatives—not me, I hasten to add—were to say that we did not need manufacturing and could have a completely service-based economy. The Labour party is now making a colossal mistake, resulting in the whole burden of stabilisation falling on that single sector of the economy. Enormous damage is being done as a result to investment in that important sector, where most technological innovation—and therefore most increases in value added—take place.

Enormous, gratuitous and unnecessary damage to this country's infrastructure—our economic foundations—has resulted from a mistake by the Chancellor in last summer's Budget. We shall go on paying the price for that mistake for several years. The nature of economic management is such that we could recover in future years from an earlier major mistake in macro-economic management only at disproportionate cost. The Government think that they can get away with that serious misjudgment and that no one will notice, because the price of their mistake will not become fully evident for some years. However, the cost will become evident eventually.

We shall continue to remind the House of what we said last summer. We told the Chancellor the right response to the situation, but he ignored our advice. The criticism has come not just from the Conservative party. The Governor of the Bank of England is on record as setting out clearly what a mistake the Chancellor made and what consequences flowed from it. We shall go on reminding the Labour party of its unnecessary mistake and we shall ensure that the country knows where to put the blame when there is a greater economic downturn than we would otherwise have suffered. That downturn will impact disproportionately and regrettably on the manufacturing sector.

I have not finished with the Government. This year's Budget is not what it appears to be. No doubt the handouts from Walworth road—we have had a flavour of them from certain Labour Members, who have no doubt been reading them diligently all evening—will be picked up by some people in the press, who will fill up their copy with quotations from them as they have done over the past nine or 10 months. Let us look at the reality behind the brave and apparently alluring statements made by the Chancellor this afternoon.

The Government are committed to cutting costs for small and medium-sized businesses. That is a laudable objective with which no Conservative Member would quarrel for a second. We would all support such a thrust of policy in good faith if it were genuine and sustained, but what is the point of trying to reduce the costs for small and medium-sized businesses in one area while increasing them in another? As my right hon. Friend the Leader of the Opposition has said, what is the point of combining the measures laid before the House in the Budget with the minimum wage, which will result in an enormous increase in costs for small and medium-sized businesses if it is introduced at a level likely to satisfy Labour Members? As well as increasing costs for businesses, the minimum wage will also price many people out of a job.

The Government's lack of honesty and frankness on the minimum wage is particularly sad. If the minimum wage comes in at a relatively low level, less damage will be done to the competitiveness of British business and fewer people will be put out of jobs, but any minimum wage will have some deleterious effect on competitiveness, employment and investment.

Mr. Chris Pond: (Gravesham) *indicated dissent.*

Mr Davies: The hon. Member for Gravesham (Mr. Pond) shakes his head. Does he argue with the proposition that increasing the price of a commodity reduces demand for it? Increasing the price of labour will reduce the demand for it. That law is as ineluctable as the law of gravity.

Mr. Pond: Does the hon. Gentleman accept that, after his Government abolished the wages councils—the minimum wage system for some of the poorest—employment in those sectors declined? We are the only country in the industrialised world without a minimum wage. When the minimum wage in the United States was increased substantially, employment increased. How does he explain that?

Mr. Davies: I said earlier that Labour Members were not necessarily as naive as they sometimes appear at first sight. Perhaps I was being a little too generous. Perhaps that was an excess of parliamentary gallantry and I should have been less kind.

If the hon. Gentleman thinks for just two or three minutes about what he has said, he will realise that he would have to be genuinely naive to believe it. The wages councils existed in sectors of the economy in which employment was declining. They were contributing to that decline. It was clearly necessary to remove them. Had they not been removed, employment would have declined still faster. The United States has a buoyant economy. The minimum wage there is very low. It has been possible to increase it without destroying aggregate employment because employment levels were increasing quickly anyway. Had the minimum wage not been increased, employment would, by definition, be higher.

I ask the hon. Gentleman to reflect on the principle of all things being equal—a phrase that is used before almost every proposition that is stated in economics. In the instances that he has cited, all things were not equal. That explains the paradox, which he may find it difficult to grasp, that if a move that reduces the demand for labour is made at the same time as other events or policies that more than compensate for that reduction, there can be a net increase in employment.

Dr. Lynne Jones: Surely the hon. Gentleman is not naive enough to think that the economy is a closed system. Does he agree that, if people have more disposable income because they earn more, they bring demand to the economy?

Mr. Davies: If the hon. Lady thinks through what she has just said, she will be able to answer her own question. The economy is indeed not a closed system. We have international trade relations with about 160 other countries. If demand is increased in this country while

supply is reduced by making the supply side less competitive, that demand will be satisfied by an increase in imports, or will result in an increase in inflation.

It was not my intention to give Labour Members a lecture in elementary economics, but I hope that the interesting exchanges that we have had across the Chamber will encourage hon. Members to do a little homework on these subjects. I warn them that, if they do, they will find it much less easy to be taken in by some of the things which the Chancellor said this afternoon and which he will no doubt repeat on other occasions.

Mr. Peter Bottomley: If it is suggested by Labour Members that wages inflate demand, why has the Whitehall Department that their party now supports agreed to pay a 16-year-old in London more than £9,000 a year? The total contribution to the economy from all the 16-year-olds employed in Whitehall is less than £30,000, because the total number of 16-year-olds employed is three. That is an average of one tenth to every Government Department. Does not that demonstrate my hon. Friend's point? If the level of pay is set too high, people are not employed.

Mr. Davies: My hon. Friend has produced an interesting corroboration of my argument. I am grateful to him, as is the entire Chamber, I am sure.

I have explained that, because the Chancellor says that he is reducing costs to small business on the one side, it would be extraordinarily naive and foolish not to notice that he was increasing costs to a much greater extent on the other side. The same proposition holds good in other areas.

What is the point of the Government saying that they are reducing the costs of business, and a moment later explaining that as a result of their abolishing the dividend tax credit, a number of occupational pension schemes will become actuarially underfunded, and employers will have to make up the difference? The Financial Secretary acknowledged that to me in a debate on pensions the other day. She said that, where the abolition of the dividend tax credit results in occupational schemes becoming actuarially underfunded, employers would simply make up the difference.

The Government, who this afternoon proclaimed themselves the defender of business interests and said that they were committed to reducing business costs, thus acknowledged in another context only a few days ago that they had introduced a serious and selective new business tax—the worst kind of tax.

What is the point of saying that, with the new capital gains tax regime, everything will be wonderful and everybody will pay lower rates of CGT, when that is not true? From the Chancellor's announcement this afternoon, it was clear to me that the position of business assets under capital gains tax has been made substantially less advantageous by the measures that the Government have just announced.

At present, if a small or medium or family business sells business assets, those assets are eligible for roll-over relief—or retirement relief, if the business man concerned is retiring—at 100 per cent. That will no longer be the case. Those business assets will instead be taxed for CGT purposes at 10 per cent. That was presented to us this afternoon quite disingenuously, as though it were good news for small business. It was unambiguously bad news for small business. The news was of a new impost on business through the change in the CGT regime.

I am delighted that the Financial Secretary has just appeared to hear my strictures on the matter. I shall be delighted to take an intervention from her if I have it wrong.

Suppose that a business man sells business assets for £1 million. Suppose that he has built the business up from nothing, so the whole consideration is a capital gain. It will, as we have heard, no longer be indexed. Last week, he would have been able to roll over that capital gain into other business assets or into shares if he wanted to start another business or expand into another area of business; or if he was retiring, he would have had 100 per cent. relief from capital gains tax in respect of that sale. Under the regime that the Government presented this afternoon, that will no longer be the case.

I see that the Financial Secretary is not trying to catch my eye. She does not seem to want to contradict me. I am disappointed, because I was hoping against hope that I might have misunderstood the position, and that we might have some good news for small business.

On that £1 million of capital gains, the small business man will pay £100,000 capital gains tax. That is indeed a substantial change in the tax regime for small business, but it is a negative change. The Budget is bad news for people in that position. People will invest, take risks and work hard through a lifetime only if they believe that they will be able to keep the rewards. To the extent that the rewards are taxed, people will invest less, take fewer risks and work less hard, which will be bad for the economy as a whole. What the Government announced this afternoon is bad news for those individuals who will have to pay the tax but also for business creation, for risk taking and for the future of the British economy.

I do not want to take up too much of the House's time. I have spoken about business. It is extremely important that not just business people but ordinary citizens are under no illusion about the impact on them and their families of what was announced this afternoon. What is the point and where is the honesty in the Government saying that direct taxes will not be increased, when local direct taxes are being substantially increased?

Almost everyone in the country faces an increase in council tax in double figures—and for many people it will be higher than that. That is a reflection of a decision by the Chancellor—which he no doubt thinks is extremely clever—to withhold funding of local services through the revenue support grant, thereby taking credit for a growing surplus in central Government finances. However, that is done at the expense of local authorities, which must deliver the same level of services with a lower contribution from the revenue support grant, and must therefore increase the council tax.

The Government may think that they are clever to do that. They must also think that the British people are stupid and will not find out about it, just as they think the British people are stupid and will not work out the consequences for the value of their pensions of the abolition of the dividend tax credit, and that small businesses will not see that the effect of the minimum wage legislation and the additional pension contributions that they will have to make will more than discount the tax concessions that were trumpeted by the Government this afternoon.

[Mr. Davies]

If, after nine or 10 months in office, the Government proceed on the basis that the British people are stupid, they will sow the seeds of their own destruction. When that self-destruction occurs, no one on the Opposition Benches will be in the least bit surprised.

8.39 pm

Mr. James Plaskitt (Warwick and Leamington): Having listened to the hon. Member for Grantham and Stamford (Mr. Davies), I can conclude only that he has misread his Ladybird book of economics. It is time to return to both reality and brevity.

I welcome my right hon. Friend's Budget statement this afternoon. As I have had time to study the Red Book, the tests that I apply—

Mr. Quentin Davies: Will the hon. Gentleman give way?

Mr. Plaskitt: No, not at this stage.

The first tests that I have applied to my right hon. Friend's Budget statement involve assessing its contents against the needs of my constituents and my constituency. The Budget statement responds very well and effectively to those needs and I congratulate my right hon. Friend on his achievement.

I began by assessing the Budget in terms of its impact on the 3,200 businesses in my constituency. Many of them are in traditional manufacturing sectors, but there are also many innovative companies with high-technology interests. As I talk to the companies in my constituency, they constantly highlight two themes on what business expects from Government. The first is a call for long-term economic stability; the second is for a climate that encourages investment. My right hon. Friend reiterated exactly those themes time and again in his Budget statement and they are central to the Budget strategy. Therefore, I am confident that the Budget measures, particularly those for business, will be welcomed warmly by the companies in my constituency.

The Red Book contains no fewer than six line-item business tax reductions. Companies in my constituency will welcome them very much—particularly the plan to end advanced corporation tax. They will also undoubtedly welcome the move towards the lowest level of corporation tax in Europe. As for to their desire for long-term stability, companies will appreciate the statement that the Government guarantee the structure of corporation tax for the lifetime of the Parliament.

Small businesses in particular—of which there are many in my constituency—will cheer the news that payments of quarterly corporation tax instalments will no longer be required. That will be a considerable advantage to their cash flow. They will welcome the 20 per cent. tax rate for small businesses and many companies will respond enthusiastically to my right hon. Friend's announcement of £50 million venture capital funding. Many small businesses in my constituency are near Warwick university and other universities that conduct much innovative research work.

Precisely that sort of seedcorn funding and financial support will help local businesses to pick up the good ideas coming out of our universities and develop them into products and create employment. That is an extremely welcome Budget measure.

I also warmly welcome the code for fiscal stability in the context of companies' desire for long-term stability. It is inevitable that right hon. and hon. Members tend, in the hours immediately following the Budget statement, to focus on specific tax figures and individual tax changes, but we should not lose sight of the importance of the code for fiscal stability and the fact that it will be enshrined in law. It will play a crucial role in creating a stable and predictable macro-economic climate—the very thing that businesses need to embark confidently upon programmes of investment.

For the first time, the Government will provide a 10-year projection for many of the key variables in the economy and they must, year by year, indicate the relationship between our domestic spending plans and the wider European Union stability and growth pact. That is a key device for linking the performance of the United Kingdom economy with that of our European partners, and I know that it will be appreciated by hundreds of companies in my constituency that are heavily dependent on trade with the rest of the European Union.

If we relate the code for fiscal stability to the new Bank of England independence, the Government's deficit reduction plan, the strategy for debt management and the clear map that has been laid out for progress towards European monetary union, we can see that the Government have created a substantially more stable climate for the economy. It stands in sharp and quite dramatic contrast to the record of the previous Administration. During 18 years of Conservative government, interest rates rose to 14 per cent. or higher four times, and this country had the highest long-term interest rates in the European Union. Both those factors were serious impediments to business undertaking long-term investment.

We now have instead a strategy for achieving fiscal balance, lower long-term interest rates are already coming into effect and the Government are adopting a strategy of fiscal prudence. All that will enhance competitiveness and stability in industry, and I hope that, before long, it will begin to create circumstances that allow for a more competitive exchange rate. I was pleased to hear my right hon. Friend acknowledge in his Budget statement the difficulties that many companies are presently having with the exchange rate. I share his hopeful expectation that we shall soon enjoy a more competitive rate.

The measures that my right hon. Friend has introduced will do much to create a satisfactory climate for business and employment growth. Companies in my constituency will greatly appreciate the changes in national insurance—particularly the impact that they will have on making it easier to create lower-paid jobs or the marginal extra job in a company. That relates well to the impact of the new deal and the specific programmes that it will introduce. Many hundreds of people in my constituency will benefit directly from the new deal programmes as they come into effect. Those programmes fit in neatly with the measures announced this afternoon by my right hon. Friend.

On behalf of my disabled constituents, I welcome the changes announced by the Chancellor that will strengthen the opportunities for disabled people to find work. I welcome the lower taper, the higher earnings threshold and the new linking rule that will alleviate many of the risks associated with taking a job that disabled people have experienced hitherto. They are very welcome measures.

The second group of tests that I have applied to the Budget statement on behalf of my constituents involve gauging the extent to which it promotes and furthers social justice. In the measures under the "making work pay" heading, the Budget makes significant progress through a combination of specific tax cuts and benefit reforms. I welcome the tax cut for the lowest paid and the fact that no income tax will be payable by individuals who earn £220 a week or less. That will provide a significant boost to the disposable income of many low-income families in my constituency.

I welcome also the expansion of child care and the generous tax credits attached to that. I welcome the introduction of higher child benefit. I calculate that 13,000 families in my constituency will be about £130 a year better off as a result of that change, and that 2,000 will be £500 a year better off thanks to the very careful targeting of that extra assistance on those in greatest need.

I also welcome the planned introduction of the working families tax credit. At long last it will take us a long way towards meeting the principle of minimum income and provide a boost in disposable income to low-wage families of up to about £30 a week. It will therefore significantly erode the poverty traps that we know create many of the difficulties that lead to impediments to work. I welcome especially the measures that my right hon. Friend is introducing to close poverty traps and to match these steps towards social justice with the closing of yet more tax loopholes that have been exploited by the highest earners.

I tested the proposals in the Budget statement against the interests of my rural constituents. It is clear that they will welcome many of the measures that my right hon. Friend has announced, especially the specific funding set aside for rural public transport. It has been much denuded over recent years and it is badly needed.

The fuel rebates for bus operators will be warmly welcomed. I welcome also the introduction of lower excise duty for cars—it will be £50 lower for the cleanest cars—which is an important move towards assisting those who depend on a car. At the same time, it is a move consistent with environmental objectives. Against the background of these measures and many others that the Government have taken, it will be easier to create and sustain new jobs in small rural businesses in my constituency.

I test the Chancellor's statement also in terms of its impact on the public services in my constituency. I warmly welcome my right hon. Friend's announcements on education. There are about 50 schools in my constituency, 23 of which I have managed to visit since the general election to discuss the impact of the changes that the Government have already made to education in the classroom. There has been a warm welcome for many of the initiatives that we have taken.

As a result of my right hon. Friend's Budget statement last year, Warwickshire has £10 million more to allocate to education and schools this year than it would have had. Today we have learnt of an additional top-up to boost that allocation. That is welcome news throughout the county and my constituency. Local health services will also appreciate the allocation of an extra £500 million to the national health service for the forthcoming year.

There are two civilising measures, as I would describe them, tucked away in the Budget. I know that they will be welcomed by many of my constituents. The initiative on international debt will encourage donations from private sources. There is also the programme of money for museum and gallery funding.

The Budget passes a broad range of tests that can be applied to it. I know that the measures in it will be much appreciated. There is extremely good news for the country and certainly for my constituency. It is a Budget that helps us to make further progress towards making work pay. The Budget will encourage enterprise while supporting families in need. It is also a Budget that invests further in health and education, and I commend it to the House.

8.53 pm

Mr. Desmond Swayne (New Forest, West): Earlier this afternoon, I would not have presumed to make a speech on the Budget without having first benefited from tomorrow's financial pages. I was prompted to speak, however, by the intervention of the right hon. Member for Yeovil (Mr. Ashdown). Having not planned to speak this evening, I have pressing engagements later. I apologise to you, Mr. Deputy Speaker, and to the occupants of the Treasury Bench if I am unable to remain in my place until the conclusion of the debate this evening.

The principal argument advanced by the right hon. Member for Yeovil in his closing remarks was that the main weakness of the Budget statement resided, first, in its failure to make a declaration in principle in favour of joining the European currency union and, secondly, in its failure to state a target date so that the measures required to achieve the necessary conversion could be put in place by that date.

Perhaps the right hon. Member for Yeovil was unfair to the Government in some respects. My understanding of the Government's position is that they have made a declaration in principle of joining the European currency union. It is now merely a question of timing, and that timing will be judged by the five criteria that have been laid down by the Chancellor of the Exchequer.

As for the selection of a target date and the achievement of the necessary convergence within the period attached to it, I cannot imagine what the right hon. Member for Yeovil had in his mind. The simple fact is that convergence is not achieved by statements of intent. We have interest rates in excess of 7 per cent. while on the continent of Europe they are about 3 per cent. How is convergence to be achieved? By what measures will it be achieved?

I taught the dismal science of economics for about seven years. As for the convergence of economic cycles, there is some doubt about even what causes the economic cycle or the trade cycle. I remember that one of the more plausible theories was that the issue had something to do with the disposition of sunspots on the central orb.

The fact is that the United Kingdom has been a member of the European Community or its forebears for about 25 years, and has failed to converge its economic cycle. Indeed, if statistics are to be believed, the divergence is increasing at a disproportionate rate as we increase the time distance from the point of our membership.

Our trade pattern, with our quickly increasing proportion of trade with non-EU members, is undoubtedly a significant factor in the growing divergence. What means can be put in place to cause convergence? The housing market in the United Kingdom is significantly

[Mr. Desmond Swayne]

different from elsewhere, with a huge reliance on floating interest rates. What means can be put in place to cause that market to converge with the European norm?

Our financial services sector is disproportionately large compared with that for the rest of Europe. Indeed, industry raises its finances here differently from the rest of Europe. What measures could the Chancellor of the Exchequer put in place to cause that system to converge to the European norm? Furthermore, this nation's demography is significantly different from that of the rest of the EU. I am not aware of any means by which that might converge. The right hon. Member for Yeovil is acting rather in the manner of King Canute by stating that convergence can be achieved simply by selecting a target date.

I shall now move on to some of the substantive measures in the Budget. The principal benefit that it holds out to the British people is the trend in the public sector borrowing requirement, which is moving towards balance and indeed surplus. That is a huge achievement. There is no doubt that the deterioration in public finances and the move to a significant deficit occurred under the previous Administration during a fierce recession. Had we attempted to restrain that deficit by making real cuts in public services, I have no doubt that Labour Members would have raised their voices the loudest. They would have given a new meaning to the concept of bleeding hearts.

Although the measures that gave rise to the increase in the PSBR were introduced by the previous Administration, so were the measures that now bring it back towards balance. It is nonsense for Labour to claim that any policy change has produced the move towards balance. Indeed, some time ago the Government announced that they intended to pursue the policies of the previous Administration, therefore admitting that those policies were correct. No policy change can possibly explain the movement towards balance; it is entirely to the credit of the previous Administration.

My hon. Friend the Member for Grantham and Stamford (Mr. Davies) eloquently described the damage caused by last year's changes in advance corporation tax. Frankly, the Chancellor was allowed to get away with it because advance corporation tax is so complicated. Most of those who comment it fail to understand it, and therefore were unable to understand the changes. That was certainly the case initially.

My fear is that precisely the same complexity attends one of the main features of this year's Budget statement. I refer, of course, to the working families tax credit, which operates in a hugely complicated area. The Government's proposals will have to be examined in some detail, but they have chosen a course where the current studies and the experience of other Governments are not particularly encouraging. I suspect that the measure may become subject to the law of unforeseen consequences and give rise to many more anomalies than it seeks to solve. I suspect that the hope that it will lead to a reduction in overall welfare expenditure is a pious hope.

Mr. Andrew Tyrie (Chichester): My hon. Friend may not have had the opportunity to read all the information, but paragraph 3.36 predicts that working families tax credit will bring 400,000 more families into the benefit system. That is a massive increase. Another document—

Mr. Deputy Speaker (Mr. Michael Lord): Order. That is a sufficiently long intervention.

Mr. Swayne: I thank my hon. Friend for that enlightening fact. I was not aware of it. I was reserving the document for my bedtime reading this evening.

I shall now move on to the announcements on education and health expenditure. The important factor is the experience of our constituents, which is undoubtedly different from that envisaged by Labour Members when they waved their Order Papers this afternoon. Life is increasing difficult for children, particularly those with learning difficulties, and for people on hospital waiting lists, particularly the elderly.

Labour Members claim that the Government are spending much more than the Conservative Administration would ever have done, but that involves a measure of clairvoyance that is quite unjustified. We judge Administrations by their record. The simple fact is that the present Administration have more than halved the rate of increase in health expenditure under the previous Administration.

No matter what sums are touted by the Chancellor, the reality is what people experience on waiting lists. I draw the Government's attention to the fact that the perception of the patient is more important than the sums that Ministers might tout. At the moment, the perception of patients is that waiting lists are increasing, and I do not believe for a moment that the rate of increase in Government spending is sufficient to address that problem.

I welcome the announcements on capital gains tax and the improvement in the tax environment for small businesses, but they have to be set against the background of £22 billion in extra taxes identified by the Confederation of British Industry that have been introduced in less than one year. The same applies to personal taxation.

Of course the changes in national insurance are welcome, as is the prospect of a 10p rate of income tax, whenever that is achieved, but they have to be set against the experience of many of my constituents who are already paying an extra £1,000 per year as a consequence of the Government's economic management over the past 10 months. That is an extraordinary record from which to produce a Budget statement. There have been increases in interest rates, council taxes, pension costs—as a consequence of the changes in ACT—and education costs.

Mr. Robert Syms (Poole): Is my hon. Friend aware that, according to line 8 on page 18, the abolition of ACT and the introduction of quarterly payments of corporation tax will raise an extra £100 million this year and an extra £2 billion by 2000?

Mr. Swayne: I thank my hon. Friend for that extremely enlightening remark.

As a consequence of this year's Budget, 250,000 taxpayers will pay higher marginal rates of taxation. That has to be set against the background of a Government who, before they took office, said that they had no plans

to increase taxation. Within one year, they have achieved the highest revenue-raising Budget in our history. The expertise, skill and audacity of the Chancellor consists of the fact that he has been able to do so without most people noticing, because the changes that he has introduced have been so complicated. I do not believe that that state of affairs will persist for very long.

9.7 pm

Mr. Chris Pond (Gravesham): My hon. Friend the Member for Warwick and Leamington (Mr. Plaskitt) suggested that the hon. Member for Grantham and Stamford (Mr. Davies)—who, sadly, has just left the Chamber—had misread his Ladybird book on economics. The contribution of the hon. Member for New Forest, West (Mr. Swayne) sounded a little like "Tinky Winky and Po Discover Economic Convergence".

What we have heard from some Conservative Members this evening is economics through the looking glass. We have had the suggestion that, somehow, my right hon. Friend the Chancellor has inherited what some have called a golden legacy. If we look at the contributions to that golden legacy, we find a doubling of the national debt in a period of just five years, a decline in our position in the league table for competitiveness—

Mr. Tyrie: Will the hon. Gentleman give way?

Mr. Pond: I should like to get a little momentum going first, if the hon. Gentleman does not mind.

Under the previous Administration, we had the lowest levels of investment of any of the advanced industrialised countries, we have slipped to 11th place out of 15 EU member states in terms of national income per head, and we have the highest proportion of workless households in the EU.

Therefore, many of the speeches that we have heard from Conservative Members have the smack of Blue Peter—"this is one I prepared earlier"—bearing little relationship to the Chancellor's contribution.

Mr. Tyrie: The hon. Gentleman's first point related to the doubling of the national debt. He should be aware that the national debt was reduced dramatically from the levels inherited from the previous Labour Government. I see denial on the faces of some Labour Members, but, however much they screw up their faces, facts speak louder. Furthermore, I think that the hon. Gentleman will find that Britain is the only major country which, in the past 20 years, has succeeded in reducing the ratio of debt to GDP. Every other country has seen an increase.

Mr. Pond: I thank the hon. Gentleman for that lengthy intervention. What I said was that the national debt had doubled in a period of five years under the previous Prime Minister's period in office. What happened in the longer term, especially given the previous Government's substantial legacy in oil revenues and privatisation proceeds, is something on which we should not dwell.

My right hon. Friend the Chancellor described the Budget as ambitious. It has to be ambitious, given the challenge of the real legacy that was inherited from the previous Government. It is ambitious to provide the means to allow people in my constituency and elsewhere to make the most of the opportunities now available to build the best future for themselves and their families, and it is ambitious on behalf of the poorest who themselves have an ambition—let no hon. Member deny it—to build a better future for themselves and their families. The Budget has assisted them in that process.

The biggest challenge that my right hon. Friend faced in the Budget was the almost 5 million people who are living in poverty despite the fact that there is someone in that household in work. The second major challenge he faced was that one fifth of households have no one in work at all. The Budget made a major contribution towards challenging that.

One of the major elements mentioned in the Budget, but not included in it, was the national minimum wage to which the hon. Member for Grantham and Stamford also referred. He suggested that some Labour Members should do a little homework on such issues before making statements. I can tell him, although he will have to read it in the *Official Report*, as he has left the Chamber, that I spent 17 years' homework on the economic impact of the minimum wage, and that his grasp of economics on that issue would not be sufficient him a GCSE.

Last week, we spent 17 hours in the Chamber debating the minimum wage while Conservative Members tried to destroy that initiative. Not once in that debate could any Conservative Member refer to a firm or a major employers' organisation that opposed the minimum wage. I thought that the hon. Member for Grantham and Stamford would try to break that record. I am delighted that he did not.

Mr. Syms: I acknowledge that the hon. Gentleman is one of the most experienced on the issue of low pay. What advice would he give the Government on the rate of the minimum wage?

Mr. Pond: As the hon. Gentleman well knows, the Low Pay Commission will report on that very issue in May; it is not the subject of tonight's debate.

The Budget has put in place some other important elements of the attempt to reduce the problems of workless households and of the working poor in the UK. I welcome the working families tax credit. The Select Committee on Social Security, of which I am a member, considered in detail the operation of the working families tax credit and its potential advantages in replacing family credit, not least in trying to deal with the problem that 30 per cent. of low-income households entitled to families credit do not claim it. The working families tax credit may overcome some of the stigma associated with that problem.

The Select Committee was concerned to ensure that transferability would be built into the working families tax credit, and I am delighted that the Chancellor gave a commitment that that would be done, to avoid the possible problems of transfer from purse to wallet, as it used to be quaintly described.

The reform of income tax and national insurance contributions is another major change in the tax system which breaks new ground. National insurance contributions are a form of hidden income tax, and previous Administrations used them to increase substantially the direct taxation of mainly low-income groups in a highly regressive way, to the extent that national insurance contributions now account for 70p in the pound—as much as income tax. It is important that

[Mr. Pond]

we reform that system and merge income tax and national insurance contributions as far as possible. Today's statement was an important move in that direction.

Over the years, the direct and certainly the indirect tax burdens have shifted towards the poorest. A decline in the value of tax thresholds has increased tax rates at the lowest levels.

Mr. William Ross: Is there a good reason why income tax and national insurance contributions should not be merged completely and treated as one tax as ultimately it would make no difference anyway?

Mr. Pond: The difficulty about national insurance contributions is that they are used to finance social security. We must wait until 26 March to hear the proposals of the Minister for Welfare Reform, which may take us further down that road. The changes announced by the Chancellor today were a helpful step in that direction.

After the war, a family with two children would not have started to pay income tax until it had earned above the average wage and, even then, the starting rate was only 7p in the pound. Today, as a result of changes made under previous Administrations, such a family would start to pay income tax at a quarter of the average wage and at a rate of 20p in the pound—three times the earlier rate. That is a major reason why the tax burden has shifted in such a regressive way.

The changes announced today—working family tax credit and national insurance contributions—will help to deal with that. If we could move towards the 10p tax rate to which the Chancellor referred, I would welcome that, too.

Mr. Paul Tyler (North Cornwall): I acknowledge the hon. Gentleman's expertise in this matter. Does he feel that enough is being done to deal with the poverty trap, to which he has alluded in the past two minutes? Is he aware that the National Housing Federation has issued a brief this evening which says that the Budget is inadequate in terms of dealing with the poverty trap, which will remain a considerable problem for people on low wages?

Mr. Pond: The Budget has made great strides in dealing with the poverty trap, especially the national insurance contributions poverty trap and the poverty trap related to family credit and its interaction with income tax and national insurance contributions. However, all hon. Members recognise that a major element in the poverty trap is the way in which the housing benefit system operates. That will require fundamental consideration and is currently subject to a governmental review. We still have a long way to go on that.

I was delighted to hear the Chancellor assert that universal child benefit is the most efficient and cost-effective means of providing help for families. The extra £2.50 a week for those families from April 1999 will be a major benefit, as will the additional £2.50 for those on income support and jobseeker's allowance, whose premiums will be adjusted. In my constituency, it will benefit some 13,000 families by up to £130 a year.

We need to debate how we can further improve child benefit, and it would be sensible to discuss whether, with further increases in the base level of child benefit, that should be subject to tax at the higher rate. I was pleased that the Chancellor opened that debate today.

We heard today another major element of the welfare-to-work strategy—the next building block in the national child care strategy. The Government will meet 70 per cent. of the cost of child care, up to £100 for the first child and £150 for subsequent children.

The extension of the new deal to women whose partners are unemployed will assist transfers into employment, and will also overcome a major discrimination within the social security system. The extension of the new deal generally—extra resources are being committed to it from the windfall tax—will help to deal with the issue of workless households.

On Friday, we shall launch the new deal in Gravesham by taking people from some of the 1,600 businesses in my constituency that have benefited from today's Budget for a boat trip on the Thames. We shall ask them to sign up to the new deal enthusiastically; they can disembark at any stage, although the method may depend on whether they have signed up.

Most important, the Budget provides help for carers. It deals with the anomaly that has existed for many years of tax relief being provided to assist with the costs of caring only to a man whose wife is incapacitated. I am pleased that that major discrimination has been removed in the Budget.

Those changes represent the biggest reform of the tax and benefits system since Beveridge, and many other reforms will no doubt be proposed by the Minister for Welfare Reform. The Under-Secretary of State for Social Security, my hon. Friend the Member for Southampton, Itchen (Mr. Denham), is dealing with pensions proposals. The Budget will ensure that there is a major redistribution of resources to people at the bottom of society without breaching the manifesto commitment to keep the basic and higher rates of tax as they are.

I am inevitably pleased, as all hon. Members should be, that resources will be substantially increased to provide the high-quality, reliable and affordable public services on which people depend. Public transport is important to my constituents, many of whom commute daily by bus, and the Budget will help with that. Rail services are much in need of improvement. We hope that there will be a dramatic improvement in the years to come if the channel tunnel rail link goes ahead on its original timetable, and Ebbsfleet international station, which will be in my constituency, gets back on track. I am also pleased that Whitehorse Ferries, which is based in my constituency, has succeeded in obtaining licences to run services in central London and to the millennium experience.

The measures in the Budget will improve the resources available to the health service and education, which will mean that the Government have taken a major step forward in challenging problems of poverty and social exclusion, and in helping to get Britain back to work. The Budget is ambitious, but realistic. It matches the ambitions of my constituents and of people throughout the country, and I commend it to the House.

9.22 pm

Mr. Colin Breed (South-East Cornwall): I, too, welcome many of the measures proposed by the Chancellor in respect of the poorer members of our society and to deal with the issues that the hon. Member for Gravesham (Mr. Pond) eloquently enunciated, but I was surprised by the omission of housing and housing benefit, which has just been mentioned.

In my constituency and in others, many housing units are rapidly falling into a poor state of repair, and the number of new starts for affordable social housing is still lamentably low. The opportunity to address that issue has been missed. Certain sectors will always miss out, because Budgets necessarily have to take account of available resources, but housing is the one issue with which all hon. Members have to deal. Constituents attend advice surgeries because they are unable to secure housing, because their housing is poor or inappropriate for their family conditions, or because their rent is too high. The housing problem and the cost of housing benefit, which absorbs an enormous part of the overall budget, need to be addressed.

The housing costs of local authorities are high, and, in the past few years, they have had less and less money to spend on council housing. Even the moneys that are to be made available from previous council house sales will not go far in providing new social housing, although relatively modest sums of money can make a big difference. We learned this evening that £50 million for housing associations would allow a 25 per cent. reduction in affordable rents. That would help many of the families in housing association properties, who are often in low-paid employment and on benefit. It would make a direct contribution to their budgets.

Good housing has a positive effect on people's health. Although the additional money for the national health service is extremely welcome, money to provide people with good housing would reduce costs because people would be in better health and would have less need to avail themselves of the health service.

Regrettably, some families in my constituency are in hostel accommodation. A single parent and three children, two of whom are of school age, may live in one room. Education is important, but it is impossible for those children to do their homework at home because of their poor housing.

Mr. David Drew (Stroud): The hon. Gentleman underestimates the impact of the capital receipts changes that the Government put in place last year. Does he agree that that money should be spent wisely and carefully, and that we should not necessarily pump more money into social housing? The Government's proposals may remove some of his doubts about the apparent neglect of housing in the Budget.

Mr. Breed: I agree that the capital receipts programme will help. My district authority has about £400,000, which is a large sum. Even when that is added to the money available from housing associations, it will not be enough to address some of the housing problems. The cost of land is rising and will continue to rise, especially as the current view is that building should be on brown-field rather than on green-field sites. The cost of land is a large proportion of the cost of providing housing.

The Chancellor could have dealt with second homes. Some of us represent constituencies where people have holiday homes or second homes. Those people receive discounts on their council tax. We should ensure that a greater contribution is made to the local authority through the council tax. We should also address some of the problems of low-paid local people who find it difficult to get homes in rural areas.

I do not want to detain the House much longer, but I think that an opportunity has been missed to address a fundamental part of the social scene. I welcome the many measures that have been introduced to help low-paid workers and families, but I feel that, given the enormous amount of money that housing benefit involves, the housing provisions need to be redirected. Housing is an important component of the incomes of many low-paid workers. I hope that, in the next few weeks and months, the Government will think again about housing problems, and, even if they cannot do it in the Budget, will consider redistributing housing benefit to provide the relief to which I have referred.

9.30 pm

Mr. Tom Levitt (High Peak): Even before today's Budget statement, High Peak had done well out of the Government's economic priorities. We have benefited from extra money to reduce class sizes, for instance. As we are in Derbyshire, we had one of the biggest problems, and the money we were given was proportionate to our problem.

High Peak has two new schools in the pipeline. In Buxton, which is England's highest town and possibly the coldest, the cut in VAT on fuel and help with pensioners' bills is particularly welcome. There has also been investment in transport infrastructure in our area. Although all the stone that makes up Manchester airport's second runway will come from High Peak, none of it will travel by road. The hon. Member for Hazel Grove (Mr. Stunell) will benefit from the same scheme and the same investment.

Even after that, there is more to be gained. Following today's Budget statement, more than 2,000 businesses in High Peak will be better off. More than 14,000 families will also feel the benefit, as will users of the health service, people in work, people on benefit, and, I believe, people generally. The Chancellor used the phrase "a people's Budget", and that it certainly is.

Other speakers have gone through a long list of what the Budget contains, but I want to identify just two issues, neither of which has been dealt with in great detail so far. I want to celebrate one feature of the Budget, and to express some concern about the other—but I shall return to that later.

I represent a rural constituency, which contains a good deal of the Peak national park. Years ago, High Peak's transport infrastructure was decimated by the bus deregulation for which the last Budget provided. "Decimated" is not too strong a word to use for the impact of deregulation on rural communities, including small villages long distances apart. Many villages in High Peak have no bus services at all, and that is not uncommon in rural areas throughout the country.

During the past few weeks, I have heard people in rural areas saying, "Yes, we have a transport problem: save our cars. Do not put extra tax on petrol." But there is another problem involving cars in rural areas. Once the breadwinner has left the home in the morning—usually travelling by car into the city—four out of five of the families who remain at home during the day have no access to a car. The price of petrol therefore becomes immaterial. We must consider the access of women, children and old people to public transport in rural areas during the day.

[Mr. Tom Levitt]

Transport is not just an item in itself. Public transport gives people access to work, shops, goods and services—including health services. The chemist is often a bus ride away, even when the simplest medication is required. Access to leisure services is important for those trying to keep a sane mind. Even when buses are running during the day, they often do not run during the evening. People need bus services in the evening if they are to take advantage of leisure services in towns and cities. It could be said—I mean no disrespect to people in rural areas when I say this—that, for some rural areas, transport is necessary to keep in touch with civilisation in many ways.

That is not to say that we have no rural bus services at all in High Peak; we do. Some operate commercially—very few, it has to be said. Many are subsidised by the county council, but that has pressures, and it is not easy for the council to do. Between them, the council and commercial operators do not provide an adequate service for villages and those rural communities.

We have rural trains in High Peak. One line goes across the centre of the constituency. It is under-used, and does not sufficiently provide the attractive services that local people, commuters or the holidaymakers who come my constituency would wish to use. We need to make the services that do exist more accessible and attractive, and provide simply more of them.

We have another transport problem in High Peak. If people go to Glossop and climb the hills above it on to the Pennines and the rich peaked moorlands, they will find that considerable damage is being done to those moorlands by ground-level ozone. Ozone is the substance in the higher parts of the atmosphere that protects this planet from ultraviolet rays, but, at ground level, it can be damaging and a serious pollutant.

Ground-level ozone is caused by reactions in the air between the oxides of sulphur and nitrogen and sunlight. It tends to happen in cities and large conurbations. It happens exactly because the sulphur and nitrogen oxides are the by-products of the burning of oil and of petrol. The prevailing wind from the cities of Liverpool and Manchester to the west, which we can just see from the hilltops of High Peak, brings the atmospheric pollutants that react in the air to produce ground-level ozone. Because High Peak, as its name implies, is that much higher, the pollution rests on the top of our hills, and starts literally to dissolve our peak moors.

That pollution is caused by cars and the internal combustion engine. We must tackle air pollution, partly for environmental and quality-of-life reasons, but also because many children—more than ever before, I guess—suffer from asthma. Therefore, we have to cut the amount of vehicles that operate both in rural areas and cities. This Budget starts to take that problem seriously and to grapple with it.

Mr. Drew: My hon. Friend is making a useful contribution. This point came up in the debate on a private Member's Bill—the Road Traffic Reduction (United Kingdom Targets) Bill. I do not know whether he heard the Leader of the Opposition launch, as part of his attack on the Government's Budget, an attack on the so-called failure to understand how rural areas need cars. There was once an initiative called the Tory green initiative. I wonder where that stands now in relation to the apparent complete disregard for the environment that has been shown by the Leader of the Opposition and the Conservative spokesperson, the hon. Member for Christchurch (Mr. Chope), who is trying to talk that Bill to death.

Mr. Levitt: I thank my hon. Friend for that contribution. The Tory green initiative brings back memories. It is many years since I have heard it mentioned.

This Budget does several things to put tackling the problems of the car and internal combustion engine into the fast lane, if I may use that expression. It starts to transfer tax from car ownership to car use, and has a rebate for bus operators, which will be welcomed in rural areas. Particularly welcome is the £50 million subsidy for additional transport in rural areas. I hope that it will be used on integrated schemes involving buses and trains, on community transport schemes and to promote car-sharing. If page 76 of the Red Book is anything to go by, I am sure it will.

An average of over £1 million per shire county can do an awful lot.

Mr. Andrew Stunell (Hazel Grove): Will the hon. Gentleman accept that £50 million is very small in relation to the needs of rural transport? It hardly goes any way towards replacing the cuts that county councils and other authorities have made in their support for public transport as a result of the previous Government's cuts. Will the hon. Gentleman accept that it will not be a sufficient response for the Government's integrated transport review? Perhaps he will join me in pressing the Chancellor to make a larger sum available to deal with the real underlying problems.

Mr. Levitt: The integrated transport policy will be published in due course, and will come into effect. This is not intended to be a be-all and end-all solution. The hon. Gentleman seems to be suggesting another use of the Liberal Democrat penny, which has been spent so many times already. At least it is £50 million more than we had before.

From what I have said, you will appreciate, Mr. Deputy Speaker, that I favour green taxation. However, I want to deal with the one issue that causes me some concern.

My right hon. Friend the Chancellor said that minds were open, and the door was open, on an aggregate tax and a tax on extraction. Paragraph 5.59 of the Red Book seems to talk about how the aggregate tax should work, rather than whether it would work. I am certain that we are—we should be—still in the period of asking whether an aggregate tax is right.

I am opposed to an aggregate tax, and I wrote to the Environmental Audit Select Committee expressing my opposition. There are three main reasons why I oppose an aggregate tax or quarry tax. The first reason is a parochial one—that High Peak has at least nine major quarries. It is the largest sector of manufacturing industry within my constituency, and it is important to the local economy. An aggregate tax could damage that industry in my area.

Secondly, I believe that an aggregate or quarry tax will not necessarily be effective. By and large, the smaller quarries are the greatest offenders against environmental

rules and the high environmental expectations that we rightly have of the industry. Despite that, they would presumably be paying less than the larger operators. There has been improved regulation of the quarrying industry in recent years, which European legislation complements, providing an opportunity for better regulation still. Also, I am sure that my right hon. and hon. Friends in the Department of the Environment, Transport and the Regions will be looking closely at the quarrying industry when it comes to tightening planning controls.

The industry is aware of the environmental expectations we have of it, and is looking for ways to promote good practice, the recycling of building materials and the re-use of quarries. All those things have not yet been exhausted when it comes to reducing the environmental impact of the quarrying industry. Therefore, an aggregate tax is not necessary.

The third reason for opposing such a tax is the usual one of cost. A quarry tax would put up the price of what is pulled out of the quarries. In High Peak, we quarry limestone, which is involved in the manufacture of cement, concrete, stone, do-it-yourself materials, inorganic fertiliser and crockery. In fact, 80 per cent. of the country's fluorspar comes from my constituency or from that of the hon. Member for West Derbyshire (Mr. McLoughlin) next door.

High Peak produces the highest-quality limestone, which is suitable for the pharmaceutical industry. Limestone is also used in the manufacture of steel, and is used in high-tech industries and the production of plastic, paper and toothpaste. It is used for homes, roads and their repairs, and for hospitals, schools and their repairs. Even the pillars that will grace the front of the new parliamentary building above Westminster tube station will be made of Derbyshire limestone. Extra costs will be added to all those items if an aggregate tax is imposed.

Who will pay those extra costs? In revenue terms, 40 per cent. of our quarries' products is purchased by the public sector, including central and local government. A quarry tax would therefore simply reduce the Government's own purchasing power. We should think very carefully about taking such action.

The Budget is excellent. I have only the one concern—which I am pleased to have been able to express, making my contribution to the consultative process—on the aggregates or quarry tax. However, I believe that the Budget will promote social justice, social fairness and economic stability. It is also environmentally sound. I commend it to the House.

9.45 pm

Mr. Andrew Tyrie (Chichester): I have some sympathy with the points made by the hon. Member for High Peak (Mr. Levitt) on aggregates tax. Although I shall not develop the point now, I was interested to hear it articulated.

The most important message in the Budget is that the Chancellor has entrenched most of the changes that he had already announced—in the form of tax increases on middle Britain. His plans to increase taxes have been very clear. He has increased taxes on pension funds by about £5 billion annually, while retaining many of the disincentives to saving that he launched with his assault on personal equity plans and tax-exempt special savings accounts.

The Budget will be judged by the British public against some of the remarks before the general election by the then Opposition. Although the following statements have already been quoted in the House, I think that they will be quoted again and again. The then Leader of the Opposition said:

"We will not increase taxes at all."

More strongly, he said:

"I vow that promises we make on tax, we will keep. This is my covenant with the British people. Judge me upon it."

I believe that the Prime Minister and the Government will eventually be judged on those pledges.

The Chancellor is not exempt. He said:

"We will not make promises we will later break, we will not say one thing before the election and another after. Above all, we will be straight with the British people about tax."

I do not think that any reasonable person could possibly say that what has happened in the past 12 months accords with those quotations. The gap between the quotations and the Government's actions is enormous.

Mr. Syms: Undoubtedly my hon. Friend is aware of the table on page 116 of the Red Book, which shows that, by the end of this Parliament, the percentage of GDP collected in tax will rise from 38.1 per cent. to 40.1 per cent. That represents a real increase in tax on families.

Mr. Tyrie: I thank my hon. Friend for pointing that out to me. I have not yet had a chance to peruse the documents as thoroughly as I should, although I shall probably have a chance to do so later this evening.

Today, a series of new tax rises have been announced—in addition to those already announced—which primarily affect businesses. So far, I have detected at least five sizeable such tax changes in the Budget.

The first change is a sharp increase in stamp duty, which will hit hard many businesses, affecting where they wish to locate by diminishing incentives to choose the most efficient location. The change will therefore reduce British efficiency and British competitiveness.

There will also be a massive increase in business transport costs because of increases in the road fuel escalator, company car fuel scales and diesel prices. Even super unleaded petrol will be hit slightly. Every motorist—not only every business motorist—will soon rue the effect of those new Labour tax measures on those who use our roads.

Another large increase appears to be a further erosion of the contributory principle of national insurance contributions. That may be very bad news for business in the long run. Business will be hit directly by the increase in employers' contributions from 10 to 12.2 per cent. High-tech sectors will be badly hit, as will areas suffering from skill shortages. They will have to pay even more to plug the gaps.

There is not only the abolition of advance corporation tax but the move to quarterly payments for corporation tax, which will impose a huge cash-flow cost of £1.6 billion in 1999-2000, according to the Red Book.

The fifth large tax increase on business that I have noticed is the abolition of the foreign earnings deduction. Britain is successful at going abroad to seek international

[Mr. Tyrie]

business. As far as I can tell, the abolition of the foreign earnings deduction will make it much more difficult for companies to take advantage of such opportunities.

British nationals stationed abroad are subject only to UK tax. The chances are that, by abolishing the deduction, the Chancellor will make employees pay UK tax when they are stationed abroad, even if they already pay foreign taxes. That means that British employers seeking to expand abroad will have to pay employees more, so the cost of expansion abroad will rise further.

Even the capital gains tax change, which looks fairly innocuous at first blush, is in fact rather a nasty and pernicious means of increasing tax. The Chancellor claims to have made the CGT system fairer, especially for the business community, by lowering the rate of tax for long-term gains. However, he has increased CGT for most situations, particularly for small and medium-sized businesses. That is because of the abolition of indexation allowance after April 1998 and the phasing out of retirement relief for gains on the sales of businesses over the next five years.

Let us take indexation first. From April 1998, taxpayers will not be able to take into account the effect of inflation on gains they make. If the Government achieve their 2.5 per cent. per annum inflation target—let us suppose they do—the true cost of an asset will increase by 28 per cent. over 10 years, but taxpayers will obtain no relief for that. The reduction in rates of CGT on long-term gains will fail to compensate for the change. That will be the case even on modest rates of growth in the value of assets.

I have calculated that, for an asset worth £100,000 in year one whose value rises at a nominal rate of 5 per cent. with inflation of 2.5 per cent. over 10 years, in year 10 there will be an increase in the tax bill of more than £1,000. That is a substantial increase.

Retirement relief currently provides complete exemption and protection from CGT for gains on long-term business assets up to £250,000. Over the next five years, it will be phased out. The best that owners of small businesses can hope for is to qualify for the minimum CGT rate of 10 per cent., which will mean paying more tax than the zero they would otherwise have paid.

Taxes are coming in on all sides for businesses. It is clear that the first year of Labour is a big tax assault on businesses through ACT, stamp duty and increases in taxes on transport. No doubt more tax rises lurk in the undergrowth of the Treasury's press releases.

More important still for the future of the economy was the sleight of hand on fiscal policy. The hon. Member for Alyn and Deeside (Mr. Jones) compared the Chancellor to Gladstone and his approach to fiscal policy. Nothing could be further from the truth. Gladstone could not have abided "The Code for Fiscal Stability". It may come to be seen as little more than a charter for fiscal irresponsibility.

Of course, it was trumpeted as the counterpart to bolstering the credibility of monetary policy with Bank of England independence. I am not even sure whether we have an independent Bank yet. The Bank of England Act is a botched job. It has left the target for inflation in the hands of the Chancellor, along with an override power so that he can do what he wants. Two thirds of the committee that has to take the decisions are appointed for only three years, and are therefore firmly under the Chancellor's control.

The Government's document "The Code for Fiscal Stability" is one of the more pernicious forms of Government document. It gives the illusion of doing something worthy, while changing hardly anything. The two key principles are on page 16. The first is the golden rule. The document reads:

"the golden rule: over the economic cycle the Government will only borrow to invest and not to fund current expenditure".

I challenge anyone to give me a watertight definition of public sector investment. Is it meaningful to compare the return from an extra teacher with a new school roof? Where investment does not create an income stream, the distinction between current and capital spending means very little. I think that the majority of economic commentators agree with that view. The scope for varying the definition of current and capital in public sector investment means that the golden rule is not really a rule, but a highly elastic principle.

The second principle in the document is:

"public debt as a proportion of national income will be held over the economic cycle at a stable and prudent level."

But why should that be done? I cannot understand why the inherited level of debt-to-GDP ratio should be the right one. What about some other level? The policy target is ill thought through.

What is even more extraordinary is that when one turns over the page, the document says:

"An alternative approach would be to embed the Government's two fiscal rules in the Code. However, this would be unduly restrictive."

Here we have two highly flexible, almost meaningless notions that the Government are still not prepared, even though they are nice and flabby, to put into legislation.

Mr. Syms: It is evident that Governments do not always know at what point they are in the cycle. If one cannot measure where one is in the cycle, how can one measure whether the debt ratio is correct?

Mr. Tyrie: I shall come on to the cycle question in a moment. We need a regular publication from the Government that strips out the economic cycle and makes clear to everyone the Government's view of the economic cycle and where we are in it. We need a commitment to a balanced budget over the cycle, not a commitment to a golden rule.

The Economic Secretary to the Treasury (Mrs. Helen Liddell): The Conservative Government did not do it.

Mr. Tyrie: The Financial Secretary is making points from a sedentary position.

Mrs. Liddell: Economic Secretary.

Mr. Tyrie: Perhaps the Economic Secretary would like to come to the Dispatch Box to respond to my points. If not, perhaps she would like to make fewer points from a sedentary position.

As time goes by, we will realise that the golden rule is virtually meaningless. Even the Economic Secretary is not prepared to come to the Dispatch Box this evening to say a word in its defence. We need a commitment over the long term not to entrench the current level of debt but to reduce the burden of debt and eventually to remove all Government debt, and thereby eliminate debt interest. *[Interruption.]* Another point is being made from the Front Bench, which I did not catch. If the Minister for the Armed Forces would like to make it from the Dispatch Box, I will gladly answer it. He seems a little reluctant to do so. I wonder whether his points are of any value whatever.

Above all, what we need is an independent fiscal policy committee—a truly independent body which would be a counterpart to the Monetary Policy Committee. It could take forecasting out of the hands of politicians—all aspects of forecasting, including working out what the assumptions should be, explaining how those assumptions were derived and developing them into a forecast. In the United States, the US Treasury does not even try to make forecasts; it relies on forecasts from the Federal Reserve. It may be that the UK Government should consider doing something similar, given that the document they have written is of extremely little value in that regard.

The Chancellor will say, "I have put the forecasts out to independent arbitration; I have sent them to the National Audit Office; I have put them out for vetting," but the NAO is not equipped to do the job. Its staff are first-rate accountants, not first-rate forecasters. It is small wonder that the documents make anodyne statements such as—

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Mr. Gordon Bell

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Bridget Prentice.]*

10 pm

Mr. Chris Mullin (Sunderland, South): My constituent Mr. Gordon Bell is one of a number of people who, as young national service men, were induced to take part in what they were told at the time was research into the common cold at Porton Down chemical research establishment. Some, Mr. Bell included, say that they have since suffered debilitating illnesses, which they attribute to the experiments in which they took part.

It has since become obvious that, whatever the purpose of the research, it had nothing to do with the common cold. Subsequently, it has been suggested by Ministers that the experiments were part of research into the effects of London smog. While one cannot rule out the possibility that that was a spin-off, it clearly was not the prime purpose of the research. Not for the first time in matters of this nature, there is a feeling that the Ministry of Defence is being economical with the truth. Although there has been some progress during the past nine months, I hope that tonight's debate will shed a little more light on the matter.

I should say that this is not the first Adjournment debate on the subject; in October 1996, the hon. Member for Bournemouth, East (Mr. Atkinson) obtained a debate on behalf of his constituent, Mr. Michael Paynter. The hon. Gentleman is unfortunately unable to be here tonight, but he has kindly made available to me his papers on the subject, including letters from or written on behalf of eight other people who were induced to take part in similar experiments at Porton Down. Although those letters refer to experiments that took place over a period spanning nearly 20 years, they corroborate each other to a remarkable extent. I mention that to show that Mr. Bell is by no means alone in his recollection of what took place; nor is he alone in his scepticism of the various explanations so far offered as to the purpose of the experiments.

Gordon Bell served as a conscript between April 1959 and January 1961. From August 1959, he was based at RAF Aird Uig on the Isle of Lewis. During that time, he responded to a request for volunteers to participate in what was said to be a research project on the common cold taking place at Porton Down. Mr. Bell is clear in his recollection that the stated purpose of the project was research into the common cold; Mr. Paynter, whose case was raised 18 months ago by the hon. Member for Bournemouth, East, also recalls that research into the common cold was the stated purpose of the experiment.

That is of interest because Mr. Paynter was experimented on in 1954 and 1955—five years before my constituent. Sir David Ford, one of those who wrote to the hon. Member for Bournemouth, East and who took part in an experiment in 1954, has the same recollection. There is evidence that the common cold was still being used as a cover for the experiments as late as the early 1970s; a former service man based at RAF Wattisham from 1971 to 1976 recalls that the station's routine orders, which were required reading, contained several requests a year for volunteers to assist in common cold research at Porton Down.

[Mr. Chris Mullin]

It would appear that, over more than 20 years, those who were conducting the experiments at Porton Down were doing so on that bogus pretext. It is said that Porton Down cannot be held responsible for the pretext on which the volunteers were recruited; the truth must be that everyone responsible for organising and conducting the experiments over so many years must have known. Nor is it good enough for Ministers to tell us that no research into the common cold took place at Porton Down—we know that. What we are looking for tonight is a frank admission that volunteers were recruited on a fraudulent basis and an explanation why.

Once it becomes clear that volunteers were recruited in that way, any notion that they consented to whatever was done to them goes out of the window, as does any notion that the experiments were conducted in accordance with the terms of the Nuremberg code, which is based on the principle of informed consent. Perhaps the Minister will tell us tonight whether Mr. Bell and his colleagues were asked to sign consent forms. If so, where are they? If not, when was the practice introduced?

Mr. Bell says that, he visited Porton Down three times. In one experiment, he was put inside a sort of gas chamber and ordered to stand in front of a stream of gas so acrid that he could bear it for less than a minute. Other gas tests, he says, left him nauseous, dizzy and weak at the knees. After each test, he would be required to pedal a static bicycle with gauges attached.

Mr. Bell says that, on another occasion, in the summer of 1960, he was given a series of injections, after which he was confined to a hospital bed and readings were taken of his pulse, temperature and blood pressure. He says that the long-term effects have left him with a skin condition which doctors and skin specialists have failed positively to diagnose.

Other people report long-term side effects. Sir David Ford wrote:

"For the last 20 years my doctors have been trying to find the cause of a recurring virus illness from which I have suffered, but have been quite unable to do so . . . My present doctor believes that it is entirely possible that my ability to resist infection could have been damaged by something which occurred at Porton Down."

Michael Paynter developed serious skin infections within six months of his second visit to Porton Down. He also developed small growths on his body that have never been diagnosed. Other Porton Down volunteers complain of damage to their health.

In a letter to me dated 30 November 1997, the Minister wrote that there was no evidence that any former volunteers suffered any adverse effects on their health subsequent to their attendance at Porton Down. With the greatest of respect, those are weasel words. No one has ever checked to find out. Mr. Bell says that, from the moment he left Porton Down, there were absolutely no follow-up health checks on him, so how would anyone know whether his health had suffered? The House should note the use of the word "subsequent" in the Minister's letter. That makes it possible to avoid mention of the fact that at least one of the volunteers, Ronald Maddison, died while being experimented on in the Porton Down gas chamber. Presumably no one would argue that his health was not affected.

On 28 November 1996, as a result of the new policy of glasnost that followed the Adjournment debate of the hon. Member for Bournemouth, East, Mr. Bell received a letter from John Chisholm, chief executive of the Defence Evaluation and Research Agency, now responsible for Porton Down, stating that records had been located for one of his three visits—that of August 1960. They gave details of his participation in three studies.

The first study was to assess the effect on the skin of various rubber mixtures proposed for use in protective equipment, such as respirators and gloves. Small patches of rubber would have been placed on his skin for short periods to assess its reaction to the material. Mr. Chisholm added:

"The summary book shows you did not experience any adverse reactions to this study".

Secondly, Mr. Chisholm revealed that Mr. Bell had participated in a study to determine the effect on breathing resistance of CS gas, the symptoms of which clear up within a few minutes of exposure, it is said.

Finally, records showed that Mr. Bell had participated in an assessment of a proposed incapacitating agent called pyrexal—a type of sugar derived from the salmonella bacterium, widely used as a therapeutic substance. It has been shown to produce shivering, headaches and general malaise. However, it was found to be ineffective as an incapacitating agent, and research into that area was abandoned. Mr. Chisholm went on to say that it had proved impossible to locate records of the other two visits that Mr. Bell says he made to Porton Down.

As I am sure you have noticed, Mr. Deputy Speaker, none of this has much to do with the common cold, and it is only the tip of a huge iceberg. About 20,000 so-called volunteers passed through Porton Down. I very much doubt whether, before the procedures were tightened in the 1980s, many of them were given much idea of the experiments that were being conducted on them.

When the issue came before the House in October 1996, the then Minister of State for the Armed Forces, the hon. Member for Mid–Sussex (Mr. Soames)—then the hon. Member for Crawley—was at pains to assure the House that the exact nature of the studies in which service men had taken part was explained to all Porton Down volunteers and that such experiments were carefully regulated. That may be the case now, but it clearly was not so in the past. The then Minister said that it was possible that

"some activities carried out in the past will raise concern when viewed through the eyes of scientists at the end of the 20th century."—[*Official Report*, 16 October 1996; Vol. 282, c. 789.]

Many of those experiments and the manner in which they were conducted would have raised concern even by the standards of the 1950s—more so, in fact, as the experiments carried out by the Nazis that prompted the Nuremberg code were fresh in the public mind in the 1950s. I put it to the Minister that those who were the subject of the experiments at Porton Down were not told the truth precisely because it would have been unacceptable even by the standards of the time.

I am aware that, in the short time that he has been in office, my hon. Friend the Minister has done his best to deal honestly with the problem. He has met representatives of the Porton Down volunteers; he has set up a dedicated helpline to deal with inquiries; and he has arranged for former volunteers—including Mr. Bell—to visit Porton Down and put their concerns directly to those in charge. I am grateful for that, but for several reasons, those actions do not address the whole problem.

First, detailed records no longer exist—at least not at Porton Down—of some of the experiments conducted there. Secondly, there has yet to be a frank admission—perhaps tonight will be the occasion—that for many years, volunteers were recruited on the basis of deception. What other explanation can there be for all those references to common cold research? An admission on that is long overdue.

Thirdly, many of those who were the subject of the experiments were unaware of the purpose and the substances to which they were exposed, which was a breach of the Nuremberg code. An admission on that is also overdue.

Fourthly—this is the cause of particular anger on the part of Mr. Bell and others—even if it were possible to demonstrate a link between their ill health and what happened to them at Porton Down, they would be barred from civil legal action by the Crown Proceedings (Armed Forces) Act 1987, which does not apply retrospectively.

Mr. Bell and others are seeking a public inquiry into the Porton Down volunteer programme. The inquiry should interview those who were induced to take part and those who recruited and experimented on them. It would then be in a position to arrive at some robust conclusions.

The inquiry might also seek to establish any connection between the unexplained health problems suffered by a number of former volunteers and the experiments to which they were subjected. If a link can be established, some mechanism will need to be devised for compensating the victims.

In his letter of 30 November, my hon. Friend the Minister said that a public inquiry would be neither feasible nor practical so long after the event. I suspect that that is code for saying that the possible conclusions of any such inquiry might be embarrassing, not so much for the Government as for the mighty vested interests at the heart of the defence establishment. I therefore beg to differ.

Recruits were still being solicited for common cold research at Porton Down as recently as the early 1970s. Many of those who drafted and circulated the misleading advertisements, as well as those who were recruited and those who conducted the experiments, are still around. By no means all are in their dotage—Mr. Bell is not. Who knows—one or two of those responsible may still be in the employ of the Ministry of Defence.

I know that my hon. Friend has to wrestle with a Department in which the culture of secrecy is deeply ingrained. One has only to recall the Ministry's handling—happily, under previous management—of the Colin Wallace affair or Gulf war syndrome to realise that this will be an uphill battle, even for a Minister with the most honourable intentions, as I know my hon. Friend has. I trust that he will rise to the occasion.

10.13 pm

The Minister for the Armed Forces (Dr. John Reid): I congratulate my hon. Friend the Member for Sunderland South (Mr. Mullin) on raising this issue tonight. The concerns of his constituent, Mr. Gordon Bell, and others like him who are worried about their experiences at Porton Down and the extent of the information available about them, are not new to me. Those concerns are relevant to us all in the pursuit of a solution to a persistent claim by Mr. Bell and a number—a fairly limited number—of others.

I am aware of my hon. Friend's tenacity over a number of years in pursuing what he considers to be injustices. Although I do not entirely share his view on this matter at this stage, he has an enviable record of being right on the issues that he has raised, so my approach to the subject that he raises is not dismissive.

I have taken a close interest in the matter. As my hon. Friend knows from correspondence that I have had with him, I have set in hand a number of practical measures to assist those who have concerns about it. He was good enough to mention some of those measures tonight. I have listened very carefully to what he has said, not only on this occasion, and I understand clearly the background to the concerns that Mr. Bell has raised with him.

Before I deal with the specifics of the case, perhaps it would be useful if I spent a few minutes describing briefly the background to the Porton Down volunteers programme in which Mr. Bell and many other service men have taken part.

For more than 80 years, the Ministry of Defence research laboratories at Porton Down in Wiltshire, now a part of the Defence Evaluation and Research Agency, have been involved in the research and development that have underpinned the UK's chemical and biological defence capability, in terms of both detection and protective measures. That research, as recent events in the middle east have shown, is as relevant today as it was when the service volunteer programme began in 1916.

Throughout Porton Down's history, some 20,000 volunteers have participated in the trials, with many participating more than once. There have been tens of thousands of individual cases. I mention that for the historical record, and also because it sets in context some of the numbers cited by my hon. Friend. That is not prima facie to deny the possibility that he is right, but it puts into context the eight people whom he mentions, out of tens of thousands.

The past 30 years have seen more than 5,000 volunteers helping in the research, and currently between 50 and 100 volunteers a year are participating in the programme. They have been involved in tests aimed at ensuring that protective measures issued to our troops to counter the threat posed by chemical and biological weapons are safe and operationally acceptable before they are introduced into service.

Historically, some took part in experiments—

Mr. Mullin: Will my hon. Friend give way?

Dr. Reid: I will, but I have had experience of giving way continually and not being able to answer the initial question.

Mr. Mullin: I am grateful to my hon. Friend. I was not suggesting that only eight people complained. I was referring to eight people who had written in as a result of the previous Adjournment debate.

Dr. Reid: Indeed, and to be fair to my hon. Friend, he was referring to eight people who had specifically raised the question of the common cold as well. As I said, I do not use that ab initio as grounds for dismissal, but I have tried to put the figure in context.

Some of the volunteers took part in experiments to evaluate the effects of very low and medically safe concentrations of chemical weapons agents such as nerve

[Dr. Reid]

gases and mustard on the ability of unprotected personnel to operate normally. That was not hidden—a point to which I shall return. Other volunteers were involved in studies to develop effective medical countermeasures to protect service personnel, or trials to assess the ability of personnel to function with new equipment.

Not only is that vital work: I know that the House will agree that it is crucial that such measures are evaluated in the safety of a controlled environment, with full medical and scientific back-up. I am in no doubt that our knowledge and our technology in the very complex field of chemical and biological defence could not have advanced without the contribution of volunteers participating in trials as part of the programme. I place on record my gratitude and, I am sure, the gratitude of the House to them.

I am pleased to say that the vast majority of the service volunteers who have visited Porton Down have come and gone, apparently quite unconcerned about their attendance. Indeed, there is no evidence to suggest that former volunteers have suffered any harm to their health, and the studies have always been—and continue to be—carried out with the utmost regard for the safety, health and well-being of volunteers.

I appreciate my hon. Friend's point that there has been no systematic follow-up of the tens of thousands of volunteers over the years. However, I think that he will appreciate the difficulty and non-viability of doing that—indeed, it would be almost impossible. Given the level of publicity and media coverage regarding those tens of thousands of cases—including the hotline and the publicity that followed my introduction of it some weeks ago—we might have expected to be inundated with people with similar claims. As I shall point out later, the reality is that that has not occurred.

However, in the past few years, some people—like Mr. Bell—who attended Porton Down have inquired about their involvement in trials. Sometimes that has just been out of curiosity and as a result of publicity, but sometimes it is because they have health concerns. It was clear to me, on becoming Minister in May last year, that the existing mechanism for responding to those requests for information was not as effective as it should have been. I was convinced that the secrecy and mystery apparently surrounding Porton Down served only to encourage views that a conspiracy had been afoot. That was frustrating and disturbing for those with questions, and did not reflect well on the MOD, which was perceived as over-secretive and paranoid, and consequently as having something to hide.

Therefore, last September, I took the step of meeting volunteers to hear their concerns at first hand, and I hope that I was able to go some way towards reassuring them of our support. I also undertook to take positive action, where practical, to address the points that they brought to my attention. This—as my hon. Friend was kind enough to acknowledge—I have done. As recently as January, I wrote to my hon. Friend with details of the dedicated helpline that we have established to take their inquiries. That is a first step. We also published details of Porton Down and the helpline as widely as possible, and distributed leaflets.

In addition, if people were not satisfied after their initial inquiry, we arranged for them to visit Porton Down to see what records existed. We also allowed them to bring their political representative, legal representative, or family and friends to talk the matter through. I believe that those initiatives have been very successful—not least because we have been able to give details to those who have inquired about war pensions, which are open as a no-fault compensation to anyone who claims that he suffers from an illness arising from his service life.

I am pleased to tell the House that some 170 people have made use of that facility already. Of that number, two former volunteers have taken up the offer to visit Porton Down to see the surviving records and to talk to the medical and scientific staff about their experiences. Another two visits are being arranged at present. I also note with some small satisfaction that one recent visitor who attended Porton Down in the 1940s—half a century ago—wrote to thank the staff for being open and helpful and for the interest they showed in his case. I do not say that that is a first, but it is a tiny step in the right direction.

In that context, it is fitting to turn to the case that my hon. Friend has raised tonight. I understand that my hon. Friend is to visit Porton Down with Mr. Gordon Bell on 23 April. Mr. Bell's case has been the subject of correspondence with the Ministry of Defence for some two and a half years. Mr. Bell recalls that, while serving in the RAF, he attended Porton Down on three separate occasions to take part in what he believed was research into the common cold. However, once at Porton Down, he says that he was subjected to a series of tests with a different purpose. Mr. Bell believes not only that those tests have given rise to his present health complaints, but that ethical practices were breached by the manner in which he was recruited to take part. He also believes that information is being withheld from him.

I must tell my hon. Friend again that staff at Porton Down can find records of only one attendance by Mr. Bell, about 38 years ago, for one week in August 1960. If the conspiracy theory were right, it would seem to me, prima facie, silly to admit that Mr. Bell had been at Porton Down, but to deny that he had been there more than once.

Mr. Mullin: Will my hon. Friend give way?

Dr. Reid: I shall deal with the other points that my hon. Friend has made.

Mr. Mullin: I am not talking about any conspiracy.

Dr. Reid: All right. I was not accusing my hon. Friend of doing that. However, there are those who believe that there is a conspiracy and a cover-up. I think that the objective observer could have taken that as being implied in my hon. Friend's speech—that there had been some form of cover-up at some stage over the common cold. That is a point that I would like to reach.

Mr. Mullin: I believe in the cock-up theory.

Dr. Reid: Nevertheless, those concerned have been able to describe in some detail the series of tests in which Mr. Bell participated. During this visit, he took part in several studies, including physiological and psychological

tests, for example, to help measure lung volume, calibration of equipment to measure breathing, routine blood tests and rubber mix patch tests to assess skin sensitivity.

Mr. Bell also participated in two trials which involved him being exposed to chemicals. He was exposed to the riot control agent CS gas, which is now used by United Kingdom police forces for self-defence purposes. Mr. Bell was also exposed to pyrexal, a prospective incapacitant agent, which the literature suggested may have been useful for similar purposes to CS. However, Mr. Bell suffered no symptoms following exposure to this agent. He will be able to see that when he visits Porton Down, with a copy of any records relating to that. The staff at Porton Down have been asked to try to piece together from any other evidence that is available anything that might be useful to Mr. Bell. I hope that my hon. Friend will be able to assist him in his inquiries, and in other inquiries.

When I wrote to my hon. Friend in November I said that in addition I would ask Porton Down to identify and declassify any relevant technical reports. I subsequently did that, and staff at Porton Down have identified one such report on pyrexal. My hon. Friend will remember that this is one of the agents that were involved in Mr. Bell's experiments. This report will be made available for my hon. Friend and his constituent when they visit Porton Down.

I turn to the way in which the trials were conducted, and especially the manner in which Mr. Bell says that he was recruited. Volunteers to Porton Down are drawn principally from the three services, and are recruited through notices posted widely at military establishments. In the 1950s and 1960s, it appears from surviving records that volunteer intakes were requested from individual arms of the services at specific times of the year. The precise mechanisms for recruiting volunteers were arranged by the services themselves, not by Porton Down.

My hon. Friend raised the question of informed consent. The policy at Porton Down has always been to obtain the informed consent of volunteers to take part in the research and to make it clear to them that they are free to withdraw at any time. That does not necessarily mean that informed consent was given at all times in writing. Indeed, it was only in the 1980s that it became common practice, and now obligatory practice, to introduce consent in writing. That is the informed consent.

I believe on the evidence that is available to me that the Porton Down staff have always adhered to the highest standards of ethical practice. I believe also that they have always sought to follow the best practices existing at the time with respect to trials involving human subjects. If either scientists, or advisers, believed that there was a risk to health, or that they were in any way in breach of the Nuremberg code, the experiments would not have taken place.

Mr. Bell will find no mention of common cold research, and the chemical and biological and defence organisation has never carried out work on the common cold. My hon. Friend has been saying that although such work was never carried out, work may have been classified as such for a cover story. It is impossible for me to deny the negative. There is no evidence, however, that Porton Down did what has been suggested. Tonight, my hon. Friend has used words such as, "There is a feeling that", "It is entirely possible that", and "This could have happened."

Given that Porton Down has already admitted, quite openly, that it was involved in a range of experiments, including CS gas, mustard gas, and pyrexal, which I mentioned earlier, it does not fit the pattern of evidence to suggest that it should have gone out of its way to classify some other research as work on the common cold.

Porton Down never engaged in research into the common cold. I repeat that the precise mechanisms for recruiting volunteers in the 1950s and 1960s were arranged by the services themselves. Tonight, for the first time, I think, my hon. Friend mentioned a particular station. I shall ask my officials to check the records of that station to ascertain whether there is any evidence whether any branches of the services were advertising volunteer places as places on experiments involving the common cold. I have to say that on the evidence so far I must come to the conclusion that Porton Down has acted to the highest ethical standards and has acted under the Nuremberg code. It has acted honestly and at all times with the volunteers.

If we can find any evidence to substantiate the claims, any Minister would examine them again, and I am sure—

The motion having been made at Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Ten o'clock.

House of Commons

Wednesday 18 March 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Internet

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Betts.]*

9.34 am

Mr. Derek Wyatt (Sittingbourne and Sheppey): Before I open the debate, I should like to declare an interest. I hold two software consultancies—neither is internet-based—with Integrated Communication Projects and with Channel Dynamics.

A copy of my speech will be placed on the website www.iwks.com later this morning. Sadly, that is not my constituency website, which is in preparation.

Mr. Andrew Miller (Ellesmere Port and Neston): It will be on the House of Commons website, as well.

Mr. Wyatt: I am sure that it will be there soon.

The internet is the most important peacetime invention this century. We should consider four events that have taken place in this country and across the Atlantic since 1 May 1997. First, the general election results were posted first on the internet. Secondly, following the death of Diana, Princess of Wales, thousands of websites were set up as people around the globe shared their grief; indeed, the worldwide web became for three weeks the worldwide wake. Thirdly, in the Louise Woodward case, Judge Hiller Zobel put his judgment on the internet first. Fourthly, in the Monica Lewinsky affair, the Drudge Report website reported on the alleged problems in the White House before all other media.

The internet's ubiquity continues at a pace that has never been experienced by any industry. If we fail to understand that, and fail to educate and enable our citizens equally, we shall concede economic, social and political advantages to other countries—particularly to America—for ever.

I am pleased that we are holding this debate, and I wondered which Minister would reply to it. At first, I thought that it might be my right hon. Friend the Secretary of State for Culture, Media and Sport, because what travels on the internet is a software issue, and his responsibility. Music sales on the internet in 1997 topped $52 million, and book sales through the likes of amazon.com are set to reach $2.2 billion by 2002.

Then I thought that my right hon. Friend the Chancellor of the Duchy of Lancaster might reply, because he is charged with producing information legislation, which must be internet-friendly, and with delivering electronic services to our citizens, which is just as important. I then suspected that my right hon. Friend the Home Secretary might reply, because encryption and pornography come under his wing, and he would be interested in Oracle's work with the American Department of Defense—but no.

I thought that my right hon. Friend the Chancellor of the Exchequer might be present. How people do business on the internet, and where, if at all, they pay taxes is crucial, and electronic commerce is vital. E-commerce business will be worth £20 billion in Europe by 2001. Moreover, and more worryingly, President Clinton wants no taxes on e-commerce. However, my right hon. Friend is understandably busy this week.

As we are putting together a national grid for learning via local internet providers, a university for industry, and lifelong learning initiatives, I thought that my right hon. Friend the Secretary of State for Education and Employment might be present, but I see him not.

Finally, I expected my right hon. Friend the Secretary of State for Social Security to be present. If she is to issue more than 15 million smartcards, which must be internet-friendly, it would be smarter for her to be present so that I could tell her about the new cards that use radio frequency technology. I do not see her.

The Minister for Science, Energy and Industry has been fielded, because the Department of Trade and Industry is in charge of regulation of the internet. I welcome him, and look forward to hearing his reply to the debate.

Mr. Ian Taylor (Esher and Walton): I am listening with great interest to the list of Departments that could have taken responsibility. Under the previous Government, the issues that the hon. Gentleman raises were focused on by the Department of Trade and Industry, where I was a Minister. I am delighted that my successor is here today. The former Chancellor of the Duchy of Lancaster was responsible for the Government on-line system, which is continuing under this Government.

Mr. Wyatt: I thank the hon. Gentleman for his intervention. I accept that, in this instance, he probably knows more about the subject than I do.

Mrs. Cheryl Gillan (Chesham and Amersham): Will the hon. Gentleman give way?

Mr. Wyatt: Let me get going.

Sadly, I do not think that it is possible to regulate the internet. It is possible to regulate the 250 United Kingdom internet service providers, but only if they are connected via a telephone line. Hughes Olivetti, Astra, Eutelsat, Motorola and Teledesic provide satellite services that can deliver the internet with their own return path. It is difficult to know how they will be regulated.

It is also not possible to make some non-European providers pay VAT. We have failed to regulate that, and have therefore failed to provide a level playing field for our own industry. Moreover, while books and newspapers are zero-rated for VAT, internet services, including electronic books, incur VAT at 17.5 per cent. Why is that? Incidentally, the converse is true of regulating broadcasts. As BT has admitted, many thousands of viewers now view UK television via a telephone line through their personal computers, which is actually illegal.

The internet may be hidden in cyberspace, but, as this overview demonstrates, it is all-pervasive. It may be hard to tie down, and extremely hard to tie down within

[Mr. Wyatt]

Government, but that is not an excuse for no action, and it is not an excuse for the existing scenario in Whitehall, which, frankly, is farcical. Because no single Department is in charge of the internet, it falls into the black hole of cyberspace. Few Cabinet Ministers understand it: many still have no e-mail addresses, and they clearly do not look regularly at their own departmental websites, which are woefully inadequate and make us look like bumbling amateurs.

The editorial in the February edition of a magazine that I know that we all read avidly, *Government Computing*, put it another way:

"Making the red box electronic without looking at how ministers and their senior civil servants work is like putting satellite positioning on a buffalo cart."

Why is Whitehall not like Silicon Graphics? Silicon Graphics has about 22,000 employees, each of whom has a website. At the end of the day, wherever they are in the world, they leave a short note of their activities. While they are at play or asleep, a series of intelligent agents moves through the sites, reads them and decides who else in the company needs the information. When the decision has been made, the notes are deposited in the relevant website, so that, when a Silicon Graphics employee next logs on, he or she has a fast-track business opportunity. How do we even start to emulate that scenario?

The internet is not new. As an academic and political tool, it is more than 30 years old. It has been rebooted over the past five years, for two reasons. A Briton, Tim Berners-Lee, working in the CERN laboratories in Switzerland, created the underlying protocol for the worldwide web as early as 1991. In any other country, he would be a folk hero, but we hardly know him in this country, and—sadly for us—he now works in the media laboratory at Harvard.

A year later, in 1992, Marc Andreessen, a mere student at the university of Illinois, helped to create Mosaic at the university's national centre for supercomputing applications. Mosaic is what we now call an internet browser. In 1994, Andreessen took his idea to Silicon Valley, and helped to start the company Netscape.

In 1995, a young hopeful by the name of Bill Gates said that the internet would not work; in 1995, a young hopeful by the name of Bill Gates told his senior vice-president of Multimedia, Rob Glasher, that the idea of putting radio stations on the internet was simply nuts. Today, Real Networks, Rob Glasher's company, is listed on the Nasdaq. It parks 650 radio stations—including, I am proud to say, Invicta in Kent—30 broadcast companies, and 35 record labels. Already, 40 million RealPlayers have been downloaded directly from its website. Indeed, as I talk, my speech, with pictures, could be seen across the world—not via cable television in the UK, because only cable viewers in the UK can watch, but via the internet. But hon. Members have guessed: we have no facilities for radio or for broadcasting Parliament on the internet.

Mr. John Maxton (Glasgow, Cathcart): In fact, the BBC's website broadcasts Prime Minister's Question Time live.

Mr. Wyatt: I am aware of that.

It is to the immense credit of Bill Gates and his brilliant team at Microsoft that he has travelled the road to Damascus and changed his mind about the internet. The pity is that his company now seeks to control every living form that breathes on it.

The UK statistics given by the Internet Service Providers Association are revealing. At the end of 1997, 1.5 million people had access to the internet at home, and 3 million had access to it at work. At the end of this year, the figures will be 2.7 million and 3.7 million respectively. At the end of 2000, they will be 4.2 million and 4.7 million respectively.

The UK market is growing at a rate of 80 per cent. annually. By the end of this year, when four separate companies—BSkyB, British Interactive Broadcasting, British Digital Broadcasting and Cable and Wireless—launch digital television in some form or other, more people in the UK will be on the internet than already watch the existing analogue satellite and cable channels. That social change has been almost totally ignored, especially by BDB, whose set-top box has no internet access.

The internet is what Andy Grove, the chief executive of Intel, called a 10X force for change. Intel was formed 26 years ago, when two men wrote a statement of intent a page and a half long and with it raised $2.3 million. Two businesses were born: Intel, which has become the fourth largest company in the world, and Venture Capital, which now accounts for 30 per cent. of all new businesses in California. The UK is the seventh largest economy in the world; California is the eighth largest. The venture capital market in the UK is worth less than 2 per cent. of our businesses, and much of that is composed of management buy-outs rather than start-up companies.

The internet makes it possible for a virtual venture capital market to develop. As the structure and ownership of the internet is still largely American, the Americans will hear of the opportunities first, and will invest first. As one who lobbied the Chancellor on a venture capital fund, I was pleased to hear in yesterday's Budget statement that £50 million had been allocated. That is a start.

We are late to the dance floor. The Singapore Government have already set about making sure that they lead the world by creating the first internet-based society. Likewise, the Norwegian Government have announced a desire to give their businesses the edge by ensuring that theirs is the first pan-European country to follow Singapore's example, through an initiative termed the public sector network—a joint venture by the Ministry of National Planning and Co-ordination and the Norwegian Association of Local and Regional Authorities.

If we are not careful, the internet will create the biggest brain drain, virtual or otherwise, that Europe has ever experienced. The consequence will be much higher levels of unemployment throughout Europe, especially in the UK.

Let me give an example of the internet business world as it affects our own young people. Orbital Technology is a three-year-old Scottish company whose founders came across the Java language while at their respective Scottish universities. They realised that they could create something special with it, and set about creating what I can best describe as an archive retrieval system. They were lucky: they raised the first tranche of money—

£3 million—but when they came back for refinancing in the UK, they could not find further investment. In the end, they had to resort to America. I was with them at the venture capital forum at Comdex last November, when they sought an extra £10 million and found it.

Mr. Tam Dalyell (Linlithgow): Before my hon. Friend leaves the subject of Scottish universities, let me say that I know something about it, and can reinforce the importance of what he is saying.

Mr. Wyatt: I thank my hon. Friend.

In New York, the elected mayor has just won the rights to a $70 million venture capital fund, because he recognises the need to rival California. In the UK, our new regional development agencies have no venture capital fund attached to them, but they need to. The new sixth cause in the people's lottery has no place for a people's venture capital fund. We must persuade the Secretary of State of its value.

The problems are compounded by the millennium bomb issue. At midnight on 31 December 1999, millions of computers will fail to recognise that the next day is 1 January 2000; instead, they are likely to recognise it as 1 January 1900. I advise hon. Members to avoid flying that week, and to check their bank accounts.

Mrs. Gillan: Does the hon. Gentleman agree that the Government's handling of the year 2000 computer problem is just as chaotic as the scenario that he outlined at the beginning of his speech, involving policies on the internet and the information technology industry as a whole?

Mr. Wyatt: I think that we have made a start; what we have not done is put enough money in. I read in today's *Financial Times* that the Australians had given all the financial services until 30 January to declare their millennium bomb agenda. If it is not in place by 30 June, they will not be able to trade.

Mrs. Gillan: I saw that article. Does the hon. Gentleman agree that, if the Government do not tackle the year 2000 computer problem, that will pose a great threat to the internet itself?

Mr. Wyatt: I am going to come on to how the internet is affected by the bug.

We have TaskForce 2000 to help to create awareness of the problem. Its parliamentary briefing paper, which was sent to me on 5 March, said:

"The cost to the UK economy is over £50 billion."

Later, it said:

"The Government needs to provide high level leadership now. It is currently not doing so."

We have been concentrating on the millennium bug as it relates to computers and computing, but not on how it will affect the internet or our banks. Tim Sweeney, director general of the British Bankers Association, said that British banks would not be able to prepare for a switch to a single European currency at the same time as they work to prevent a rash of damaging computer crashes on 1 January 2000. I wonder, then, how those European countries that will be first to the euro will manage. So far, the Government have allocated £330 million to the whole millennium bug issue; the banks, interestingly, have allocated £1.65 billion.

The national grid for learning has somehow been separated out from the university for industry and our lifelong learning initiatives, which makes no philosophical sense. As the national grid for learning is now constituted, a secondary modern school in my constituency, Sittingbourne community college, with its outstanding headmaster, Alan Barham, and his dedicated staff, cannot shout from the rooftops how it has created a reading scheme for its youngsters who, when they enter the school at 11, have reading ages of just over nine, but, six months later, have caught up. His is a CD-ROM approach. Under the current local mosaic plan for the national grid, no other school would be able to share in that scheme, except those in north Kent.

Another school in my constituency, Fulston Manor, has, through the brilliant work of its head of media, Gwyneth Windsor, developed its own CD-ROM explaining GNVQ provision. It sent it to the Department for Education and Employment. This is the reply that the school received:

"Although an interesting idea . . . I am

also

"afraid that there is also a lack of technical expertise within the Department to enable us to take you any further forward"—

and that is the Department that is challenged with responsibility for the national grid for learning.

Because the impact of the internet is global, and because it will lead to a fundamental structural change at every level in our communities, I want to make some recommendations for the Government to consider. The first is to create a new Department, the Ministry of Communications, to include responsibility for telecommunications, broadcasting, regulation, software, encryption, libraries, millennium bugs, the Post Office, village halls, community centres and, crucially, the internet.

The second is to charge that Department with the training and education of all Ministers, their Departments, this House and all its Members of Parliament by immediately appointing six internet tsars. The third is to make it responsible for ensuring—and that means giving it the power to ensure—that all Government Departments and agencies become internet led by the end of this year.

The fourth is that the new Ministry will not be created in the style of other Ministries, but will act as the catalyst for change within Whitehall by having a team of 24 Members of Parliament, matched in turn by 24 software experts, who are loaned on sabbatical by the major players in the industry.

The fifth is that the Ministry's philosophy will be based on teleworking, and will again act as a showcase for the rest of Whitehall. Two thirds of the Department would work with the Scottish Parliament, the Welsh Assembly, Stormont—soon, we hope—and the new regional development agencies. Staff would oversee NHS trust hospitals and help local education authorities. They would be flying internet evangelists

The sixth is that, by 2002, every home will be given a computer. That will cost no more than the current expenditure on the millennium dome. The money must be allocated from the lottery. That would be a much better way in which to welcome in the 21st century.

[Mr. Wyatt]

The seventh and last is that internet access at home would be free for the first 10 hours of every week. Figures supplied by the Media Intelligence Bureau cost the use of the internet at £3.87 per hour, compared with £1.67 for a trip to the movies and less than 12p an hour to watch free-to-air television.

I return to my central theme. The internet is the most important peacetime invention of the 20th century. We can no longer ignore it. It is the key to re-tooling and re-skilling our society. At the World Economic Forum at Davos, 20 per cent. of those surveyed thought that electronic commerce would completely reshape how they do business. Another 59 per cent. said that it would lead to significant change.

If this Government sit on their "internet-free" hands for much longer over this issue, any chance we have of creating a modern, post-industrial society will be lost for ever. The internet is the gold standard of the 21st century.

9.54 am

Mr. Christopher Fraser (Mid-Dorset and North Poole): The importance of this debate is underlined by the sheer size and scope of the internet and its undoubted effect on society. The statistics are impressive, but I question the figures of the hon. Member for Sittingbourne and Sheppey (Mr. Wyatt), as accuracy in this sector is difficult to gauge.

The purpose of my comments is to consider the concept of the internet from a social and philosophical point of view. I bow to the hon. Gentleman, as he has an intimate knowledge of the technology. I have no intention of commenting on that side of things.

The Government propose to provide resources to give all schools access to the worldwide web, but do not say how they will monitor it when the web is available in those schools. When considering the benefits, Ministers must be prepared to commission research to highlight the educational benefits of such links, and to take responsibility for ensuring that unsuitable material is not available to school children.

There is an obvious need to limit access to unsuitable material from the eager eyes of young school children. Technological tools must be available to teach us to programme what children cannot see, as my hon. Friend the Member for Esher and Walton (Mr. Taylor) advocated when he was a Minister.

Mr. Maxton: May I point out that, if the hon. Gentleman had ever been on the internet, he would know that all the browsers already provide such tools, which stop access to whatever material anyone wishes to use?

Mr. Fraser: Those tools are not overly efficient, and there is clearly no international code available at the moment.

Mr. Brian White (Milton Keynes, North-East): Will the hon. Gentleman give way?

Mr. Fraser: No, I will continue. Many hon. Members want to speak in the debate.

All parents know that children are inquisitive and naive. They remember things that they should not. Unfortunately, the internet offers a high potential risk that they will come across unsavoury material. We must seek to protect them, and, of course, all society, from the unsolicited advances of unscrupulous people.

I seek assurances this morning that the internet's influence, the ready access of information and easily digestible facts and opinions presented as fact, will be subjected to evaluation within schools, in order to measure how useful the medium is as part of the learning process. There is no guarantee that information obtained on the web is accurate. It must be true that more information is not necessarily better information.

One problem is that anyone can present himself or herself as an authoritative source on the worldwide web. Like junk mail or telephone salesmen, persistence may triumph more often than the truth. I cannot accept the view of computer nerds, as they are called, that the internet is with us, and therefore we must bow before its unstoppable growth and development. I am not against this technological wizardry. We should embrace it, but not be ruled by it.

Appearing before the Select Committee on Culture, Media and Sport, a representative of Microsoft admitted to me that the development of the web had had a cultural impact and produced its own culture. When I asked about the web's cultural impact, he could not do better than acknowledge that it was an interesting question. I asked him whether there was anything in this life that would not be affected and influenced by the new technology. His answer: there was nothing that he could think of. I find that alarming. There is already a booming industry on the internet, with little or no regulation.

Writing in *The Scotsman* last year, Professor Gordon Graham echoed my earlier theme on the possibilities of a negative influence on the internet. He said:

"I regularly receive, via the Internet, some of the most unadulterated rubbish I have ever read; rubbish that would not pass the scrutiny of even the most careless and indifferent editor, or programme producer. But, of course, on the Net, it does not have to pass any scrutiny at all—the Net has no editors."

Mrs. Gillan: Does my hon. Friend agree that one of the infuriating problems about the internet is unsolicited e-mail, known in the business as "spam", and that the Government probably need to address the problems faced by internet users in that area? In the same way, we receive aggravating, unsolicited faxes through our machines.

Mr. Fraser: I agree entirely.

Gordon Graham also warned that, in an education environment, those using the internet would have to be very discriminating; that was my point exactly. I accept that unsuitable material could be blocked in certain circumstances. None the less, children must not be led to think that messages flickering on a PC screen always represent educational gospel.

How do we monitor internet use, especially in the privacy of a child's bedroom? The internet may help to inform, but it may not always teach. It is no substitute for the subtlety of the pupil-teacher relationship.

When those questioned tell us that they do not know the exact extent of the advances that internet technology will make in the coming year, let alone in the next five years, there is a possibility that society's acceptance of the technology will not keep pace with developments.

If that is so, regulation—if it is possible to regulate the area at all—may also fail to keep pace. As our children so often know more than we do about the applications of the technology, it is possible that those legislating in this place will know less about the technology and its impact than those whom both the technology and the legislation affect. That would be an extraordinary position, which I have never heard of before.

Some say that the net should be linked free to homes not connected to the telephone system. I heard that suggestion in the Select Committee, when a question was put to a witness about allowing access to the net so as to overcome the problem of the contrast between information-rich and information-poor families.

However, is it right to encourage people with limited resources to be influenced and seduced by goods and services that they can ill afford, promoted in an endless stream? Such people should be encouraged to see the internet as a source of information, to enhance their quality of life, rather than being overwhelmed by everything that it can offer.

Can the Government offer any guarantee that material received through the net will not be subversive, immoral or unethical? I suspect that they cannot.

Dr. Nick Palmer (Broxtowe): Does the hon. Gentleman agree that nearly everything he says apples to the print medium too, and has done for many years? Would he expect the Government to give a guarantee that no schoolchild could obtain subversive or pornographic material from a newsagent?

Mr. Fraser: As the hon. Gentleman will know, the difference is that the internet is international, and it would be far harder to sue a service provider thousands of miles away than to get hold of a newspaper editor. Also, as the debate is about the internet, I should like to confine my comments to that subject.

I should be happy for the internet to be available in every home and school in the country, but there is evidence that it is difficult to regulate and police effectively and efficiently throughout the world, with so many diverse ethical, moral, commercial and social standards to contend with.

The Government must consider regulation carefully. I welcome the establishment of the Internet Watch Foundation, and also the report that 2,000 items have been removed from the domestic web as a result of complaints. I support the foundation's work towards setting up an international rating system for legal material that would allow users to deny access to their children as well as to themselves.

However, that will not guarantee that certain information on the internet will not be seen by anybody, because the system has its own leaks. I do not want to be a merchant of doom, but we must address the serious issues of what the internet is, how it operates and how we should legislate to ensure that its standards are acceptable, given the few quantitative and qualitative checks currently in place.

We must not do that alone. The debate must take place on a international platform, with an international agreement to enforce its conclusions. I accept the many benefits that the technological revolution brings, but we must keep a sensible eye on the problems that the worldwide web will undoubtedly produce.

10.3 am

Mr. Ian Stewart (Eccles): Thank you, Mr. Deputy Speaker, for allowing me to speak in this important debate. It is clear that the internet and informing and communicating technology have revolutionised business and transformed the relationship with customers, but in the public sector their effects have been less dramatic.

We still have to see whether the full benefits of the internet and informing and communicating technology—ICT—can be realised in the delivery of public services. That was the subject of the recent POST—Parliamentary Office of Science and Technology—report, which I welcome as it outlines some of the key issues that we face in dealing with the internet and ICT in general.

I apologise to you, Mr. Deputy Speaker, and to the Minister, because I shall have to leave before the end of the debate to be involved in parliamentary business elsewhere.

I shall draw attention to another paragraph from the POST report "ICT and Democracy", because it clearly describes my own concerns and attitudes towards the internet and informing and communicating technology in that context. If those technologies are to do anything worth while, they must relate to people. That is fundamental to our role as public servants.

The paragraph says:

"In terms of their contribution to the processes and institutions of 'democracy', ICT could 'merely' improve the communication of facts and policies within the Government and with citizens, businesses and other governments. A more fundamental change would be to use ICT to facilitate greater participation and deliberation through formal consultation and informal debate using electronic means. Even more radical, 'reinventing democracy' postulates that the combination of globalisation and local autonomy enabled by ICT will change the entire raison d'etre of national government. In practice most experiments in using ICT in the democratic process have started at the community level, and could well comprise the type of community initiative supported by Lottery funds."

My hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) referred to the possibility of using lottery funds.

The report identified three key points. The first was

" 'teledemocracy' which could enable people to participate in debates and decision-making from their homes or community centres (e.g. 'citizens' juries')".

The second was the prospect of

" 'fully wired' MPs with public e-mail, homepages, electronic voting and electronic links into information and administrative systems".

The third was

"much improved electronic links between different tiers of Government to provide citizens with a coherent view of their Government and Parliament."

The report also identified some of the key issues facing us as Members of the House in connection with the relationship between us as public servants, and the community.

Now I shall come closer to home, to my city of Salford, and talk about some of the implications for my constituents in Eccles. Some interesting initiatives are taking place, one of which is the GEMISIS—government, education, medical, industrial and social information super-highway—project, run by a partnership between Salford city council, the university of Salford, the further

[Mr. Ian Stewart]

education sector, sixth forms and other schools, and the local hospital. Through an initiative called the "virtual chamber", members of the chamber of commerce in Manchester and Salford are linked to the GEMISIS project.

I am the pilot Member of Parliament, linked to the whole network. It is important for me, as a public representative carrying out such a pilot scheme, to evaluate the benefits—and also any aspects which may not be beneficial. Like most of my colleagues in the House, I am keen to enhance public access to Government. However, we must also ensure that we do not create an uncontrollable monster.

Mr. Ian Taylor: I am not sure that the hon. Gentleman mentioned the company that was involved in that project. If my memory serves me well, it was Nynex, which is now part of Cable and Wireless. I draw attention to the project because it is an example—it is not the only one in the United Kingdom—showing that one of the benefits of growth in the cable industry has been local cable franchises working with the community.

Mr. Stewart: The hon. Gentleman has stolen my thunder. He is correct, of course, that Nynex, which is now part of Cable and Wireless, is the key provider in the project. I shall deal with its role later in my speech.

As I am the pilot Member in the project, Cable and Wireless is cabling my constituency office—putting me on line, cabled for video conferencing and e-mail, which I can use both in my constituency office and in my Westminster office. I shall therefore have access to all the partners that I have mentioned; and those partners—especially schoolchildren and other students—will have access to me as their Member of Parliament.

The implications of internet developments for democracy—specifically for local democracy—are immense. They will also force us to revisit our views on our function in society as representatives and to evaluate whether the benefits of such developments outweigh their disadvantages. I do not include in those disadvantages hon. Members' ability to relate and communicate directly and immediately with constituents and organisations; I believe that such direct communication is a benefit. However, hon. Members sometimes need respite, and should therefore ensure that there is integrity in any system we establish.

I hope that my hon. Friend the Minister for Science, Energy and Industry will be mindful of what I said in my maiden speech about the millennium bug. I welcomed the Government's initiative in establishing Action 2000, which stood in stark contrast to the previous Government's inaction on the problem. Although they had long known about the problem, they took no initiative in solving it.

Nevertheless, there is more to do about the millennium bug. Although providing greater finance would be helpful, other action can be taken. As I said in my maiden speech, it would be sensible for the Government to encourage and co-ordinate local partnerships comprising commerce, industry, education and local government. The partnerships could identify good practice, which could subsequently be shared across the United Kingdom.

10.13 am

Mr. Brian Cotter (Weston-super-Mare): I should declare an interest in the debate, as I—like other hon. Members—have an e-mail address and was one of the first hon. Members on the international website. However, I do not want to present myself—or lay myself open—as an expert, expected to know an awful lot about the subject.

The hon. Member for Mid-Dorset and North Poole (Mr. Fraser) made a timely reference to the fact that hon. Members have to be well informed on the subject if we are to legislate on it. Perhaps we should all join the recently established all-party internet group. There is great potential for improvements in the delivery of public services by innovative internet use, which will allow savings in tedious and repetitive work.

The previous Government produced the Green Paper "Government Direct", which was warm in words but short in public investment. I hasten to add, however, that the hon. Member for Esher and Walton (Mr. Taylor), who is in the Chamber, was notable in his desire to obtain money to support the Green Paper's objectives. Unfortunately, that money was not forthcoming.

Liberal Democrats very much believe that the state has a directional role to play in setting the agenda for change, in encouraging the private sector to develop solutions, and in explaining to citizens the benefits of the changes that the internet makes possible. The new Government seem to be more enthusiastic about the internet, but I should mention—as other hon. Members have done—the problem of the millennium bug.

Although Robin Guernier was appointed to head an organisation established to deal with concerns about the millennium bug, he was sidelined after highlighting the problems that Government might face in implementing a solution. His organisation was replaced by Task Force 2000, which had only a part-time chairman. Moreover—I do not know whether people realise it—its three top executives were not to be put in place until January 1998. If they were not in place, they were not able to do the job.

Mrs. Gillan: Does the hon. Gentleman agree that the situation is even worse than that? Action 2000 had a one-day-a-week chairman, and it appointed a director only a few days ago.

Mr. Cotter: I thank the hon. Lady for that clarification, and for making the point that I was trying to make. The organisation's top staff have only recently been appointed to deal with a problem that should have been dealt with, and perhaps solved, so that everyone in the United Kingdom knew what to do about it. It is a great concern.

Mr. White: One of the problems with the millennium bug is that—as the hon. Gentleman said—the public debate has been about personalities rather than the real issues. The longer people carry on talking about personalities, the less we will talk about the real issues of the 2000 problem.

Mr. Cotter: That is certainly correct. However, we have to talk about personalities, because people will deal with the concerns.

I very much welcome the Government's statements on giving children access in school to the internet. It is very important that they should have keyboard access, and not only an e-mail address. We will therefore require more equipment, not only in schools but in public buildings.

Mr. Maxton: Surely it is not a matter only of an e-mail address or of allowing kids occasional access to a keyboard? The state of Texas has taken a decision not to buy any more textbooks. Every child receives a laptop computer, with access to the internet, and receives information in that manner. Is that not how we should proceed with education in this country?

Mr. Cotter: The hon. Gentleman has a very good point, although I am slightly conservative and do not want all paperwork to go out of the door. Books are very available.

We welcome the pilot project in Newcastle, for example, where jobcentres have put vacancies on line, and job seekers can access jobs and call employers directly.

I should like also to put in a little plug for Weston-super-Mare. It is part of a trial area in which information on resorts, bookings, hotels—including pictures and details—and other tourist attractions in the constituency is available on the internet.

I should like to address the following three issues: infrastructure, systems and security. Infrastructure must reach everyone who wants to get on line, especially in country areas. There is a risk of concentration of services in towns where there are many people. With cable companies cherry-picking in towns and cities, there is a danger of a new poverty: the information have-nots—very much in rural areas. It is difficult being unemployed with no car, in a village with no bus service. Electronic job-searching from the local village hall, or eventually from home, will uplift not just the jobless but disabled people, carers and others who, for one reason or another, are tied to the home.

There is huge scope for development in systems, such as in job seeking, finding a way around the benefits maze, lodging tax returns, and many areas of local and national government, such as local government planning applications.

I want to touch on the question of security. I say "touch on" it because it is a very big subject. A BBC News report on the internet, entitled "The Great Encryption Debate", which reminds me of the children's book "The Great Pie Robbery", is a big story on the continuing debate, which has been followed by many on the internet, who are asking what encryption is. It is a system of security, which is of concern.

There is a contradiction between wanting encryption for security, so that messages can be confidential and encoded by the sender, and wanting privacy in personal messages. Most people accept that some limit is necessary. We, like the Government, are concerned about the use of the internet by terrorists, race-hate groups, criminal gangs and the like.

The proposed key system could enable security services to tap into the internet as need be. At the moment, by Government agreement, telephones can be tapped when necessary. Encryption will cause difficulty in accessing systems. I do not pretend to be able in today's debate to solve such problems.

Mrs. Gillan: Does the hon. Gentleman agree that one of the problems of encryption is that, once one has a code and can access internet details, one can also access both historical records and any future messages that pass between sender and receiver? A telephone tap is a one-off measure by which one can listen to a conversation. There is no historical record.

Mr. Cotter: I thank the hon. Lady for advancing the debate. She succinctly puts our concern. I shall not in this short debate dwell any longer on the subject, but merely highlight it as a problem. Solutions will be difficult to find, but the matter needs to be addressed. The Government need particularly to address on the one hand problems about who could be going through the internet, and on the other concerns about the privacy to which individuals are entitled.

Commercial companies are already exploiting the internet in many ways. The enterprise zone is very important. This country is very well placed to go forward, because our firms and organisations are technically well endowed. I hope that the Government will address the many problems raised in this debate.

10.24 am

Mr. Andrew Miller (Ellesmere Port and Neston): Perhaps the new computer tsars described by my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) should be called "caesars". In reflecting on how bad the Government and the House are on the matter, he ought to reflect on what happened before. I pay tribute to the hon. Member for Esher and Walton (Mr. Taylor), who took a very progressive view in very difficult circumstances under a very unprogressive Government.

In 1992, the vision in the House, and indeed in British industry, was lamentable. Computers were things down corridors, dealt with by IT departments. This House was the only one in Europe, bar Turkey, that did not have a fully fledged network. Advances since then have been extraordinary. I was at the recent opening of the House exhibition on computer services, where one of the Clerks pointed out—I shall be more chivalrous than he—that, when Madam Speaker came to the House as a secretary, quill pens were still in use. We have advanced a very long way since then.

In October 1996, as a result of a recommendation of the Information Committee, the House took the decision to put the full *Hansard* text on the web. That was a very progressive step. At last year's European telework conference in Stockholm, I challenged other European Governments to do the same. Only the Swedish Government at the moment can anywhere near match what we are doing in that field.

I shall touch on just two points, and on one or two others tangentially; it is difficult to wrap up the subject in such a short time. I turn first to trading on the net, or e-commerce. I encourage hon. Members to look carefully at the speech of Lord Haskel, which was made in another place in October 1997, in which he set out a number of answers to the points raised by my hon. Friend the Member for Sittingbourne and Sheppey. I shall not re-run those points.

[Mr. Andrew Miller]

In a fairly light-hearted article on e-commerce recently, I set out a point similar to that made by my hon. Friend the Member for Broxtowe (Dr. Palmer) when he intervened on the hon. Member for Mid-Dorset and North Poole (Mr. Fraser). My hon. Friend said that there is not a great deal of difference in the regulatory regime necessary to deal with points about access for children in this respect and that needed to deal with access to hard copy. Exactly the same argument applies to trading.

Trading between two individuals is based on trust. The key issue is how to establish that trust. Are two people simply getting together, one passing over the goods and the other passing over the money; or are there intermediary devices, such as a bank card or, over the telephone, a credit card? If such trading is done by telephone with a credit card, what is the difference between personal trading of goods and services between supplier and consumer on the telephone and on the internet? There is no difference.

The credit card is used as the vehicle for trust. Establishing relationships that will create the same trust is the key factor that will help the evolution of e-commerce. One needs to know that the information is reasonably protected, and the system is not open to abuse.

There were early experiments in e-commerce on the Merseyside web, on which it was possible to buy an Everton football strip five or six years ago. From small beginnings, the system has evolved to the supply of office furniture. Now large-scale trading occurs across national boundaries. There are still many difficulties for the finance sector, which financial institutions are examining in detail.

My hon. Friend the Member for Sittingbourne and Sheppey mentioned the case of my constituent Louise Woodward. A large-scale electronic campaign, of which I was at the centre, has raised many thousands of pounds for the defence. It would be inappropriate for me to go into the many reasons why I am firmly convinced of Louise's innocence. I hope to do that when she is safely back home.

I wrote a letter yesterday to Mr. Al Gore, the Vice-President of the United States, setting out some of the problems we need to address on the international regulation of internet-related issues. First, I brought to his attention an e-mail from an allegedly reputable firm of lawyers in the United States. I cannot read the text of that e-mail, because it would be decidedly unparliamentary. It is obscene, disgraceful and libellous. It has been put in the public domain by a firm of lawyers allegedly representing the other side of the case.

Secondly, my constituent has also received hate mail, including some that purports to come from a prison in the United States. It is not acceptable that hate mail, including death threats, should come from anyone, let alone someone in prison.

Thirdly—perhaps all hon. Members might pay attention to this—how do Members of Parliament deal with being libelled on the internet? I have asked several of my hon. Friends with a legal background, who recommend laying down the writ in the country that will provide the greatest return.

Mr. Clive Betts (Sheffield, Attercliffe): For the lawyer.

Mr. Miller: Yes, that is usually the advice.

A lawyer in Texas—who appears to have lost his marbles, judging from some of what he has written—has made certain accusations against me. He says:

"That is the same Andrew Miller that was standing in the middle of the river of cash flowing from Zurich to the dream team."

The dream team was my constituent's defence. I look forward to him repeating those comments on the streets of London, so that we can make some money for the defence. These are serious issues that need to be considered.

I understand the case made by my hon. Friend the Member for Sittingbourne and Sheppey for establishing a super-Ministry. I believe that that exists in No. 10 Downing street, because the issues cross departmental borders. Departments cover everything from the difficulties of the year 2000 problem, through intellectual property rights, to the law of libel and inciting hatred. They cannot be boxed off to one Department. It would be a neat idea to dump it all on my hon. Friend the Minister for Science, Energy and Industry—

The Minister for Science, Energy and Industry (Mr. John Battle): I should be delighted.

Mr. Miller: I am sure he would, given his interest in the subject, but that would present serious problems for the organisation of that complex issue.

I should like to respond to some of the points that have been made about the year 2000 problem. I acknowledge the work that the hon. Member for Esher and Walton started on that. He took some steps in the right direction. It took a long time to persuade the public, businesses and the House of the nature of the problem. I do not expect an entirely truthful answer, but I suspect that he had great difficulty with his ministerial colleagues, most of whom did not know how to switch on a computer. I note that he is closing his lips tightly.

Public awareness is rapidly increasing. I had discussions yesterday with senior people in the Department of Health about what action they are taking. Like my hon. Friend the Member for Sittingbourne and Sheppey, I am nervous of flying in 2000. Let us hope that convincing proof comes from all areas of industry that they are doing the job that needs to be done.

The problem is particularly difficult for small and medium-sized businesses. I know that my hon. Friend the Minister for Small Firms, Trade and Industry is doing a lot of work on that. There are some complexities with the front end delivery mechanisms of public services, but they are being examined in great detail. I commend to the House the most recent quarterly report from my right hon. Friend the Chancellor of the Duchy of Lancaster, which sets out, in several hundred pages, the action that the Government are taking.

As my hon. Friend the Member for Sittingbourne and Sheppey said, some web tools will be in difficulty because of the problem. Some parts of the web outside the control of this country could come to a grinding halt in 2000. We need to engage in the discussions that are starting with other countries to ensure that the advantages of the evolution of the web are not delayed by the year 2000 problem.

This debate could go on for a long time. We are considering a major subject which impacts on every aspect of Government and every member of society. I am

pleased that the House is taking the matter seriously. I wish my hon. Friend the Minister well in his endeavours in this exciting time.

10.38 am

Dr. Julian Lewis (New Forest, East): In the three or four minutes that the hon. Member for Ellesmere Port and Neston (Mr. Miller) has generously left me, I should like to refer to the impeccable timing of yesterday's *Evening Standard* report, headed "Police hunt 15 Internet bombs made by children". The report began:

"Police are searching for 15 lethal home-made bombs taken home by London schoolchildren. The explosive devices, copied from a design on the Internet, are from the same batch as one which blew apart a telephone box in Sidcup this month.

They are made of copper tubing packed with a simple but powerful explosive.

A police spokesman said: 'Given the damage to the phone box, which was blown apart, they could maim or even kill.'"

Mr. Battle: Will the hon. Gentleman give way?

Dr. Lewis: No, I will not give way in the tiny amount of time I have available: I am sure the Minister will understand.

Another aspect of the internet which can have a lethal effect on a person's reputation is the use of the internet to defame, libel and undermine people, in private or public. I have personal experience of this. The story goes back to 1993, when a magazine called *Scallywag* thought it would make a reputation for itself by defaming the then Prime Minister, my right hon. Friend the Member for Huntingdon (Mr. Major), by accusing him of having an adulterous relationship with a caterer.

My right hon. Friend took legal action against the editors of the magazine and the shell company which published it, but had to discontinue it because they had no assets. Had he continued, my right hon. Friend would have run up huge costs, which would have been awarded against the magazine and its impecunious editors. The editors would then have gone bankrupt, and my right hon. Friend would have had to pay his own legal costs, which would have been enormous. After that so-called triumph, the magazine decided that anyone was fair game. If the Prime Minister could not stop it, who could?

Every married member of the then Conservative Cabinet became a fair target for accusations of adultery, and every unmarried member became a fair target—in their eyes—for accusations of secret homosexuality. Sometimes married members were accused of that as well. In November 1994, the magazine made allegations of that sort about me. By dint of finding out the identity of the printers and the main distributors—attempts had been made to keep them secret—I was able to take legal action in this country which cleared my name and collapsed the magazine as a going concern.

It was my misfortune that, at that time, the internet had just come into existence, and the magazine went on it. To this day, the same filthy lying allegations about my private and political life are repeated on the internet. I did what anybody would do under the circumstances, and where there was a course of action. I sued the internet provider, Demon Internet Services, in Britain. It promptly closed down the site, and I received a settlement which I felt was a vindication. However, the site, predictably, was opened by an internet service provider abroad. There is no effective action I can take to prevent that provider from continuing to blacken my name.

My selection as a candidate was imperilled by this filth. My period as a prospective parliamentary candidate for my seat was damaged by this filth. My election campaign was, to some extent, undermined by this filth. It is filth on an international level. It may bring smiles to the faces of some Labour Members because it happened to a would-be Conservative Member of Parliament. It could just as easily happen to them.

10.42 am

Mrs. Cheryl Gillan (Chesham and Amersham): I start by giving hearty congratulations to the hon. Member for Sittingbourne and Sheppey (Mr. Wyatt) on securing this debate. He has been in the House for a short time only, but he has a reputation for taking a great interest in and having great expertise on this matter. I congratulate all those who have taken part in the debate, although I am sorry that some hon. Members who have been waiting patiently have not been able to take part—particularly my hon. Friend the Member for Esher and Walton (Mr. Taylor).

The matter is of great importance to the United Kingdom, not least because we generate more than a fifth of all world internet traffic. We are one of the major players in this field, way ahead of any other European country, and it is important that we maintain our competitive advantage.

Like the hon. Member for Sittingbourne and Sheppey, I am surprised that the Minister for Science, Energy and Industry, the hon. Member for Leeds, West (Mr. Battle), is here to answer the debate, although I welcome him to the Dispatch Box. I thought that the Chancellor of the Duchy of Lancaster might put in an appearance, particularly as he has spent so much time promoting the delivery of Government services over the net and is responsible for year 2000 compliance.

Instead, the Minister—an honourable and generous gentleman—has been put in this position because the Government's policy in this area is clearly a shambles. The policy vacuum was displayed admirably by the hon. Member for Sittingbourne and Sheppey.

The Chancellor of the Duchy ought to be here, not least because he spends so much time promoting his electronic red box. I do not believe that that red box has been a great success with his colleagues. Will the Minister confirm how many Ministers currently use electronic boxes on a daily basis?

In a debate of this nature, it would be unforgivable not to pay tribute to my hon. Friend the Member for Esher and Walton. As a member of the last Government, he made much progress in this area. To be fair, the present Government have continued many of his programmes—so many that they have made no original contribution to this policy area in their 10 months in power.

The hon. Member for Eccles (Mr. Stewart) was a little curmudgeonly when he said that nothing had been done under the previous Government. My hon. Friend the Member for Esher and Walton was responsible for the Central Information Technology Unit, Government on-line, the Information Society initiative, the launch of the super-highways initiative, the launch of TaskForce

[Mrs. Cheryl Gillan]

2000 and the launch of the schools on-line project. He made it possible for all schools to connect to the internet, and introduced "IT for all". That is an impressive record. My hon. Friend left the Government a golden legacy, which has not been fulfilled.

The internet has developed rapidly, and has penetrated almost every corner of the world. It has wiped out national borders, and provided a medium of communication which has enabled people to talk and do business between China and Chesham and between Amersham and Addis Ababa. Governments are rightly interested in ensuring that it is used to its fullest potential in education and business. However, some Governments and people are frightened by the implications of free, uncensored communicational transactions. My hon. Friends the Members for Mid-Dorset and North Poole (Mr. Fraser) and for New Forest, East (Dr. Lewis) outlined those problems.

Governments are worried not only because communications can go uncensored, but also, more importantly, because transactions can avoid the tax net. Many global issues—including regulatory regimes and legal implications—should be considered by the Government.

The UK has first-class service providers, and most are doubling their customer base in each year. However, the Government have lost the momentum established by the previous Government, and are not addressing the problems.

I should like to raise a few of those with the Minister. Can he tell the House what progress the DTI is making on encryption, which was mentioned by the hon. Member for Weston-super-Mare (Mr. Cotter)? The DTI's proposals have been met with some concern by providers, including the proposal to register crypto keys with third parties. Perhaps he can tell us how that will work, and why technical experts say it is not feasible.

The Opposition have raised questions about the telecommunications charges between the UK and European countries, which remain disproportionately high. What are the Government doing to address the problem?

Domain names are causing concern to providers. Will the Government be opposing the US Department of Commerce proposals on internet governance, in so far as these involve an assertion of US jurisdiction over the key resources? In a written answer, the Minister for Small Firms, Trade and Industry, the hon. Member for Hornsey and Wood Green (Mrs. Roche), admitted that there was a delay in sorting out the problem, and we need to know what action the Government are now taking.

What plans do the Government have to tax commerce on the internet? If they are working on proposals for taxation, have they considered the ease with which service providers, for example, can operate from other parts of the globe? Are they going to encourage this succesful industry by creating the right framework in which the service providers can operate?

The internet has been growing rapidly. It is entirely based on computers and cyberspace, and computers—in about 95 weeks—will face the universal deadline of the year 2000. There can be few problems more serious or pressing than the millennium bomb, which will affect not only the internet but every business and public service in the world that has embedded chips or microprocessors in any of its systems.

As hon. Members have said, it would be wrong of me not to raise the fundamental questions relating to the Government's handling of computer compliance for 2000, which has proved to be disastrous. The Government have lost the impetus that was started by my hon. Friend the Member for Esher and Walton. TaskForce 2000 was abandoned and Action 2000 was set up, but the director has only just been appointed on a full-time basis. Initially, funding was £1 million; that rose to £10 million but, on 30 March, we read that the Prime Minister would write a blank cheque. After 10 months' inaction, the Government are now panicking.

Will the Minister confirm that Ministers first met to discuss this problem only a few weeks ago? The hon. Member for Ellesmere Port and Neston (Mr. Miller) praised the quarterly report of the Chancellor of the Duchy of Lancaster, but, if he read it properly, he would find that the Chancellor of the Duchy of Lancaster was incapable of correctly transferring information from the departmental reports to the departmental summary.

The costs associated with the problem are escalating rapidly; the Government have been remiss in allowing the impetus that was created under the previous Government to be thrown away over the past 10 months. They have neglected the business sector, and many regard Action 2000 as inaction 2000.

I hope that the Minister will show that there has been a radical rethink in Government policy on technology. The internet is only one facet of the computing revolution, which can benefit the United Kingdom and the whole of mankind. However, without a coherent policy and a Minister to consider the whole picture—including millennium compliance—we can look forward only to chaos and mayhem.

We need a strong hand on the tiller to secure the future of the internet business for UK companies and to avoid the inevitable disaster arising from the failure to ensure millennium compliance. The Minister should turn back the clock—just as he has continued the science and technology policies of the previous Government, he should continue their policies on the internet and the millennium bomb. If he fails to do so, this country will be severely affected, and our internet businesses will find that they are operating in a very unfavourable world environment.

10.52 am

The Minister for Science, Energy and Industry (Mr. John Battle): I thank my hon. Friend the Member for Sittingbourne and Sheppey (Mr. Wyatt) for initiating this important and serious debate—my only regret is that we do not have time to discuss it further. As I have been left little time in which to reply to a full debate, I have a suggestion: I have been taking notes on my Psion 5, which I shall load on to my PC, so that what I would have said will be available at tlo.battle@dti.gov.uk—or, indeed, on the websites of the Government, of the Department of Trade and Industry or of the House of Commons. Perhaps we can eclipse space, if not time, in our desire further to discuss these matters.

My hon. Friend said that the internet would be the key to re-tooling and re-skilling, and that it would reshape how we do business. I underline that, and also give my hon. Friend a clue about why I am here. As a Minister in the DTI, I am responsible for ensuring that the banner above the Department bears the word "competitiveness". For the United Kingdom to be competitive, we must ensure that the internet is a vital tool for business, that youngsters, schools and the whole of society can take advantage of that tool, and, of course, that the Government get the matter right in house. We are moving from the information age into a digital economy, where e-trade and e-commerce will truly transform what we have seen so far.

Some hon. Members have expressed concern about crime on the internet, but I should point out that the police—I cannot go into detail—are using the internet to track criminals. The internet, as I am sure we all accept, is an ambivalent tool. We need Government-wide co-ordination across all Departments to ensure that we can take advantage of the new possibilities that are offered by computing and the internet.

As my hon. Friend said, it is worth remembering that the worldwide web was pioneered by a British scientist, Tim Berners-Lee, at CERN, which is a science project in particle physics that has been, and will continue to be, sponsored and supported by Government—it is important that we remember what comes out of the science base.

When I first entered the House of Commons, I asked for a computer modem point to be put on a shelf that I was given as an office in the Cloisters downstairs. I was told that we were offered the privilege only of a telephone. To link one's computer to one's home or constituency office was unknown at that time. I managed to do so, but, for obvious reasons, I ended up with a rather larger phone bill than everyone else. As Members of Parliament, we need to use the equipment—I think that, especially since the general election, most hon. Members appreciate the need to communicate through computing and the internet.

I shall focus on electronic commerce, as the possibilities it offers for small and medium enterprises to open new markets are of central importance. Today, 27 per cent. of companies in Britain—including nearly 40 per cent. of large companies—have a website, and 29 per cent. of small businesses are developing one. A survey showed that 81 per cent. of the respondents believed that the website would be important to their businesses. Moreover, small businesses buy parts on the internet.

My hon. Friend the Member for Ellesmere Port and Neston mentioned his problem with American lawyers. I suggest that he looks at the web page "Welcome to Helpnet", which offers advice in psychiatry, although it notes that it is not meant to be a substitute for psychotherapy. He mentioned trusts and money. Bay Shore Trust in Canada offers over the internet a loan in 60 seconds to Canadian citizens with a bank account. Finance is an important area; it will be critical for small and medium enterprises to organise back-up finances over the internet. There will be new ways of doing business and finding support for business.

Mr. White: Under Britain's presidency of the European Union, negotiations are taking place with the Americans about domain names. Does the Minister agree that it is important that that is sorted out quickly, as it could help to develop commerce?

Mr. Battle: The matter was raised by the hon. Member for Chesham and Amersham (Mrs. Gillan), and I agree that we have to get it right—indeed, we shall take a lead in ensuring that we get it right in international negotiations.

I pay tribute to the hon. Member for Esher and Walton (Mr. Taylor), who initiated schemes such as "IT for all" and the GEMISIS project, which my hon. Friend the Member for Eccles (Mr. Stewart) mentioned. We are enhancing those schemes and pushing them forward, as I am sure that the hon. Member for Esher and Walton will appreciate.

I give an example. My hon. Friend the Member for Ellesmere Port and Neston explained that he was engaged in the GEMISIS project in his constituency. I have met the chief executive of Cable and Wireless, who briefed me on the wide range of the company's projects. The GEMISIS project has the potential and vision for "IT for all" to ensure that everyone has skills and that society is not divided into those with access and those without access. We should emphasise not only business and educational uses, but social and cultural uses.

Despite what the hon. Member for Chesham and Amersham said, we have given a major boost to "IT for all"—our aim is that, by the end of the year, the public will have access to a minimum of 4,000 sites, half of which will form a national network of learning centres where the public can acquire basic IT skills.

Mrs. Gillan: That was our idea.

Mr. Battle: The hon. Lady says that that was the idea of the Conservative party, but we are making it work better, just as we are with the Information Society initiative for businesses, which helps smaller companies to seize the opportunities—there are now 60 such schemes up and running, and 20 more will be opening in the next few months. Either she is in favour or against the programme—I do not understand why she should object to our developing the initiative, using the support of business links.

The enterprise zone is a new idea, which will complement the programme for business. It will link internet sites that have been judged by business information experts to be authoritative, and will be clearly signposted in a language that business can understand. We are helping businesses to access reliable information that they need from the internet, including on how to raise finance, and we have developed new initiatives.

In 1995, in opposition, we conducted exhaustive research into the super-highway and its uses, and published a full report, "Communicating Britain's Future". In government, we have begun to wire up the schools and launched the national grid for learning and the university for industry. Those new ideas, brought to fruition by this Government, were not thought of by the previous Administration.

[Mr. Battle]

The university for industry will be a new kind of institution that delivers courses to adults at home, in learning centres and at work, exploiting the number of homes with PCs and realising the potential for lifelong learning at work.

My right hon. Friend the Prime Minister has committed the Government to ensuring that 25 per cent. of their services are capable of being carried out electronically by 2002. My right hon. Friend the Chancellor of the Duchy of Lancaster has piloted—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. We must now move on to the next debate.

Community Care

11 am

Mr. Paul Burstow (Sutton and Cheam): The fifth anniversary of the introduction of community care is on 1 April, so today is a good time for us to debate the subject. I know that several hon. Members want to speak about some of the issues that come under this wide topic. My intention is to concentrate primarily on services for older people, whereas others may want to talk about matters such as mental health and children's services.

What stands out for me in all the writing on community care is the overwhelming weight of anecdotal evidence supporting the need fundamentally to rebalance our health and social care system. At present, the economics of health and social care has the unintended effect of driving people into high-dependency, high-cost institutional care rather than supporting them at home. I want to illustrate what that means in practice, and to make some suggestions about the way forward.

Few would argue with the aims of community care, but the evidence gathered by the National Association of Citizens Advice Bureaux and others—reflected, I am sure, in the mailbags and surgeries of many hon. Members—shows that community care has failed to deliver, and is better described as crisis management than as care management.

I want to make the case for complementary national and local strategies that involve older people and carers in their conception, implementation and evaluation, are genuinely cross-departmental and multi-agency, and promote improvements in public services through learning and local experimentation.

In its report "The Coming of Age", the Audit Commission illustrated the vicious circle of crisis management that health and social care are locked into because of bed blocking, cost shunting and buck passing. The consequence is that elderly people are funnelled into inappropriate institutionalised care. The report said:

> "The pressure on expensive hospital beds and the use of nursing and residential homes is making it hard to free up resources for alternative services that might start to ease the situation."

The number of older people being admitted to hospital is growing. Pressures on hospital beds are increasing. People are being discharged sooner, and more people are receiving expensive residential and nursing-home care. As a result, there is less money for preventive and for recuperative and rehabilitation services.

The number of people using acute services and the speed of their discharge are increasing, and so is the number of people being readmitted. Figures obtained last March by my hon. Friend the Member for Southwark, North and Bermondsey (Mr. Hughes) reveal that as many as 100,000 people a year aged 75 or over become emergency readmissions to hospital within 28 days of discharge.

For far too many older people, admission to hospital is simply the first step to their premature loss of independence. Eight out of 10 new residents of care and nursing homes come directly from hospital. Increasing hospital throughput has, in turn, increased pressure on older people and their carers—often the elderly husband or wife—to make snap decisions about where they are to live out their remaining years.

Nearly two thirds of social services gross expenditure on the care of older people in England is spent on residential care, but only one in 20 people aged 65 or over currently need long-term care other than in their own homes. The emphasis on residential care is hardly surprising, given the perverse financial incentives. The Audit Commission found that in almost every case, it is cheaper for social services departments to use residential care in preference to devising a care package to support independent living.

The net cost of domiciliary care in 1996 was about £197 a week, which was considerably more than the net cost of a place in an independent residential care home, at £94 a week. The differences are caused by the interplay of a nationally applied means test for residential care, and locally determined eligibility criteria for domiciliary care.

Evidence gathered by NACAB demonstrates how the original objectives of community care have been distorted. Targeting of support is a clear aim of community care, but the reality for far too many people is of care rationing, with longer waits for assessments and care provision, tightening eligibility criteria and more and increasing charges. The consequences represent a false economy for society.

The NACAB report "Rationing Community Care", said:

"Excessive targeting of scarce resources on those in greatest need is leading to inadequate preventative measures in terms of support services in the community for both carers and care users, which may result in more costly institutional remedies becoming necessary."

NACAB has drawn to my attention some cases that illustrate the point. A woman on income support was told that help was available at £7 an hour, and social services suggested that she take out a loan to pay for it. In January, a woman in Wales was told that, under a revised scheme, her charges would double, from £21 to £42 a week, because she was not in receipt of income support. She cannot afford the new charge, as she has high living costs, including the cost of constant heating and of electricity to power her stair lift and other aids. She is refusing to pay the increased charge, and is prepared to go to court if necessary.

Funding for services that promote independence will remain vulnerable to cuts as long as health and social care remain locked in a vicious circle of acute medical intervention and high-dependency institutional care. Two services illustrate the point, and the Minister may be familiar with them, as I have tabled quite a few written questions on them: continence care and chiropody.

Currently, 3 million people in the United Kingdom—5 per cent. of the adult population—are affected by incontinence, which increases the risk of hospitalisation by 30 per cent. for women and 50 per cent. for men. It has been estimated that the cost of health care for incontinence stands at £1.4 billion annually, not including the costs of informal care and of the inappropriate use of long-stay beds for people for whom incontinence is the prevailing condition.

Incontinence is one of the key triggers of admission to residential care, as it places great strain on carers. It makes no sense at all—least of all for the taxpayer—to place such a burden on carers, but Age Concern has found that, increasingly, continence products are being rationed in absolute numbers per month rather than on the basis of medical need.

The same false economies beset chiropody services. A joint study by the Joseph Rowntree Foundation and Age Concern found that foot troubles constituted the commonest physical health problem associated with chronic difficulties in daily living. Nearly seven out of 10 over-85-year-olds cannot cut their own toenails, and rely on chiropody services.

It is hardly surprising, then, that 70 per cent. of the case load of national health service chiropodists is made up of older people; but it is very depressing to learn that 40 per cent. of NHS chiropodist managers report budget cuts this year. Investment in chiropody services represents value for money, preventing the need for costly emergency admissions to acute beds.

Where do we go from here? The Secretary of State often refers to the need to remove the "Berlin wall" between social and health care services. He is right to some extent, but it is not as simple as that, because there is also a need to address the relationships between Departments.

Changes need to be made in the way in which community care operates. In particular, there need to be clear guidelines and minimum standards for community care provision. For example, guidance on standards, inspection and charging for domiciliary care is long overdue.

The choices about eligibility and charging that are currently made at local level are, in fact, national issues, as they ultimately turn on the question of funding. There is no excuse for this Government to pass the buck, as the previous Government did. The Labour party came to power with a clear commitment to take action on the issue of what people have a right to expect from social services.

The Labour manifesto stated:

"We will introduce a 'long-term care charter' defining the standard of services which people are entitled to expect from health, housing and social services"—

a laudable aim that we look forward to being delivered. Clear national minimum standards for the provision of continence and chiropody services need to be high on that list to be studied.

It is also clear that structural change at the local level is again on the national agenda. The Select Committee on Health has been looking into it and the Government's Berlin wall rhetoric points to it. It is far too easy to assume that changes to structure will solve everything. Some politicians—I do not exclude my party from this—have an unhealthy interest in structure. Simply aligning health and social care misses the point—it merely moves the interface.

The fact is that many of the services that need to co-operate to meet the needs of older people are already covered by local government. In particular, the aligning of health and social care would leave out the housing dimension, which the Health Select Committee rightly drew attention to before the general election as the "neglected part of the community care framework".

The problem, both nationally and locally, is departmentalism and a lack of co-operation within, let alone between, agencies. It is a question of culture and accountability, not structure. The debate about structure should not be allowed to divert attention away from the simple truth. Even if it proves possible to make all the different cogs in the welfare system fit smoothly one with another, the level of resources is inadequate to oil the wheels.

[Mr. Paul Burstow]

Indeed, the Audit Commission's director of health and social service studies, David Browning, is reported in *Community Care* magazine as giving short shrift to those who argue for major structural changes, such as setting up a single or joint agency between health and social services. An experimental programme is necessary, trying out different approaches and mixes of multi-agency working—for example, initiatives such as those in Somerset, south-west Hampshire and Wiltshire, where district nurses have started to take on social care management functions and in some cases have direct access to social services funds, following a comprehensive needs assessment. In south Bedfordshire, health visitors can set up meals on wheels for clients via a phone call to social services, and social workers can arrange for elderly people to be visited by one of the trust's district nurses.

I said that a fundamental re-balance between health and social care was necessary. I want the balance to be tilted back towards home-based care, such as occupational therapy, physiotherapy, and rehabilitation. The results can be startling. In a scheme developed in Devon, three quarters of those thought to require residential care on admission to a rehabilitation centre needed no continuing social care support on their return home. When compared to the cost of discharging directly into residential care, the savings were as much as £2,000 per person.

Unnecessary admissions, bed blocking and readmission rates can be reduced, but breaking out of the vicious circle into a virtuous one is a high-risk strategy in a public service where failures are rightly condemned, but successes rarely celebrated. The social services inspectorate and the Audit Commission are working in Devon to try to establish what the crucial success factors of such projects could be. However, the Devon experience is based on a long period of operation, which predates the introduction of community care. Social services departments coming late to such schemes may struggle to find the start-up and running costs of such ventures.

The development of such services lends itself to an experimental approach because it is out of diversity that examples of good practice can become universal. In that respect, the winter pressures initiative is a good example. Imaginative approaches have been tried, particularly around prevention of admissions and rehabilitation, but with the funding due to run out on 31 March, the scope for innovation has been constrained. Furthermore, given the one-off nature of the initiative, some positive schemes may soon have to stop. Simply imposing new conditions on the use of the coming year's special transitional grant is unlikely to sustain existing best practice, let alone spread it more widely.

Government must foster the conditions for innovation. In a recent report entitled "Community Health Care for Elderly People", the Clinical Standards Advisory Group highlighted four barriers to collaborative working. The first is different professional and organisational cultures, and I hope that in that respect, the legal and accounting restrictions that often get in the way of inter-agency working will be removed as that would do much to realise common goals between different agencies.

The second barrier is the fact that the geographical boundaries of health and local authorities are not coterminous. I hope that the Minister may be able to say something about what mechanisms he plans to use to realise the national health service White Paper's exhortation to GP consortiums to use boundaries conterminous with social services.

The third barrier is the financial constraints on social care and I hope that the Minister will be able to tell us the Government's intention for special transitional grant in 1999-2000. Will SSA and revenue support grant be adjusted upwards, or will ring fencing continue? I also hope that the Government will consider establishing an innovation fund to pump-prime, for periods of two to three years, joint projects between housing, social and health services and the voluntary sector to test out different approaches to delivering preventive services, which must involve carers and older people right from the outset.

Such an experimental programme should involve the SSI and the Audit Commission in monitoring and evaluation to ensure that the lessons learned and the good practice that emerges are widely shared and understood by managers and practitioners, and should draw on the work of the recently established preventive task group. Perhaps the opportunity could also be taken to pilot the extension of direct payments to those over-65s who want them. That would put them in the driving seat in determining the right care package to meet their individual needs.

The fourth barrier is the lack of shared compatibility of information systems, which is apposite given the previous debate. The decision to withdraw supplementary credit approvals for capital investment in information systems to underpin community care is undoubtedly inhibiting progress in that area. Again, I would welcome an indication from the Minister as to the intentions in that area.

I would add a fifth barrier, which is planning overload. While partnership is undoubtedly the key to achieving both health and social care objectives, the current plethora of planning requirements, ranging from community care plans and health improvement programmes to joint investment plans, can prove a distraction from delivering service outcomes. I hope that the social services White Paper will dovetail with the joint health and social care agenda in the NHS White Paper and rationalise the situation.

The overwhelming weight of anecdotal evidence supports the case for a fundamental re-balancing of priorities between health, housing and social care. The approach should be experimental and should involve older people and their carers. Help the Aged recently published a report called "A Life Worth Living: The Independence and Inclusion of Older People", which contained a sentence that summed up the challenge:

> "We are in danger of needing more and more ambulances downstream to fish people out of the river for want of fences upstream to stop them falling in."

Unless we find ways in which to break the vicious circle of crisis management, we shall continue to condemn older people to a life of dependency, when community care should deliver independence and dignity.

11.16 am

Mr. David Hinchliffe (Wakefield): First, I pay tribute to the hon. Member for Sutton and Cheam (Mr. Burstow) for obtaining this debate. In general, I agree broadly with

virtually everything that he said. It is a great pity that we have precious few debates on such a fundamentally important area as community care. During my time in the House, with the exception of the 1993 legislation, every debate on community care has been initiated by Back-Bench Members, which is a great pity when one considers the crucial impact that such provisions have on our constituents.

I must inform the House that I spoke to the hon. Member for Sutton and Cheam yesterday to establish what area of community care he intended to approach. I did so for a particular reason. In 1995, I was surprised to receive from the Minister's predecessor a parliamentary answer indicating that the Department of Health had established a difference between the formal definitions of community care and care in the community. Having been around community care for a long time because of my work background, I regarded the two terms as meaning the same, but under the previous Government, a new definition arose. Care in the community came to refer to mental health and provision for people who had been in psychiatric hospitals. Community care meant the areas to which the hon. Gentleman referred—elderly and disabled people.

This morning, I will stick to the same area as the hon. Gentleman, but I must place on record my belief that it is important in the near future to debate mental health and provisions for the elderly and the learning disabled. I am conscious that both areas require much attention, and I am aware that the Minister may want to discuss policy initiatives with the House.

The Government face a series of key challenges on community care as a direct consequence of the way in which the previous Government, over 18 years, effectively privatised community care provision in a manner that has directly affected service levels and the nature of provision. The hon. Member for Sutton and Cheam mentioned that in describing the inappropriate care models into which people may be pushed. I want to consider the history of why we are where we are now and why the Government face tough challenges in re-establishing some coherence in community care instead of leaving the job lot to the private market, which was the essence of the previous Government's policy.

I await with interest the shadow Minister's contribution, because he normally gives a robust performance in such debates, and especially his defence of the previous Government's record on care of the elderly. They were responsible for some fundamental changes that were very much for the worse. The policy change over their 18 years stemmed largely from a little-publicised decision in 1981 to allow the use of supplementary benefit to supplement the costs of home provision of private or voluntary care. That later became income support. The decision profoundly affected the nature of community care provision, especially for elderly people. That point was picked up by the hon. Member for Sutton and Cheam.

The direct consequence of the previous Government's decision—I believe that this was deliberate—was, from 1981 onwards, a huge explosion in the provision of private nursing home and residential care in a way that distorted the nature of community care provision, especially for the elderly and disabled. The matter has still to be addressed by the new Government. It will take many years to skew provision away from the emphasis on institutional care that was mentioned by the hon. Member for Sutton and Cheam.

I have established from the Library that £3 billion was used for the scheme between 1981 and 1993, when the community care changes occurred. Anyone considering that logically would realise that the money would have been far better invested in the community services that the hon. Member for Sutton and Cheam mentioned rather than in a huge expansion of institutional care, which was on the way out even in the 1970s. We have gone in the opposite direction to most other European countries because of the dogma of the Conservative party, which believes in private medicine, private medical care and private provision. That has been detrimental to properly planned community care which enables people to remain in their own homes. I shall expand later on what we should do about that.

I take issue with one point made by the hon. Member for Sutton and Cheam. He said community care was introduced on 1 April 1993. He understands the point that I am going to make. Community care was not introduced then; there was a change in its administration. It existed in a variety of ways long before institutional care, or even the workhouse, was invented. It has generally been the province of a carer in a family, usually a female relative. He will accept that all that happened in 1993 was an attempt to unravel the shambles that followed the 1981 decision. The National Health Service and Community Care Act 1990 was Treasury-driven because of alarm about how the income support budget had shot through the roof as a result of the 1981 decision.

The 1981 decision had several policy consequences that the Minister understands and will no doubt address later. An outdated model of provision that was on the way out, in cross-party policy terms, as far back as the 1970s has been resurrected by the privatisation of community care. Institutional provision for elderly people is now everywhere. I am not knocking such provision because there are some very good care and nursing homes in the private and voluntary sector. Some are less good, as the Minister will accept. His current review and the White Paper may tackle that in due course.

What concerns me about the privatisation of community care and the development of institutional models is the way in which public perceptions of what elderly people need were narrowed down to focus on such provision. That was unhelpful. For people of a certain age—we all hope that we shall reach such an age—there is now a perception that the appropriate care may be institutional. We should ask serious questions about that, as other countries are doing, and consider how we can use available resources to develop alternatives to give people a proper choice so that they do not have to go into institutional care. I accept the point of the hon. Member for Sutton and Cheam that some resources invested in institutional care could be better used to ensure that people have the choice of remaining in their own homes.

I fear that a consequence of privatisation has been the development of a huge market in private care, both residential and nursing, and in private insurance to encourage the view that we all need to insure ourselves privately so that, when we are gaga, we can be looked after through some institutional provision. It worries me that that perception has been allowed to float around this place without being challenged.

[Mr. David Hinchliffe]

The hon. Member for Sutton and Cheam mentioned the third report of the Health Select Committee in the 1995–96 Session. Interestingly, his predecessor was a member of the Committee. She was usually—in fact, always—totally uncritical of the Conservative party's performance in government. However, this report exposed a good deal of what that Government did, and stated:

"We are very disappointed with the Government's response, which attempts to shuffle off responsibility and does nothing to meet the needs of some of the most vulnerable members of society."

His predecessor said that, or at least subscribed to it in the report. That shows the extent to which people were concerned about what had happened.

The report also made some profound comments about the idea that there is a great demographic crisis. The first paragraph of its of summary of conclusions said that that belief was based on "unsound evidence" and was "downright alarmist". That alarm has been whipped up by private business interests who want to create the view that we must build more and more institutions for the elderly and pay more and more to insurance companies to ensure that we are looked after in old age. I accept that the royal commission on long-term care for the elderly will examine those issues, but I make a plea for us to move away from such narrow thinking and to broaden our views of care of the elderly in the way, in many respects, in which the hon. Member for Sutton and Cheam mentioned.

The second direct consequence of the changes of the 18 years of Conservative rule was a double whammy for the elderly in that people in their 60s, 70s, 80s and 90s in my constituency have endlessly raised with me their anxiety that, throughout their working lives, they have paid national insurance and taxation on the assumption that, on reaching old age, free care would be available. They were paying for a national health service that offered them free care.

When they reached that stage, the NHS gradually, with a nod and a wink from the Department of Health, withdrew from free care. Such people were means-tested and found that they had to pay for the care they had already paid for. People are deeply unhappy about that, because they have been misled. People who fought in the second world war and who are still around deserve our consideration. That is a grievance affecting thousands or even millions of people who feel that they have been badly let down.

Mr. Nicholas Winterton (Macclesfield): I apologise for not having been here for the whole of the debate. The hon. Member for Wakefield (Mr. Hinchliffe), who is currently Chairman of the Select Committee on Health and whom I hold in high regard, has drawn attention to the fundamental injustice of what has happened. Does he agree that at no stage has the House voted for the change that took place by deceit, which is that services that had hitherto been provided within the health service were ultimately taken out of the health service, so that people who believed that they would be looked after in their retirement now have to pay for their care and perhaps utilise all the savings that they have accumulated during their working life?

Mr. Hinchliffe: I am grateful for that intervention from the hon. Gentleman, for whom I have the greatest respect and under whose chairmanship of the Select Committee I served for several years. If I can do half as good a job as he did as Chairman of the Select Committee, I shall be a happy man, because he did a first-class job, to the extent of being removed from that position by his own Government. At this point, I should put down a marker and hope that my hon. Friend the Minister listens when I say that I hope that that does not happen to me.

The hon. Member for Macclesfield (Mr. Winterton) is absolutely right: the changes took place without any statutory change or debate in the House. That brings me to my third major point about the consequences, which is that there has been what I believe is a deliberate blurring of the boundaries between the national health service and local authority social services, which was formalised by the community care changes that took place in 1993. That blurring has taken place in the way described by the hon. Gentleman and I believe that the previous Government and the Department of Health actively encouraged the shunting of costs from the NHS to local authorities, because it meant that local authorities, which were largely Labour-controlled, could be blamed for making a mess of functions that had previously been carried out quite successfully by the NHS.

The key issue in the contemporary policy debate is that, without any debate in the House or serious thought being given to the results, we now have two separate systems impacting on the care of elderly people and disabled people in the community; they often offer exactly the same services, but one—the local authority provision—is means-tested and the other is free. That is absolute nonsense. I would encourage my hon. Friend the Minister to look at some of the evidence taken in the Select Committee in recent weeks. We have asked every witness, including Department of Health officials, to define the boundaries between the NHS and local authority social services. So far, nobody has managed to do it, but that is what faces our constituents daily when they require community care in their own homes and they frequently have to do battle to determine which agency has responsibility.

The best example examined by the Committee in recent weeks is that of a person requiring a bath within the community—a bath within his or her own home. Is it a nursing bath or a care bath? That person wants a bath but, depending on whose argument is strongest, that bath might be a means-tested bath or a free bath. In Yorkshire, we take such matters seriously, because people do not like paying for things that they do not have to pay for. The serious point is that it is absolute nonsense that that is the policy consequence of the previous Government's 18 years of blurring boundaries and shunting the provision of care toward the private sector. We now do not know who is responsible for what at local level.

Last week, the hon. Member for Isle of Wight (Dr. Brand) offered a good suggestion which came the closest yet to defining the difference between a medical bath and a social bath. He says that it

"depends on whether you have medical oil in the bath or a little yellow duck."

That is a pretty good stab, given the nonsensical situation, and I should like to hear the Minister's thoughts on how he intends to unravel the consequences of 18 years of nonsense from the Conservative party.

There are several other areas I should like the Government to address and, knowing the Minister, I am sure that he will respond to these points. He will be

familiar with them already, given that the social services White Paper is expected shortly. First, there is the question of resources. I sincerely welcome and congratulate my hon. Friend and his colleagues on what was announced in the Budget yesterday and what has been done since 1 May last year. In a sense, it makes my job as Chairman of the Select Committee on Health harder, because I would far rather have the sort of relationship with Ministers that the hon. Member for Macclesfield had with the Conservative Secretary of State and Ministers when he was Chairman. The current Labour team are doing an excellent job in terms of the resources that they have won for the NHS.

I qualify that welcome by making the point that, when we consider community care, we are not dealing only with the NHS, but with the ability of local authorities to provide care. In my area, social services are making cuts of about £5 million this year in addition to £6 million last year, and that is happening across the country. My hon. Friend the Minister knows that and what its impact will be on people's ability to obtain services within their own home. Therefore, it is not only my hon. Friend, but his colleagues in other Departments and the Treasury, who ought to be aware of the implications of the current spending restrictions. The needs of carers in particular are directly affected by problems at local authority level.

I make a plea that we should look radically at introducing different models of care. We should do what other countries have done and have a fundamental shift away from the emphasis on institutional care for elderly people. I do not want to end up in wall-to-wall geriatrica in my old age; there should be something different to look forward to, even if I need care. There are models on offer that are preferable to that sort of approach to care of the elderly. For example, Denmark made the provision of care homes illegal in the 1980s because putting people into institutional care is deemed a diminution of human rights. Following the point made by the hon. Member for Sutton and Cheam, let us look at housing models of care provision, because that is surely the way forward, even for people who need a substantial amount of nursing care.

I hope that the long-term care commission will be looking at that issue, but I ask my hon. Friend the Minister to study the possibility of introducing sheltered and very sheltered housing models where, instead of people paying huge care costs from their capital, which uses it up, they can invest their capital in assisting with care provision, so that, when they move on or die, there is some capital left apart from that which has been used to benefit themselves and others during their time in those sheltered establishments.

Finally, there is the question of boundaries. Without pre-empting the Select Committee's conclusions on the boundaries between the NHS and social services, I have to say that the current arrangements are unsustainable, wasteful and extremely expensive. When I look at my local social services departments and community health trust, I, as the local Member of Parliament and as someone who worked in social services for donkey's years, cannot tell my constituents the differences between what they do because they cover the same functions. I cannot understand the reason for having two separate bureaucracies doing the same job, and I hope that the Minister will look radically at those issues and challenges.

I urge hon. Members to view the care of elderly people in policy terms through our own vision of what we would like to be available for ourselves when we reach the stage of requiring care. I would not want for myself what is currently on offer, so I hope that, over the next 10, 20 or 30 years, my hon. Friend the Minister and his colleagues and successors can achieve a radical transformation that humanises the care of elderly people along the lines that I and the hon. Member for Sutton and Cheam have suggested.

11.39 am

Dr. Evan Harris (Oxford, West and Abingdon): I also congratulate my hon. Friend the Member for Sutton and Cheam (Mr. Burstow) on securing this debate. I am pleased to see that the Minister is in his place. I think that everyone recognises that he has made an energetic start to his portfolio responsibilities. He has visited my constituency and the city of Oxford on several occasions, and was well received. The fact that we may cross swords on policy and funding matters from time to time does not mean that I doubt his ability or the high levels of energy that he expends. I also commend the hon. Member for Wakefield (Mr. Hinchliffe), the Chairman of the Health Committee. We hope that he will do such a good job as Chairman that the Government may indeed be tempted to try to move him on.

I am particularly pleased to speak in this debate as I have tried, without success, to secure my own Adjournment debates on social services in my local authority of Oxfordshire and on community hospitals. Oxfordshire county council received a very bad settlement in terms of grant, standard spending assessment for social services and capping limit. Oxfordshire also faces the closure of community hospitals, including the loss of beds at Abingdon community hospital in my constituency. My cup runneth over today, as I have just heard about cuts of up to £12 million to Oxford university funding. That falls outside the scope of this debate, but it seems to me that such bad news stories happen all at once and usually in groups of three.

I shall examine the funding problems of Oxfordshire county council as it is a good model for the conflict and tension between the provision of satisfactory local authority social services care for the elderly and its impact on the health service, particularly in the form of pressure on acute beds. All authorities have stories to tell about the false economies that underfunding of local-authority-provided social services care can cause in the acute sector.

The cuts facing Oxfordshire county council in social services alone amount to £5.55 million—or 7 per cent—this year. Those cuts will effectively mean reduced services in family centres, which support families with young children. They are important preventive measures that help to avoid children being at risk. There will also be cuts to respite centres that offer the carers of multiply disabled children a much-needed break, allowing them to spend time with their other children or simply to have time to themselves.

Cuts in the number of social workers for children and families and for disabled or elderly people across the county will mean delays in assessment, and therefore delays in finding placements and delivering care. Elderly people in residential homes in Oxfordshire will no longer

[Dr. Evan Harris]

be entitled to a reduced charge for their first four weeks. The charge for transport, meals and service for those attending day centres will increase to a flat rate of £5. Charges for relief for carers will be increased—Oxfordshire is no longer able to offer even a few hours relief per month free of charge.

Charges are being introduced for day care for clients with learning disabilities who live at home. The mental health budget, which is already small and overstretched—as it is in many parts of the country, in our shires and inner cities alike—will be cut by 9 per cent. That will mean more cuts in day care for a group of people who desperately need somewhere to go during the day. The food subsidy for meals on wheels will be discontinued, leading to a price increase from £1.40 to £2.10 per meal. Charges for domiciliary laundry will also be introduced.

I shall deal in a moment with the financial causes of what has happened, but we must ask whether the changes are the result of a political decision or whether the county council was forced by circumstances to introduce them. I can inform the House that the cuts were agreed by the Liberal Democrat and Labour groups on the council. The Conservative group disagreed because it wanted to take yet another £1 million from social services for political reasons.

We must recognise—as the Liberal Democrat and Labour groups did—that those people who use social services are less well able to organise campaigns of the kind that are launched in an attempt to save local libraries or museums or to prevent teacher sackings. There is great concern that the most vulnerable people in areas such as Oxfordshire will have to pay the price of the Government's adoption of flawed and insufficient Conservative spending plans for this year and next.

The funding increase for the county council, at 3.1 per cent., is inadequate even to cover inflation and added duties. It takes no account of the demographic changes that have resulted in rising cost pressures. The number of elderly people in the area is increasing. In discussions such as these, we often regret the fact that there are more elderly people needing domiciliary care. However, we should welcome that fact: it is a sign that the health service is succeeding, that public health measures are improving, and that people are living longer in retirement. We hope that people's retirement will be happy, but it will not be if they fail to share in the country's increased wealth and the growth in the economy. The welfare state and social services support should grow accordingly: people should not suffer cuts to services affecting them and their loved ones who may be ill.

The increase in funding for Oxfordshire—I know that this applies to many other county councils—was not sufficient to cover the increase in the number of children, particularly children with special needs, in the area. Cutting children's services and support for at-risk children will have repercussions in the form of disruption in class, for example. The county simply will not be able to achieve the education results that the Government and the Liberal Democrats wish to see in our schools.

Unfortunately, despite every councillor being elected on a platform of not cutting services and raising local taxes, it was not possible for the county council to increase resources and thus avoid cutting social services for local council tax payers. I have received many letters criticising the fact that the county council is still capped and so must cut social services support and care in the community. I have received as many letters from people who are distressed that, under the new Government, cuts in social services provision are the same as before—if not worse.

In many care areas, it is not good enough for the Government to have said, "Things can only get better." It is not right to deprive democratically elected local authorities—which in Oxfordshire received a 100 per cent. mandate on the day of the general election for this—of the ability to raise the funds necessary to preserve existing services when the Labour party stood on a platform of seeking to protect and enhance such services.

Mr. Nicholas Winterton: Does the hon. Gentleman believe, from a professional point of view, that there was an adequate transfer of resources from the national health service to social services? The hon. Member for Wakefield (Mr. Hinchliffe) made the point that social services had to assume huge additional responsibilities for functions that were previously provided by the NHS. Does the hon. Gentleman believe that there was an adequate transfer of resources to enable local authority social services departments to undertake those important responsibilities?

Dr. Harris: No, I do not think so. We are now entering the sixth year of the special transitional grant. However, the scale of funding is not enough. I had intended to address that point later, but I shall tackle it now, as the hon. Member for Macclesfield (Mr. Winterton) has helpfully introduced it.

It is not acceptable for the Secretary of State, in an article in *The Daily Telegraph*, or for anyone else, to claim that community care has failed when many hon. Members feel that it has never been tried—because it was never funded adequately by the previous Government. It was unfair to expect social services to cope, particularly with elderly people leaving NHS care and long-stay hospitals and the mentally ill leaving asylums.

Mr. Hinchliffe: It is important to clarify the Secretary of State's comments in the article, which I read. He was talking specifically about the perception, in relation to mental health, that there were people within the community who were a danger to themselves and to others. The Secretary of State said not that community care had failed but that serious questions remained as to whether, in order to secure the safety, health and well-being of those people and the community, they should have the option of acute psychiatric provision locally.

Dr. Harris: I am grateful to the hon. Gentleman for explaining the Secretary of State's comments. The Department of Health also issued clarification following the publication of the interview, explaining that the emphasis should be on those few tragic cases—which I fear may always occur—involving assaults and occasionally murders in the community.

Since my election, a community care patient has murdered a family in Abingdon in my constituency by burning down a house. There was also the well-known

Newby case in Oxford. I have read the reports at length. Although they raise questions about adequate communication between the multiple agencies involved—particularly with regard to housing in the Abingdon case—there was a clear problem of underfunding, including in the acute sector. People are pushed out of care extremely quickly in order to free up beds because occupancy levels in the acute sector are well over 100 per cent. in many mental health wards. Hon. Members will recognise that figure.

There are also inadequate resources in the community to keep an eye on people and give them support. The Government will soon have to decide whether community enforcement orders, under which people are supervised and forced to take medication, are the only way out of the problem. I express no view on that, as this is not the appropriate time at which to do so. But no one wants to go back to the days of asylums. Where the changes have worked and have been adequately funded, they have been welcomed.

In the case of Oxfordshire and many other counties, the root cause of the funding pressures facing the county council this year and next has been an inadequate settlement and an inadequate standard spending assessment for social services, which increased nationally by only £91 million, even before inflation and demographic changes were taken into account.

The blame for that does not lie entirely with the Government, because they were wedded—wrongly, the Liberal Democrats believe—to Conservative spending plans, which were a catastrophe for social services. The Government suggested that things would get better after the election, but in Oxfordshire we shall have to wait until the year after next—if then—for things to start being turned round.

That, sadly, will be too late for many people, who will suffer now. When we speak about cuts in care for elderly and vulnerable people, we ought to remember that those people may well die, and will certainly have a reduced quality of life, if they do not get adequate care.

It is difficult for people in my constituency to understand why, in order to fund the commitment not to increase taxes on the wealthy, the most vulnerable—the users of social services—must pay. The two pledges—to improve services and save the NHS, and not to raise taxes—are incompatible. It cannot be done.

I shall deal now with the interaction between care in the community and the health service. There are two problems. The first is the media's concentration on the acute sector in hospital care. Politicians of all parties may be to blame, as the best proxy that we have for measuring how the health service is performing are waiting list figures.

Those figures are flawed, because they do not take account of the time spent waiting for the initial out-patient appointment, the time taken for investigations and then the time taken to see a surgeon, perhaps, to get on the waiting list. They are also flawed because, for many operations that used to be offered, such as those on uncomplicated varicose veins, which used to have a long waiting list, the waiting time is now infinite because the operation is not available. The result is a fiddling of the figures, not necessarily deliberately, by health services that are reducing the number of operations offered.

Waiting list figures are nevertheless a useful proxy for measuring the health service. Because of that, we tend to concentrate on them—certainly, the media do—at the expense of everything else. Extra effort is put into reducing waiting lists—I understand that there is to be a statement this afternoon expanding on that, as we heard on the radio this morning—but we must ask whether additional resources might be better spent in community care, perhaps to free up beds in the acute sector so that waiting lists can be tackled.

The second problem is the concentration on crisis management in the health service. Money announced in July last year is allocated in November last year to be spent by April this year on avoiding a winter crisis. As any business person or any good public service budget manager knows, money can be spent far more efficiently and to far greater good if notice is given that it is coming and the time constraints are not so tight.

However, we recognise that many innovative schemes were produced by the winter pressures money. Anglia and Oxford health region got a good share of that funding and, by working with the social services departments of all the local authorities in the area, put in place some excellent schemes, such as the hospital at home, step-down care and increased support to stop people being admitted in the first place.

The question is what will happen next winter. Will that funding be continued? I should be grateful if the Minister could tell us whether it will be recurrent or whether there will be a similar exercise next winter, which will not be as efficient as allowing social services some extra funding to pick up the costs of people who have been moved into their budgets in the residential care sector with the winter pressures money.

The pressure on emergency admissions is no longer just a winter phenomenon; it exists all year round, because social services are failing to cope all year round. When we do not offer support for carers, there is an increase in emergency admissions. In hospital parlance those are called social admissions. That is a poor term. In my experience as a hospital doctor, those are people who desperately need to be seen and desperately need treatment, but they are there because they cannot cope with their home circumstances.

Delayed discharge is another aspect of the problem. The figures show increases in delayed discharges, despite the extra money for winter crises.

Liberal Democrats propose a lifting of the cap in local authorities to allow local people democratically to elect authorities to spend money on social services and care for the most vulnerable. We also propose that some health service money should be spent directly on community care, to relieve the pressure on the health service and improve community care.

In a spirit of co-operation, I offer the Minister some ideas about how the welcome extra money allocated in the Budget might be devoted to community care, not only to improve services there, but to save money and create space in the acute sector by tackling the waiting list problems that were inherited from the previous Conservative Government and exacerbated by the adoption of that party's spending plans.

[Dr. Harris]

Unlike other Opposition parties, the Liberal Democrats always present an alternative Budget. Over and above the sum that the Government have allocated this year, we allocated additional money from cyclical surpluses to the NHS, so that an extra £250 million would be spent on three areas.

The money should be used to save community hospitals that are currently under threat in Oxfordshire, Essex, Cornwall and other parts of the country, as the Minister knows from previous Adjournment debates. Those community hospitals can work with social services to provide good community care through the three Rs of community care: recuperation, rehabilitation and respite care.

People who have had their operation can be moved out of busy, noisy, intensively nursed acute wards into more appropriate local care near their families to recuperate before going home. If they need rehabilitation, they can receive physiotherapy or occupational therapy and their houses can be modified while they are in a cheaper bed in a community hospital. Respite care can be given for one in four, six or 10 weeks, according to need, to enable carers to cope more easily and to reduce emergency admissions.

We want more money to be allocated to community care for mental health to take the pressure off the acute sector in mental health, and we want more care for carers, perhaps through specific targeted funding and by implementing the recommendations for the assessment of carers' needs, as laid down in the Carers (Recognition and Services) Act 1995, which has never been properly funded.

By giving more resources to social services departments in local authorities and to the NHS for spending in the community to release money in the acute sector, we can give the elderly and vulnerable people in Oxfordshire and elsewhere the care that they deserve.

11.57 am

Dr. Julian Lewis (New Forest, East): As a new Member, it has been a privilege for me to hear for the first time the hon. Member for Wakefield (Mr. Hinchliffe) speaking on a subject on which he has a fine reputation in all parts of the House. If I understood his argument correctly, he said that we should move more in the direction of community care in the long-term treatment of the elderly, much as we have already done in the long-term treatment of the mentally ill.

As some hon. Members present will know, I was fortunate enough to introduce a Mental Health (Amendment) Bill when I was drawn second in the private Member's Bill ballot. I shall refer briefly to three categories of people who are affected by community care for the mentally ill: people who may kill; people who need what might be termed "a periodic MOT"; and people who need a place of refuge.

On his thoughtful speech, the hon. Member for Oxford, West and Abingdon (Dr. Harris) was a little too glib when he attributed to shortage of resources the problem of homicides committed by people released from psychiatric institutions into care in the community. I am sure that he does not mean that generally, because it is certainly not true.

It is a little strange that people are prepared to take chances with the lives of citizens by releasing people into the community, knowing that there is a significant risk that they may harm others—often members of their own families. By contrast, if one applies the same argument to the capital punishment debate, it is often said that one must not risk accidentally executing one innocent person, even if it means that 99 guilty people escape the gallows.

That shows a slightly different sense of values. There seems to be a complacency about taking the risk of releasing potentially lethal people into the community, but none about taking the risk of accidentally executing someone who is innocent. I am sure that the families of those who have been killed by people who were wrongly released into the community would have a lot more to say on that subject.

One must not throw the baby out with the bath water as one moves in the direction of community care for people who need a periodic MOT. There are people who suffer acute suicidal depression which cannot be coped with through care in the community alone.

There used to be a system which I understand—I am not an expert in this field—was known as "the revolving door." The idea was that people would be encouraged to live their lives normally in the community as far as possible; but, when they felt a crisis coming on, there would be an institutional facility available for them—to give them an MOT, to give them a service, to get them back on track. Then, perhaps, they would not require any more in-patient treatment for another three or four years. That process could continue steadily for the rest of their lives.

I am concerned that the shift towards community care and away from institutional treatment for people who are mentally ill, creditable though it is in general, has deprived such people of the facilities they need from time to time to keep themselves on the straight and narrow.

I refer now to the people about whom I was concerned when I introduced my private Member's Bill, which, sadly, was talked out in five and a half hours of precious parliamentary time, perhaps to little avail, on 12 December last year—people who need a place of refuge. It is often said that there are insufficient beds for people who suffer acute psychiatric breakdowns. That is not necessarily the case.

The problem is that, as a result of the mass closure of institutions, such beds as remain are not sufficiently compartmentalised between different people with different mental illnesses. Even where a bed is available in a psychiatric unit for someone who is suffering from an acute psychiatric, potentially suicidal, breakdown, the GP, or other medical officer in charge, will not want to recommend that that person takes it if he or she will thus be placed in an environment with seriously disturbed people, which could only harm rather than help his or her condition.

I hope that the Government will think again about blocking the Bill that has been reintroduced in another place by Lord Rowallan. I am pleased to say that it has been given the Second Reading there that it was denied in this House. I hope that the Government will think ahead a bit more about creating a strategy whereby those who, from time to time, need admission to a psychiatric unit can have a bed there to enhance their condition, not to make it worse.

12.3 pm

Mr. Patrick Nicholls (Teignbridge): I congratulate the hon. Member for Sutton and Cheam (Mr. Burstow) on his choice of subject for debate. He and I might have slight differences about solutions in given circumstances, but nobody could criticise him for having introduced the debate or the manner in which he did so.

The debate so far has been characterised by an understanding—I hope that it will continue in the time remaining—that, although we may disagree from time to time on how to achieve a given end, it is, as the hon. Member for Wakefield (Mr. Hinchliffe) said, ultimately about ensuring that our elderly people receive the care that we expect and hope for. That aspiration is shared by hon. Members on both sides of the House.

When I was preparing for the debate, I recalled having seen many years ago a rather dramatic advertising poster in the maternity unit of a hospital in Exeter. It struck me as rather apposite. It said, "The first seven days are the most dangerous in your life", and some wag had written underneath, "And the last seven are not devoid of hazard." In a sense, that is where I am coming from.

The hon. Gentleman made it clear that, although this is a wide-ranging debate, he wanted to talk about care of the elderly. I shall say a word or two about that as well. We are, after all, living in a greying population. The figures are dramatic. Between 1951 and 1996, the proportion of the population aged 65 or over increased by 66 per cent. The number who are 75 and over has increased by a dramatic 136 per cent.

At present, there are some 10 million pensioners in the UK. Eighteen per cent. of the general population are over pensionable age. Two thirds of those who are over 75 are women and more than three quarters of them are aged 85 and more. In 1993, a man of 60 could expect to live for another 17.8 years and, inevitably, a woman 21.9 years. Old people account for some £20 billion of spending in health and social services every year. Nobody need be in any doubt that we have a greying population, which imposes obligations and concerns on us that were not foreseeable in 1950.

I was particularly pleased to hear the hon. Member for Oxford, West and Abingdon (Dr. Harris) pinch one of my lines. One often hears about this, and it is often presented as a problem, but it is not. Not so long ago—certainly in our grandparents' generation—if someone was 50, their time was virtually up. These days that is not the case. If it were, several hon. Members in the House at the moment would feel more than nervous. It is good news that people are living so long. We are in the business of trying to ensure that they live for as long as possible and that they have a good quality of life for as long as possible—one that we would enjoy.

What people want when they consider care in their old age is affordable, quality health care. They do not want their hard-earned savings, for which they may have worked all their lives, to be gobbled up in their last two or three years. After a life in which they may feel that they have achieved some modest material success, they do not want to have nothing to leave to their children. There cannot be an hon. Member who has not had experience of difficult cases about where the money is going. Sometimes the concern is felt every bit as much by those who will not be able to leave something as it is by those who think that it is not right that they will not inherit. Those are the two principal considerations that must be dealt with.

To some extent, community care for the elderly has grown like Topsy; we have not had a firm policy, it has just occurred. We have heard about the way in which community care has developed and about the changing role of local authorities. The Government are to be complimented—I say this quite straightforwardly—on having set up in December the royal commission to examine the short and long-term options for sustainable funding for long-term care for elderly people in the UK, both in their own homes and in other settings, and within 12 months to recommend how and in what circumstances the cost of care should be apportioned between public funds and individuals. That is a succinct statement of what the commission will examine.

The commission has yet to report, so it is early days, but has the Minister had any preliminary thoughts on the matter? He shakes his head slightly, but he must have had, because he has announced a number of other initiatives, for which I commend him. I hope that he will say something about the composition of the commission, under Sir Stewart Sutherland, which represents a roll call of the good and the great. The Minister will know that certain groups, such as care providers, charities and lobbying groups, are anxious because they are not represented on the commission.

Private sector providers of residential and nursing home care are worried that their voice may not be heard in the commission. Barry Hartley, chairman of the National Care Homes Association, said:

> "We are extremely disappointed that there is no representation from the private care sector on the Commission or of care practitioners. The private care sector has a wide ranging knowledge of how the current system works and it also has experience and expertise of the funding of long term care which may well not be available elsewhere."

We must take that on board, because it addresses head on the worries of the hon. Member for Wakefield about trends under the previous Government.

I thought for a moment that he had not realised that the Conservative party was no longer in government. I share his confusion, because it takes a while for such things to sink in. I do not intend to attack the Minister yet, because he has not been in post for long enough, but he must say how he sees the future. I understand where the hon. Gentleman was coming from, but do not entirely agree with him. However, I agree with him on some issues.

We would all like to stay in our own homes and among our families for as long as possible in old age, but that will not be an option for everyone. The hon. Gentleman used the word dogma. We should not be dogmatic and say that local authorities should provide care because it is wrong for the private sector to make a profit from it. I do not have the slightest interest in who provides care; I want to ensure that the best care is provided.

Mr. Hinchliffe: The hon. Gentleman misunderstands my point, which is that privatisation of care has led to people taking a limited view of the models available. The private sector has shown a lack of imagination, which is not to say that all private care homes and nursing homes are bad. They offer extremely backward models, and I am

[Mr. Hinchliffe]

surprised at the lack of exciting policy development, given that the sector is desperate for challenges such as I have proposed.

Mr. Nicholls: I am grateful for the hon. Gentleman's clarification, which shows that our views are not so far apart. I accept that people should stay in their own homes for as long as possible. Some people, wrongly but sincerely, feel uneasy about transferring community care from the local authority sector to the private sector.

Mr. Burstow: Does the hon. Gentleman think that the bias in the market is a problem? Community care in the home—domiciliary services—costs more than residential care. Surely there should be a level playing field.

Mr. Nicholls: It costs what it costs. Community care is not cheap, but people will demand it if it is the right option. The Government of the day are responsible for its delivery, or for explaining why it is not being provided. Some people think that private sector provision of residential accommodation is wrong.

My mother was a matron for Devon county council, so I have probably spent more time in part III residential accommodation than any hon. Member. Her last appointment was to a purpose-built state-of-the-art old-people's home. I lived there for a time and have no criticism of the standard of care provided. We could compare private sector and local government sector facilities, but it is quality of care that is important. There would be more money to go round if care could be provided more cheaply, and I would not object if it was increasingly provided by the private sector. How does the Minister view the development of private sector care?

Mr. Ivan Lewis (Bury, South): I seek clarification. We all agree that quality of care, not who provides it, is the most important issue. A number of local authority homes closed when the Conservative party was in government, not because they provided care that was not equal to that provided by private sector establishments, but because financial arrangements for community and residential care were deliberately skewed in favour of the private sector so as to stimulate that sector and to disadvantage the local authority sector. Does the hon. Gentleman accept that decisions should have been made on the basis of quality, not on the basis of ideology?

Mr. Nicholls: I would agree if I accepted the premise—but I do not. Once local authority care was properly priced, we could find out what it cost. There are exceptions, but my experience in Devon is that private sector residential care is less expensive than local authority care. Some people are more comfortable in traditional part III residential accommodation, but they must have a choice. I think that I am at one with Devon social services department on that.

I was impressed by the remarks of the hon. Member for Wakefield about people finding it increasingly difficult to understand whether they or the state is responsible for their care. The Minister will correct me if I am wrong, but I understand that the problem stems from the inception of the welfare state. Now, however, more people are more prosperous and are living for longer, so they are more likely to need care, but might lose their money by paying for it. Such people tell me and every other hon. Member, "I've paid my dues, I'm entitled to care."

The problem is that the national insurance system gives people the moral right to be looked after in their twilight years but does not provide the funds to pay for it. The Minister's petty brutalisms about not wanting lectures from Conservative Members are an engaging part of his speeches, but how will he deal with that problem?

A Labour Whip said to me the other day, "We are all Tories now." I am not sure whether that is entirely true. I am not referring to the hon. Member for Liverpool, Wavertree (Jane Kennedy). The aura of Toryism sits ill on a number of Labour Members but, ignoring his radical youth, it sits well on the Minister. I have invited the hon. Gentleman to visit my constituency and a hospital there. If he felt able to do so, he would see a number of things that might be relevant to today's debate and he would thoroughly enjoy that, but now we all want to hear—once we have heard the ritual petty brutalisms—how he sees the future.

12.19 pm

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): I have never been accused of delivering brutalisms that are petty, and I do not intend to begin today.

The less said about the speech of the hon. Member for Teignbridge (Mr. Nicholls) the better, but I certainly look forward to visiting his constituency. I shall arrange for a suitably equipped person to ride shotgun as I enter the heartlands of true Toryism.

The hon. Gentleman mentioned the lady Government Whip who had said, "We are all Tories now." I am assured by my hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy)—who is sitting next to me, but who must of course be silent during the debate—that it was not her. I am asked to make that clear, and I do so, being one always to take the advice of my Whips—particularly that of my hon. Friend.

This has been a good debate. In many ways, it has been characteristic of what is meant to happen on Wednesday mornings. On Wednesday mornings, hard-working and committed Back Benchers are supposed to talk about the subjects that they know best, rooting their speeches in experience gained from their constituencies and their lives. All Back Benchers who spoke today did that, and the House owes them—especially the hon. Member for Sutton and Cheam (Mr. Burstow)—a debt of gratitude. The hon. Gentleman brought to the debate a depth of experience and commitment that was especially welcome.

I always look forward to the hon. Gentleman's many questions about incontinence and chiropody. Not only does considering those questions and reflecting on the answers—which I am required to do—pass the time during my journey between the House and my home; they highlight two critical aspects of continuing care, not least the care of the elderly. This Government are committed to opposing and combating social exclusion. In that context, issues relating to incontinence and chiropody are very important in practical terms. If there is no toenail-clipping service enabling an elderly person to go to the local newsagent, that person is being marginalised.

The Government are concerned about the distinctions between a health bath and a social care bath. I know that those distinctions also concern my hon. Friend the Member for Wakefield (Mr. Hinchliffe), who performs his role as Chairman of the Health Committee in such a distinguished way. We have spent much time considering the matter, but it is not at the forefront of the mind of the person who is waiting for a bath and who wants his or her dignity to be protected. We must ensure that the interface between health and social care is more efficient. We are determined that the boundary should be managed properly and, later in the year, we shall produce a White Paper setting out our thinking.

Such boundaries will inevitably exist. That is the central aspect of reconfiguration: if, by the wave of a magic wand, we were to reconfigure health and social care tomorrow, a boundary somewhere would still have to be negotiated. We want to ensure that we manage the boundary better than we have in the past: that is why it is so important that the White Paper holds out the prospect of pooled budgets. When health and social care can be managed better by that means, it is one way forward—but only one way; of itself, it does not answer all the questions.

The effective pooling of budgets will be helpful and I know that many local authorities and people in the health care sector look forward to the time when they will be able to underpin their joint planning in that way.

Mr. Burstow: The Minister may be about to deal with the issue of conterminosity between GP consortiums and social services departments. What mechanisms will he introduce to provide incentives for coterminosity?

Mr. Boateng: We have made clear in the White Paper that we expect social care boundaries to be taken into account in the formation of primary care groupings, and we have no doubt that they will be. It should be recognised, however, that some of the good practice highlighted by the hon. Gentleman and others in any event involves social workers—whether in the statutory or the voluntary sector—working ever more closely with the primary care team.

I was interested by what my hon. Friend the Member for Wakefield—backed up by the hon. Members for Sutton and Cheam and for Oxford, West and Abingdon (Dr. Harris)—said about the capacity of health visitors and GPs working in the primary care team to gain access to meals on wheels and other aspects of social care. We want that to be made easier. We need a structure that is patient-focused, empowering people to maintain their independence and giving them choice. We should be keen to provide better care and better outcomes for individuals. We need to be better at measuring what we do in terms of outcomes and the value that we add to the lives of vulnerable people.

In the few minutes that remain, I want to make a couple of points which, I fear, cannot do justice to the breadth and quality of the debate. We have made new resources available. For health alone, in addition to the £500 million announced in yesterday's Budget statement, £1.2 billion has been provided, including an additional £0.3 billion to deal with winter pressures. The hon. Member for Oxford, West and Abingdon should note that Oxford has done particularly well out of that. The good news is that much of the money that has been channelled through the NHS has gone to social services departments, which have used it to build on existing good practice. We are talking about establishing better systems for rehabilitation and recuperation and taking more care with multi-disciplinary assessments in terms of both admission and discharge.

I have mentioned the care of the elderly. This morning I attended a seminar, or conference, organised by the Alzheimers Disease Society. We examined the way in which we could, through joint working, better meet the needs of that particularly vulnerable group. I pay tribute to the ADS for its pioneering work in that sector. There is new money and local authorities and health authorities are learning to use it better, but we cannot be complacent—we must be constantly vigilant.

On mental health, of course, much needs to be done. My right hon. Friend the Secretary of State for Health has made it clear that he regards that as a priority. His remarks on care in the community and its failures were well received.

Mr. Deputy Speaker (Mr. Michael Lord): Order. We must now move on to the next debate.

Employment Agencies

12.30 pm

Mr. Phil Hope (Corby): Thank you, Mr. Deputy Speaker, for giving me the opportunity to initiate this debate. I raised the problem of employment agencies in my constituency in my maiden speech some nine months ago, and it seems only fitting that we should debate the subject again after the excellent Budget of my right hon. Friend the Chancellor of the Exchequer.

I thank Corby borough council, local employers and schools in the constituency for their work to tackle the problem. I am keen to use this opportunity to describe the problems we face in Corby and to make some suggestions to the Minister of State of ways in which to tackle the issue nationally.

I agree with the words that the Minister spoke in Manchester earlier this year to the Institute of Personnel and Development, when he stated that the Government's intention was to promote skilled, adaptable and motivated employees. He said that the Government's concept of flexibility was qualitatively different from that of the previous Government. That meant that this Government believed that the work force should be adequately trained and continuously developed, and should receive guaranteed minimum standards, enjoy equality of opportunity, be fully involved in achieving business objectives and build their own feeling of job security in the process.

We in Corby share that view, and we are delighted that a review is taking place of employment issues and the employment status of agency workers. I hope that this debate will be an opportunity to contribute to the review that the Department is undertaking. However, the starting point is grim; we have a long way to go.

An employment agency supplies temporary workers to local companies. The Employment Agencies Act 1973 and the subsequent regulations govern their operation. However, working for an employment agency can be a nightmare.

A good example involves John, who was 16 when he worked for an agency. He used to do the twilight shift at a sandwich-making factory from 5 o'clock to 10 o'clock at night. He would go to school during the day and, at 5 o'clock, begin his shift. He would do that on Monday, Tuesday, Wednesday, Thursday and Friday—five nights a week. Not surprisingly, John did not do awfully well at school.

Jane and Sarah, two young women who are older than John, had an appalling introduction to the world of work when they left school. Over one 10-day period, the agency bus—which employment agencies use to pick up workers at 6 o'clock in the morning, for example—failed to pick them up for their assignment. During the same period, they were given a night shift for which they were totally unprepared; they were told simply to be there. One night, they were left to walk home from the factory because the agency bus did not turn up to pick them up. One evening, they had to work a 13-hour shift, which is simply unacceptable. They were promised compensation; that promise was broken.

Ann, a mature worker whose income was the only money going into the family, worked for four days on a five-day assignment, but could not work on the fifth day. Her contract said that she would be penalised for not turning up, and she was: by being paid only £1 an hour for each of the 35 hours that she had worked that week. Harsh penalty clauses directly affected her ability to feed her family. Frankly, the 1930s queue at the factory gate has been replaced by the 1990s queue for the agency bus.

House of Commons Library research estimates show that, nationally, there are some 10,000 agencies, covering every sort of employment. In 1995, it was estimated that some 880,000 people were placed in temporary jobs each day.

Mr. Andrew Reed (Loughborough): I particularly thank my hon. Friend for raising this debate today; 880,000 people is a significant number. Does he accept that there are examples of the problem in places such as Loughborough, where hotels that have not sold enough beds overnight send employees back home? Is that the sort of thing that he wants raised in the debate? Will that not ensure that we can raise the profile of those people, who have genuine commitments in terms of bills, but who are turned away from work each day just because there is not enough work for them on that particular day?

Mr. Hope: I thank my hon. Friend for that intervention. That is exactly the sort of problem that exists not just in Corby, but elsewhere. I dare say that, as we speak, the 1995 figure is getting worse. It would not be surprising if today, in Corby and throughout the country, more than 1 million people are going to work on an agency contract and not on a proper employment contract.

A 1997 survey by the Northamptonshire chamber of commerce, training and enterprise in Corby showed that 50 per cent. of medium firms had used agency labour in the past three years, and that 81 per cent. of large organisations had used such labour.

We estimate that nearly 3,000 people a year in Corby get work through one of the 20 employment agencies in a rather small town. Agency working has become endemic; it has become the norm for young people starting work for the first time. It has almost become the way in to work for most people seeking jobs.

There are reasons for that. Agency working is high in Corby—and perhaps elsewhere in the country—because of the diversity of its local industry, much of which is in the food processing and manufacturing sector. Many businesses in that sector have fluctuating work force demands because of changing markets, seasonal demands and so on.

Companies stopped using overtime to deal with those fluctuations, and began to take agency staff on poorer contracts to cope with those changes. Therefore, the pressure has grown in Corby for a largely low-skilled labour force, who are available seven days a week, work a variety of hours and can be hired or fired at will. We have now reached saturation point. Most of the workers—manual or skilled—have signed up with agencies, which means that they have cornered the market, and companies cannot get the labour they require.

The point about agency working is how exploitative it is. In Corby, working for an agency usually means no sick pay, no holiday pay, and poverty wages of £2.50 an hour. One agency boasted in an advertisement that it was the

highest-paying agency in the area, at £3.75 an hour. Of course, there is no job security—a job one week, and no job the next.

Mr. David Drew (Stroud): I welcome the debate that my hon. Friend has secured. May I share with him a problem that I had in my constituency?

One of my major employers signed an agreement with an agency and, over time, it decided that the people the agency had employed were worthy of being taken on permanently, yet the agency said that it had an agreement with the company, and refused to release those workers. Thankfully, pressure was brought to bear, and the agency eventually agreed that it would end its contract with both the company and the people with the agency; but it shows the problems where people are prevented from taking permanent jobs because of an agency's actions.

Mr. Hope: My hon. Friend is absolutely right. I have experience of exactly the same problem. Agencies charge what is called an introduction fee. If the agency worker is offered a permanent contract in a company, the agency demands a fee of about £300 to release the individual from his or her contract to take up the permanent contract with the company. That is a straight exploitative practice that we should try to end.

There are other forms of abuse. As well as having no sick pay or holiday pay, earning poverty wages and enduring those blockages to getting a permanent job, workers sometimes have to pay for their own factory overalls, or for cleaning them—all out of the poverty wages that they receive.

We also see confusion over responsibility for health and safety checks. Agencies are supposed to screen workers before placing them with food manufacturers or processors. However, the agencies' quality checks are not always as they should be, which can put at risk not only the agency worker but the consumer of the product that the company sells.

Bad practice, of which I have mentioned some examples, is rife, yet few agencies have been prosecuted, and even fewer closed. The regulatory framework of the 1973 Act is so minimalist that practically anything goes.

It is not only individuals who are affected; the impact on the local economy is profound. Agency work has created a culture which allows people to drift, in which work is not secure or well paid, and which stores up problems for the future. In Corby we are developing a low-wage low-skill economy; we even see people's skills deteriorating rather than improving as we would like them to.

That can lead to a downward spiral. Other employers are not attracted to the area because of the effect that bad practice has on the labour market, and we also see the depression of other wage rates because agency wage rates are low. There can be a climate of fear; I cannot emphasise that fact too much. Ordinary workers in the factories are threatened that, if they do not abide by what the company says, their jobs will be given to agency staff—and agency staff will not complain, for fear of being victimised and never being offered an agency contract again.

Young people, in particular, are victims of those circumstances, and a damaging culture affecting them is growing up. Their working hours are clearly interfering with their school work and educational performance. Older students working twilight shifts, and night shifts at the weekends, are lowering their educational performance and expectations. I believe that there is evidence that agency working can also be an incentive to truanting for younger children. In one school in Corby, the head teacher conducted a survey that revealed that 79 per cent. of the sixth form, and 39 per cent. of year 11 students, were working for employment agencies.

Those figures are huge, and they represent a desperately poor introduction to the world of work, because there is no proper training and no career path. I have seen evidence, which I have been exposing to the local press—I have also forwarded examples to the Minister—of abuse of the regulations governing under-age working, night working and so on.

Companies in Corby have complained to me about young people having the wrong attitude to work, saying that they do not have the work ethic that young people used to have. However, some companies are breeding that poor work ethic by using agencies that give young people the experience of starting work with poor pay, no job security, no loyalty and no prospects.

Families are affected, too. Families now relying on agency work rather than permanent contracts have to survive on low wages, and they cannot plan for the future, because of job insecurity. They have no income to cover for periods of sickness or holidays, or for children being ill, or even to save up for their pensions. They have no rights over their working hours, and no opportunities to progress and develop. I have seen examples of men and women who have been working for agencies for years. They may gain skills, but they do not gain the qualifications that they need to progress.

Companies use agency labour because they believe that it saves them money, and the problem of having to recruit. However, in Corby the 1997 survey showed that at least half the companies that used employment agencies were dissatisfied with the quality of people they were getting. That is not surprising. The over-reliance by companies on employment agency labour means that business efficiency suffers. The people they take on are, through no fault of their own, less reliable and less efficient. They also show less commitment—inevitably, because they are always being moved from one factory to another—and need greater investment if they are to progress.

Even more worrying is the impact on Government policy. The new deal for young people will be undermined if young people are excluded from the quality jobs and training on offer because they are taking up poor-quality agency assignments. Our "fairness at work" proposals will all be undermined if agency workers are excluded from the measures.

Our social exclusion strategy, too, will be undermined; wages will be low, insecurity will be high, and the general downward spiral of poor jobs, low skills and lack of personal development will get worse. That all reinforces an anti-learning culture that is the reverse of what we need to promote our social exclusion strategy.

What will be the role for employment agencies in future? At its best, the employment services sector has a significant contribution to make to businesses, by acting as a responsible partner offering a strategic contribution to human resource planning, and as a "best practice" employer of a flexible work force.

[Mr. Hope]

However, a deregulated labour market that allows unscrupulous agency practices and businesses to flourish must be dealt with. We need action to control the cowboys who simply break the rules, as well as to deal with those who conform to the bare minimum standards. Crucially, the Government need to act to avoid the creation of a two-tier work force that would undermine the strategy for improving employment standards, and thus the nation's economic performance.

It is in the national interest that all parts of the work force have access to minimum standards of employment protection and benefits, and to training and development. Flexibility in business needs to be matched with responsibility.

I have some suggestions about the way forward, to which the Minister may consider responding. I believe that we need a comprehensive audit of what is happening in employment agencies. I have already given some figures, but the Department of Trade and Industry workplace industrial relations survey of 1997 will focus on people employed as the staff of an employment agency but not on the hundreds of thousands of people who are taken on on agency contracts.

There is an urgent need for a review of the scale and impact of employment agency working on families and communities, on the economy and on the implementation of wider Government initiatives. I ask the Government to consider undertaking that audit. We could use the skills and resources of the health and safety inspectorate, or perhaps of the local trading standards officers, who in Corby have been helpful in raising awareness of abuse. Perhaps we could use the Audit Commission. We have the resources, and we could do a comprehensive survey.

We should extend legal protection to agency workers. That should be a vital part of our strategy. I ask the Government to consider ways of applying the new legislation already planned, in such a way as to help agency workers. For example, the statutory minimum wage would, at a stroke, reduce much of the abuse of agency workers. The European directive on part-time workers' equal status, the working time directive, the young workers directive and the social chapter, taken together, could help to deal with the problems.

We are looking forward to seeing the fairness at work legislation on union recognition. There are examples of agencies such as Manpower, which is a national employment agency with a properly negotiated recognition agreement with the Transport and General Workers Union. Perhaps we could ensure that employment agencies are included within the ambit of the recommendations. We should certainly seek to outlaw zero-hours contracts.

Even that will not be enough. The current regulations under the 1973 Act, which is now 25 years old, specifically do not include terms or conditions of employment. In practice, anyone can walk in off the street, put a board up in a shop window and start an employment agency. Such cowboy agencies are giving the better agencies a bad name.

I believe that it is in the interests of the good agencies to have a proper system of licensing, standards and regulation. I ask the Government to consider developing new standards of operating guidelines to regulate the industry, drawn up in consultation with all the relevant organisations.

Let us see some operating guidelines that cover wages, statutory sick pay, holiday pay, guaranteed minimum hours, proper job descriptions, parental leave and union recognition, as well as outlawing harsh penalty clauses and introduction fees, and making training an essential part of an agency contract. They should also provide for reference checks to ensure that young people are not working under age, and that, if young workers are at school, the school is fully informed about the work they are asked to do.

We need to take forward a variety of strategies. I should like local authorities to follow the example of Corby borough council, which is leading the way locally in drawing up fair employment charters in collaboration with local businesses and employment agencies. Perhaps local authority trading standards officers could be given the function of monitoring and enforcing the law and the regulations, and of promoting good practice.

Could the Government encourage businesses to recruit young people as permanent staff through the modern apprenticeship system, rather than as agency workers? Perhaps we could encourage more businesses to make their production plans more effective, so that firms can have a trained, flexible work force committed to one company. We could also ask the Department for Education and Employment to publish guidelines for schools to combat the effects of agency working, and to promote a proper balance of work and study for students.

It is 25 years since the law governing employment agencies was created, and now we need new and modern employment laws for a new and modern Britain.

12.48 pm

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): I am grateful to my hon. Friend the Member for Corby (Mr. Hope) and to other hon. Members for raising the issue of employment agencies in the labour market and specific related concerns, both in their own constituencies and wider afield. In the time available, I shall try to deal with most of the points raised by my hon. Friend the Member for Corby. I undertake to write to him on the matters that I do not deal with in this debate—in which he has given a powerful and sometimes moving description of the world of work for many people in Britain who work in agencies.

Agencies play an important role in a well-functioning and flexible labour market, but some operators give the industry a very bad name. I shall take the opportunity provided by this debate to say something about that matter.

In Committee on the National Minimum Wage Bill, I said that agency working can provide legitimate access to labour markets. In the best examples, it can provide flexibility for employers and employees in the arrangements they make with one another. I do not oppose agency working or its growth in the labour market, provided that it is not used to undermine employees' access to basic minimum standards.

As my hon. Friend the Member for Corby said, a variety of problems can be experienced by agency workers, including low pay, lack of holiday entitlement,

poor training and absence of sick pay. Some of the better agencies already offer workers those entitlements, but regrettably many do not. The Government have already embarked on our programme to ensure that all workers receive the minimum standards to which they are entitled. When I say "all workers", I include those who work for agencies.

My Department's employment agency helpline has received more than 10,000 public inquiries annually, about 10 per cent. of which are from workers who have experienced problems so serious that a formal investigation by my Department's inspectorate has been necessary. One third of the cases involved a failure, or an apparent failure, to pay workers correctly or on time. A further third of complaints investigated were either of a general nature, or involved issues related to the written terms of a contract or the lack of a contract.

In recent years, some agencies—such as ABC Contracting Services—have had a practice of putting workers on penalty-pay contracts, in which those who become sick or absent for other reasons are paid as little as £1 per hour for work they have already done. That is not an acceptable practice, or the type of behaviour that gives industry a good reputation. Such practices damage or destroy the industry's reputation.

Standards of a few agencies are unacceptably poor. Last year, for example, a complaint investigated by myself involved a worker who had been underpaid in the constituency of my hon. Friend the Member for Corby. Despite assurances that the matter would be corrected, the agency had to be approached by my Department several times before it eventually paid the worker the money that he was owed.

Such poor standards are simply unacceptable. My Department is determined to enforce the provisions of the Employment Agencies Act 1973 in agency standards, and we shall regularly bring prosecutions in magistrates courts to do so.

Two cases that were heard earlier this month included one in which the agent was both fined and ordered to pay a worker unpaid earnings, with interest, totalling more than £3,700. Another case heard this month involved a company illegally charging workers fees for work-finding services. A fine of £5,000 was imposed in that case for only two offences. Current prosecution levels are greater than at any time since the legislation came into force in 1976.

My Department can also apply for orders prohibiting—for up to 10 years—unsuitable persons from running agencies. The first six such applications were obtained during the latter part of 1997, and ranged from periods of three years to the 10-year maximum. Another seven such cases are currently before industrial tribunals. I can announce today that several more cases are in the pipeline.

In addition to investigating public complaints, my Department conducts proactive checks on specific concerns. We make periodic unannounced enforcement checks—sometimes targeted on agencies in specific towns—of agencies' compliance with the legislation. In Corby, on 9 December 1997, 20 such agencies were visited by a team of six of my Department's inspectors. Some of the agencies were found not to be complying properly with the regulations, and have been instructed to take corrective action.

I make it quite clear to the House that the Government will not tolerate the type of worker abuse uncovered in such cases. Most reputable operators and trade associations, such as the Federation of Recruitment and Employment Services and the Agents Association, welcome our tough approach.

Other measures—such as introduction of the working time directive, which will be implemented by 1 October 1998—will ensure that agency workers receive three weeks paid annual leave. Agency workers will also, of course, be covered by the national minimum wage. Young workers, and agencies, will also be covered by the young workers directive.

Much of the regulatory framework applying to the industry is now 20 years old. Since coming to office, we have intended to consult on updating that framework. More resources are now being applied to the matter, and we hope shortly to publish a consultation document. I am sure that the views expressed in this debate will be considered in that consultation process.

The employment status of some groups of workers is another specific concern. Some employers have attempted deliberately to make employment status unclear, to avoid employment or other legislation. For some months, my officials have been reviewing employment status issues involving various groups of workers whose position is less than clear, including agency workers. The review is almost complete, and we shall shortly consider what action to take on the issue.

The practice of some employers to contrive in creating a bogus self-employment status—so that workers are denied their rights—cannot persist. Confusion in employment status is not only unhelpful to workers, but, equally important, costly for British business. Good employment practices—in which employers invest in training and education, and in skilling, upskilling and re-skilling—should not be undermined by poor employment practices in the workplace, in the labour market or in the provision of goods and services.

Employers require a level playing field in competition. However, as bad employers have been able to undermine the ability of good employers to compete by paying low wages, some employers have engaged also in contractual arrangements with their employees that are based not on improving service quality but on the downward spiral of poor pay, poor conditions and poor training, and on little or no investment in the work force.

Britain must have a high-value economy based not on the lowest common denominator of poor standards but on investment and the highest possible standards. Employers and employees have an obligation to each other. The employee has an obligation to the success of the enterprise in which they work, and the employer has a responsibility towards the employee. Partnership is the only way forward for successful businesses in the United Kingdom. The Government will respond to unfair competition that is based on unfair practices by providing minimum standards for all workers in the labour market.

The "Fairness at Work" White Paper will state our plans for achieving decent minimum standards at work while maintaining a flexible labour market and improving competitiveness. Central to the White Paper is the implementation of our manifesto commitment on union recognition. The White Paper's inclusion of other issues will be decided soon. We have considered many representations on those issues.

[Mr. Ian McCartney]

Once the White Paper is published, I am sure that my hon. Friends will be assured that the Government—with industry and trade unions—are searching for a vastly different system of co-operation in the workplace, and want development not only of minimum standards of care and duty to employees but investment in the workplace that involves both employers and workers, to ensure the success of those companies.

Mr. Phil Sawford (Kettering): I note and welcome my hon. Friend's statements that the regulations—which are now 20 years old—should be reviewed. The main issue is enforcement. My hon. Friend the Member for Corby (Mr. Hope) was correct in his constructive suggestions on how the regulations might be properly enforced. However, I think that a third aspect of the matter is dissemination of information—finding ways in which we can get the message explaining their rights to agency workers.

Will the Minister consider establishing an information programme, so that people working in agencies know where and to whom they can take their complaints if they feel that their rights are being breached? It is an essential part of the enforcement process.

Mr. McCartney: We already do that. That is why the hotline receives more than 10,000 inquiries a year from agency workers who want sound advice and assistance. In addition, on the implementation of the national minimum wage, significant resources will be made available to ensure that employers and employees know of their obligations and rights in respect of the legislation. Every time that we provide new minimum standards in the labour market, it will be our intention to provide information for employers and employees to ensure successful implementation of legislation. I thank my hon. Friend for his comments.

Any hon. Member who has evidence of potential or actual breaches of health and safety issues relating to young people working illegally in the labour market should let me know about it. The Health and Safety Executive will take immediate action to rectify the situation.

Mr. Deputy Speaker (Mr. Michael Lord): Order. We must move on to the next debate.

Street Furniture (Rural Areas)

1 pm

Mr. David Prior (North Norfolk): I start by apologising for the rather prosaic title of this Adjournment debate on the Order Paper: the impact of street furniture on the rural environment. By street furniture, I mean the whole clutter of signs, railings, bollards, concrete kerbing, street lights, telecommunication masts, concrete traffic islands, raised roundabouts and the like, which have migrated remorselessly from urban areas, where they may be acceptable, to the rural environment, where they are not. As the Council for the Protection of Rural England has remarked,

"We must not abandon our rural landscape to death by a thousand cuts. It is not always the major attacks—the out-of-town shopping centres, the new dual carriageways—that do the most harm. The slow accretion of smaller alterations ultimately can be far more damaging."

I pay tribute to the Norfolk Society, the Norfolk branch of the CPRE, which first brought the issue to my attention in its excellent and graphic booklet, "Norfolk in Peril", which is subtitled "Halting the Destruction of our Countryside: Our Highways and Byways, an important resource that must be protected for present and future generations before it is too late". I also pay tribute to the Sharrington Society, which brought my attention to the construction of two monstrous new motorway-style signs, measuring 3.5 m wide and 3 m high on the A148 between Fakenham and Holt in my constituency. Sharrington now has six signs, all on the A148, and within a mile—all for a village of approximately 60 houses. The signs are clearly out of place in such a small village.

I am not wearing the mantle of Mrs. Snell of "The Archers". I am not against change for the sake of it; I am rather in favour of progress and of some enlightenment. The battle against street furniture and clutter is not one for prohibition. No one argues that road signs or adverts should be banned altogether. One argues for sensibility, tact, and above all, good design. Good design defies contempt, no matter how familiar it becomes. Bad design, overkill and bad siting, not standardisation alone, is the enemy. One has only to compare a new BT telephone box with an old one, look at a line of orange concrete sodium lighting poles or see a telecom mast on top of a hill to know exactly what I mean. We need designs for the countryside, not for urban environments. We must safeguard our local idiosyncrasies and character; that is what makes our rural areas special.

I shall draw an analogy with agricultural practices. Not many years ago, farmers were being encouraged to rip up hedges, fill in ponds, burn stubble, implement drainage schemes and plough marshes. Intensive production was the name of the game, and huge damage was done to our countryside and wildlife. Today, the pendulum has well and truly swung the other way. For that change we have much to thank my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) for.

We now have sites of special scientific interest and areas of outstanding natural beauty; places such as the Norfolk broads have national park status; new legislation protects hedgerows; we have environmentally sensitive areas and nitrate sensitive areas. The Royal Society for the Protection of Birds and the National

Trust have more members than all political parties combined. Most importantly, a massive countryside lobby is articulating the views of country people. Yet our highways and byways, which snake through our countryside—some 5,900 miles in Norfolk alone—seem almost completely unaffected. I shall cite four examples to illustrate my point.

The first example is the roadside verge. Road widening has destroyed many wide grass verges. Roadside hedges and trees have often been killed through damage to root structure and consequent water deprivation. There is no longer room for walkers, horses or cyclists to get off the road. Ironically, the widening and straightening of roads leads to faster driving, which calls for hazard warnings, white lines and speed restriction signs. Above all, country lanes have become less aesthetically pleasing. Experience tells us that, when new roads are built and old roads "improved", traffic expands to fill them.

The second example is roadside signs. Too many road signs damage the natural beauty of rural areas. One only has to drive down the A12 in Essex, with its flock of advertising boards, visit Stonehenge, with its melee of road signs, or enter any of the smaller rural towns in my constituency, with town name, speed limit and "please drive slowly" signs, and lights and road markings, to see the damage that has been done. Such over-signing distracts drivers or encourages drivers to ignore the signs. Our villages look increasingly urban. Am I the only one to feel cross at all the byroad signs strewn across the county? They are out of context in the local area and unnecessary.

As one of my constituents pointed out, such new monstrosities were designed

"for the benefit of a driver of a 7.5 tonne vehicle with 90 per cent. sight disability."

The painted aluminium street signs on metal posts are in stark contrast to the traditional white cast iron and wood finger signs. Some brown tourist signs have effectively become roadside billboards—a means of getting around the ban on roadside advertising.

In Salthouse, a tiny coastal village in north Norfolk through which the coast road runs, there is an array of 58 highway signs and dozens of bollards in the space of a few hundred yards. In Sheringham, a lovely seaside town, one is greeted by a raised black and white roundabout surmounted by metal signs. There are numerous examples of grass roundabouts being concreted over, ugly concrete and metal railings around village ponds, and concrete flood pans over fords. They represent in aggregate all the paraphernalia of a people who seem not to care about or be in sympathy with the countryside.

The third example is lighting. There are increasingly few places in England where one can look up into the night sky to see stars in all their transcendental beauty without being suffused by an unwelcome orange glow, which emanates not just from towns but from more and more small towns and villages. What is worse, except perhaps electricity pylons, than columns of tall concrete posts, topped by orange overhead lights? The wonders of a starlit night are as important to many as the finest daytime view.

My fourth example, on which I shall be brief as I am straying from the subject of the debate, is telecommunication masts and electrical transformers. Those ubiquitous and ugly developments must be subject to full planning permission with more public consultation, and mast sharing must be enforced rigidly where possible. I therefore welcome Cellnet's attempt to improve the design of masts through its student design awards and the fact that it is keen to promote more mast sharing as well as notifying local authorities and holding public meetings before making planning applications. However, the order concerning general committed development needs to be revised to give local planning authorities the opportunity to consult properly on intrusive developments.

Mr. Lembit Öpik (Montgomeryshire): Does the hon. Gentleman agree that light pollution, especially in the countryside, is becoming a serious problem, particularly for Britain's thriving amateur astronomy industry?

Mr. Prior: I entirely agree with the hon. Gentleman. I want to make a few specific recommendations to the Minister, one of which picks up the hon. Gentleman's point.

First, the Government should publish a best practice guide on the design and siting of street furniture. The emphasis should be on minimising clutter and maximising local distinctiveness. Perhaps county councils could run local competitions. I hope that the countryside traffic measures group sees that as an important part of its role.

Secondly, planning controls should be extended to include the impact, siting and design of lighting. Why cannot lighting be traditional in design, be at a lower height, shine downwards and be a natural white, rather than a suburban sodium orange? There should be a presumption against new lighting on all roads. Perhaps the Government and local authorities should consider designating and protecting special dark areas.

Thirdly, the traffic signs regulation orders governing the erection of road signs and their supporting poles and structures should be revised to restrict the number of signs and reduce their visual impact. The environmental impact should also be reduced. A code of best practice should be published to encourage highways authorities to review the environmental impact of their signing policies.

Fourthly, new ways should be sought to reduce traffic speeds with minimal visual intrusion. For example, local authorities should have the power to impose a uniform speed limit throughout a village—possibly as low as 20 mph. Small country lanes could also be designated as quiet lanes. That would be a new category of road, with a lower speed limit than the current national 60 mph on A and B roads.

Fifthly, traffic calming schemes should make use of existing or traditional rural features, such as hedges, walls and bends in the road. Road straightening and verge elimination should be a last resort. Perhaps new research could be commissioned on safety. It is becoming increasingly clear that over-signing and road straightening are not having the desired effect. Indeed, in some cases they are having the opposite effect, as repetition reduces impact.

[Mr. Prior]

Sixthly, national planning guidance on outdoor advertising should be revised to reduce visual impact. The areas of special control should be widened and the current proposal for relaxing advertising restrictions on local authorities should be dropped.

The Department of the Environment acknowledged the problem of clutter in its discussion paper in 1994, launching its quality in town and country initiative. The Department accepted that the

"design and use of roads, the impact of parking, signs and roadside furniture all affect the quality of an area."

It went on:

"The Government wishes to encourage traffic management schemes which show great sensitivity to the impact of a street on the local environment. . . . Everyone has a part to play . . . and local people can help identify surplus signs that can be safely removed."

Some county councils are starting to recognise the importance of the issue. In December 1997, Norfolk county council published a booklet called "Highway Corridor", which states:

"In a county with a strong, rural character as Norfolk, roads are also an integral part of our perception of, and access to, the countryside. . . . The design of signing, kerbs, lighting and surfacing and realignments will all affect the appearance of the surrounding rural countryside as does the maintenance of roadside boundaries, trees and verges."

I strongly welcome the nascent co-operation of the Norfolk Society and the county council in the design process. I congratulate the county council on reverting to finger signposts in several instances.

I also congratulate Derbyshire county council, which has published an environmental code of practice on highway signs with the aim of creating

"a safe and well-managed highway while causing the minimum visual damage to the environment."

That has to be a step in the right direction, but we cannot rely on a few forward-thinking councils. Central Government need to set an example and bring pressure to bear on councils and the Highways Agency.

I welcome the fact that the Minister of Transport understands that countryside clutter "provokes howls of displeasure", and is determined that traffic management schemes should meet environmental as well as transport objectives. However, we need action, not rhetoric, from the Government. We need a change in the psychology in the Department. The mindset of the Minister's officials must be changed. It is ludicrous that signs on the new Wymondham bypass in Norfolk have increased in size—and, of course, cost. I was depressed to note, as I drove along the A140 from Norwich to Ipswich last weekend, that bigger signs are in preparation.

The Department of the Environment, Transport and the Regions should urgently review the size and design of all road signs and establish a presumption in favour of small, well-designed signs. My right hon. Friend the Member for Suffolk, Coastal started that change. There is a worry that the process has stalled. I hope that the Minister will be able to reassure us today.

I can do not better than to end almost where I started, by quoting from "Norfolk in Peril":

"One of Norfolk's greatest treasures has always been its remarkable network of ancient lanes and roads with their often narrow and winding routes; beautiful hedgerows and wild flowers; unspoiled verges and sheltering trees; the old discreet white direction signs; grass verged walkways and lack of urban concrete kerbs; and their unlighted beauty in a wonderful countryscape.

These lanes and roads are the envy of the world. They are relatively unique as they follow, in some cases, very ancient rights of way. Their hedges and verges have been the home to a wonderful and varied wildlife. Their very narrowness and winding nature have served during this age of faster modes of transport to keep vehicles at low speeds. Thus have the wildlife thrived and these ancient ways have, in their own way, created a calming influence on those that might otherwise be tempted to speed through the countryside but simply cannot because of these beautiful in-built and meandering natural designs for traffic calming."

1.15 pm

The Parliamentary Under-Secretary of State for the Environment, Transport and the Regions (Ms Glenda Jackson): I congratulate the hon. Member for North Norfolk (Mr. Prior). He had no need to apologise for or regret what he regarded as the dullness of the title of his debate. The issue that he has raised is of great importance. I am sure that all hon. Members have seen and been appalled by the consequences of ad hoc, unco-ordinated developments and decisions in the countryside.

The Government value the countryside highly as an environment in which people live and work and as one of this country's great assets. We are fully committed to the integration of environmental and transport issues at national and international level and at local level, as is well demonstrated in the topic that we are debating today. This is why we now have a Secretary of State for the Environment, Transport and the Regions, why we are developing an integrated transport policy, and why policy responsibilities for land use and transport planning have been brought together.

We have placed particular emphasis on the development of an integrated approach to transport and land use planning, traffic management and streetscape design in town and country. We have said that consideration of rural issues will permeate all our thinking as our integrated transport policy is brought together. That is why, among other measures, we are giving £50 million a year to rural transport, which will enable a substantial expansion in subsidised bus services in rural areas.

The Government believe that most of the day-to-day decisions that impact on the quality of the rural landscape must be taken locally in consultation with those affected. However, those decisions should be taken in the context of coherent policies and against a background of good practice.

We are actively encouraging good design in the countryside that takes account of the special character of a local area. Revised planning policy guidance note 7 reinforces that emphasis on maintaining and enhancing local distinctiveness. It promotes countryside design summaries and village design statements. Produced with the co-operation of local communities, they can bring greater confidence and coherence to design in a local area, and reinforce a high quality of design—a point that is clearly of particular importance to the hon. Member for North Norfolk.

On a practical level, the Department is a member of, and is actively supporting, the Countryside Commission's countryside traffic measures group—as is Norfolk county council. The group, which was launched last July, aims to take forward, in partnership with local authorities,

demonstration projects that will investigate the extent to which local traffic management and traffic calming schemes can be effective in meeting their traffic objectives, while being designed with sensitivity to the countryside environment in which they are set, as well as forming part of wider traffic and transport strategies for a rural area.

The village speed control project—in which the then Department of Transport collaborated with the Scottish Office, Welsh Office and County Surveyors Society—showed that gateway features are not effective in achieving sustained speed reductions unless accompanied by additional traffic calming measures within the village. This highlighted the tension between the objectives of achieving reductions in noise and air pollution—as well as road safety improvements—through reducing vehicle speeds, and the direct, visually intrusive, effects of proven speed-reducing measures. The CTMG will provide the opportunity to discuss rural traffic management issues more widely, to share experience and to disseminate good practice.

We are bringing to this the lessons learned from working with the English Historic Towns Forum on the development of more environmentally sensitive traffic management measures in historic town centres. In particular, this exercise demonstrated the value of an interdisciplinary approach from all the professions involved in finding acceptable solutions where aesthetic and traffic management considerations are in conflict, and also the importance of consultation with all interested parties and the implementation of solutions that have the support of local residents and businesses.

Through research based on demonstration projects planned by the CTMG, we will examine and make proposals on the detail of design approaches and guidance which meet wider needs of traffic movement and road safety, while respecting the diversity and local distinctiveness of the countryside. The hon. Gentleman will be interested to hear that the demonstration projects include one to develop low visual impact and low-cost, traffic calming techniques on the A149 between Hunstanton and Cromer in his constituency. Other projects will be implemented in Cumbria, Devon, Hampshire, Suffolk and Surrey.

The Countryside Commission is also undertaking research to investigate a broad range of factors and how road use impacts on them and to identify suitable criteria for determining appropriate traffic calming measures in rural areas. A separate research project will be reporting soon on possible new and more sensitive approaches to design of traffic signs—I trust the hon. Gentleman will welcome that—other street furniture and road layouts.

A basic premise of the CTMG research will be that traffic calming and traffic management design solutions have tended to be applied too systematically and inappropriately in the countryside—a point made by the hon. Gentleman. In addition, the Countryside Commission is developing ideas for reducing the intrusive nature of traffic in the countryside and maintaining the tranquillity of rural lanes as part of a more holistic approach to traffic management.

The results of all these studies are intended to produce researched recommendations on good design practice which will be made available to highway and traffic authorities generally. The hon. Gentleman raised in particular the issue of sign clutter. We agree that traffic signs should not be put up or left in place unless they are appropriate for safe and efficient traffic management.

We are currently updating and revising the traffic signs regulations so that traffic authorities can use sign designs developed for new traffic management purposes without having to get them specially authorised by the Department—for example, speed camera signs. We shall continue to remind local authorities that they have a statutory duty under the Road Traffic Regulation Act 1984 to have regard to local amenity in placing signs.

We have also reviewed the previous Government's proposals for further relaxations in the design and use of boundary signs. We have concluded that there is no safety or traffic management benefit in signing boundaries of shire district councils, and that we should not encourage a proliferation of unnecessary signs by adding district boundary signs to the traffic signs regulations. We recommend, whenever possible, that local authorities review and audit their signs as an on-going process to ensure that they are still relevant and necessary, and that they are clear, well maintained and achieving their intended purpose.

We published updated guidance last November on the principles of good sign design. Chapter 7 of the traffic signs manual includes examples of how to design signs effectively so that they are not larger than they need to be for the information they contain. It also points out that yellow backing boards can be useful in some circumstances, but that they can also be environmentally intrusive and may be devalued by over-use.

The point has often been made to the Department that 30 mph repeater signs through villages are visually intrusive. However, it remains true that drivers are unlikely to observe the speed limit unless it is clearly signed and reinforced by the general road environment. The village speed control project—to which I referred earlier—was set up specifically to address this problem. Repeater signs are, of course, not required if a system of street lighting is provided—but this in itself is a controversial issue.

Some lighting schemes can appear inappropriate in a rural village, but lighting may be needed to help pedestrians and cyclists to move about safely. Street lighting can also help to reduce crime, and the fear of crime, by improving personal security. We recognise that poorly designed and installed street lighting can be unsightly and can detract from the visual amenity of the area. Uncomfortable, distracting glare and wasteful light pollution can result, but good design practices can reduce or eliminate these undesired effects.

With this in mind, my Department and the Countryside Commission last year published "Lighting in the Countryside: towards good practice". We believe this guide will be a valuable tool in showing local planning authorities, professionals and members of the public the benefits of good practice in this area, and how to achieve it. I trust the hon. Gentleman will welcome that.

[Ms Glenda Jackson]

Achieving a high quality of design is particularly important for standardised equipment, which is a familiar part of the street scene in town or country. In sensitive locations, the design and siting of street furniture can be crucial in avoiding an impression of unnecessary or incongruous clutter. Others, including the Royal Fine Art Commission, have also expressed concern about this issue.

I hope I have made it clear that I am fully aware of, and concerned about, the issues that the hon. Gentleman has raised, and that my Department is involved in a continuing process of developing good practice initiatives and guidance in consultation with the local authorities and other bodies responsible for the visual appearance of the countryside.

Iran and Iraq

1.27 pm

Mr. Tam Dalyell (Linlithgow): My credentials for initiating what I gather is the first debate in the House on relations with Iran for many years are that, in October, I spent 17 days on holiday with my wife on a bus tour of Iran, organised by the British Museum Travel Company. The tour leader, Raphael Marinello—who expertly led the visit—and Dr. Sheila Candy, the deputy director of the western Asiatic department of the British museum, would agree on the kindness and warmth shown towards us by the Iranian people. It was in no way an official visit, but I did get the impression that there was a good case now for dialogue. The demonising of Iran should be something of the past, and the fatwa and the difficult case of Salman Rushdie should not cut out negotiations with the new political leadership in Teheran. The more locked in we are to commercial relations, the harder it will be for the hardliners to wreck relations.

Against that background, I wish to ask my hon. Friend the Minister of State two questions of which I have given notice to the Foreign Office. What initiative to develop relations with Iran can we expect during the British presidency of the EU? Is a presidency visit to Teheran—for example, at political director level—contemplated? As regards the fatwa, have the Government recently invoked the help of any Muslim leader—for example, President Assad of Syria—at least to downplay that difficult issue?

I referred to my visit in October, and one of the things that would strike any visitor from the west was the war memorials in Tabriz, Hamadan, Kashan, Rashd, Isfahan, Shiraz and Yazd. Those war memorials are of first world war proportions, as 1 million Iranians were lost in that terrible Iran-Iraq war. No one has greater cause than the Iranians to loathe the regime of Saddam Hussein, yet they do not support the American-British military action that was proposed in certain circumstances.

The latest edition of *Persia Update* reported:

"The Leader said the US pursues a purely American agenda in its confrontation with the Iraqi government, and added that the US bears the responsibility for civilian victims of any military attack on Iraq."

I am glad to say that the Iranian attitude to the Americans seems to be softening—perhaps, after the football World cup, it will soften a good deal more, because, as we know, the two nations have been thrown together. We are at a moment in history when the traditional friendships between the British and Persian peoples might well be restored.

I come briefly to the question of the Shi'ites. I quote from the most recent edition of *Dialogue*, which is published by the Public Affairs Committee for Shi'a Muslims. It says:

"However, bombing Iraq—still a likely option despite widespread international revulsion"—

that is what it thinks; it is not what I think—

"would be both wicked and futile. It would be unlikely to achieve its goals, whatever they are, but it would dangerously destabilise the region. Healthy Iraqis and a self-confident Iraq are far more likely to bring down the regime. A regime as isolated and psychotic as Saddam's would find it difficult to cope with normal relations with the world."

I ask, against that background, what progress is being made in New York in discussions with Iraqi authorities on the new British-inspired Security Council resolution to increase the sale of oil for food. If the Iraqi Government prove slow to accept the resolution, should we not aim to improve the conditions of the Iraqi people, as well as readmitting more Iraqi oil to world markets? Should not a European Union delegation go to Baghdad, to show the Iraqi people that the Security Council wants to help them?

In an article in *The House Magazine* of 9 March, my hon. Friend the Minister wrote:

"Meanwhile, we are looking at what we can do for the Iraqi people. Saddam Hussein's obstinacy in refusing to accept the Security Council demands, or implement properly the oil-for-food programme, has caused the Iraqi people untold misery. Following the Secretary-General's report to the Security Council on 30 January recommending the oil-for-food programme should be expanded, we again took the lead at the UN in drafting and negotiating a Resolution (SCR 1153), which more than doubles the amount of oil Iraq is allowed to sell to purchase humanitarian goods. The new figure is US $5.2 billion every six months. The programme has safeguards in place to ensure the benefits go to the Iraqi people and not the regime."

I suggest to my hon. Friend that, if we do not help specifically with the pumping equipment, the resolution will look like a false gesture. All those who have personal experience of Iraq will testify to the breakdown of vital equipment. I think that Ministers should hear what my hon. Friend the Member for Glasgow, Kelvin (Mr. Galloway) says when he returns from Iraq—he will have first-hand knowledge.

I refer to a question that I asked the Prime Minister on 16 March:

"pursuant to the oral answer of the Secretary of State for Foreign and Commonwealth Affairs of 10 March 1998, *Official Report*, columns 307-8, what criteria he will use to determine the extent of Iraq's compliance with the recent agreement between Iraq and the UN to allow inspections to take place; and if he will submit these criteria to the scrutiny of the French, Russian and Chinese authorities as members of the Security Council."

The Prime Minister replied:

"Security Council Resolution 1154 was adopted unanimously by the Security Council. All members agreed that further violations of Iraq's obligations under the relevant Security Council Resolutions and the Memorandum of Understanding signed in Baghdad would be followed by the severest consequences.

The question of Iraqi compliance will be dealt with in reports to the Security Council from the United Nations Special Commission and the International Atomic Energy Agency."—[*Official Report*, 16 March 1998; Vol. 308, c. *450*.]

We should be clear about whether the British think that, with the Americans, they have the right, in difficult circumstances, to launch a military attack without going back to the Security Council. The Chinese ambassador to the United Nations and others have made definite statements that three members of the Security Council take the view that no military action should be taken without a clear, unambiguous decision having again been taken by the Security Council. In the light of what Marc Webber and other international lawyers have said, are Britain and the United States entitled under international law to let loose traumatic air bombardment without having returned to the Security Council?

The last time that I had an Adjournment debate to which my hon. Friend the Minister replied, I slightly overran, so I make only one further point. Like many colleagues, I sat through the Budget speech of my right hon. Friend the Chancellor of the Exchequer—it was, rightly and justifiably, proposed as a green Budget. I listened to everything that he said about carbon emissions and pollution, and I welcome the anti-pollution measures, including those on vehicles. However, compared with what could be done in western Asia to help the world's atmosphere, anything that we do in western Europe is entirely marginal.

One of the most striking aspects of my visits both to Iran in October 1997 and to Iraq in 1994 was the extent of the pollution and broken-down equipment. In Iran, oil refineries had had to be moved quickly from the Iraqi border to the area between—heaven help us—Shiraz and Isfahan, which created pollution in Pasagahdai and Persepolis. Even if we do not take into account the ancient monuments, that is sad—the pollution in that part of the world is terrible.

If we are serious, as I believe we are, about saving the planet, it really is high time that we established fruitful relations even with regimes that we may consider rather less than perfect. I hope that, after Kofi Annan's visit and all that has happened, the tone of the dialogue between west and east becomes somewhat more dignified and that our approach to the Muslim world becomes friendlier. I end with the reflection that there are many, many moderate Muslims in this country who desperately want improved relations.

1.39 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Derek Fatchett): I want to pick up on the concluding comments of my hon. Friend the Member for Linlithgow (Mr. Dalyell) about our relationship with the Muslim community in the United Kingdom and with the religion of Islam. We should avoid at all costs demonising any one religion in the world.

One of the tasks that I have set myself is to ensure that, whatever representations I make, I never fall into the trap of viewing the world as divided between religions. A small but, to my mind, significant event during the recent Iraq crisis was that, for the first time, we had a meeting in the Foreign Office with leaders of the Muslim community in the United Kingdom. I am determined that those meetings should continue and should take place not only during a crisis but as regular events that will give us an opportunity to understand each other much better.

Whenever I have visited the middle east and other parts of the Islamic world, I have taken the opportunity to stress the need for multi-faith co-operation. I had the pleasure of visiting the Sheik of Al-Azhar at Al-Azhar university, which was an important opportunity to make it clear that when we define issues in the United Kingdom, we never differentiate by religion but consider the basic values.

My hon. Friend spoke movingly about the war memorials in Iran and said that the 1 million dead constituted a tragedy on the scale of the first world war. That was a painful but apposite reminder of the scale of the Iran-Iraq war and of the number of lives that were lost—indeed, wasted—in those years.

Iran and other countries in the region have every reason to be fearful of an Iraq with Saddam Hussein and weapons of mass destruction. The Iranians, along with the Kurds, have experienced Saddam's use of chemical weapons. The war memorials graphically underline and emphasise

[Mr. Derek Fatchett]

the importance of the Security Council resolutions and the world's commitment to ridding Iraq under Saddam Hussein of weapons of mass destruction.

My hon. Friend has been vigilant on the matter, and I congratulate him. It is an important parliamentary function to ensure that there is proper questioning and debate on such issues. He has always made the point that he was opposed to the threat of military action in our dealings with Iraq. I want to put it on the record that I have never had any doubt that he is as opposed to chemical and biological weapons as anyone else. We differ not on objectives but on means.

My hon. Friend must consider how the Kofi Annan memorandum of understanding could have been achieved without the threat of force by the United Nations and the international community. That is the key question. We would all love the world to be able to take rational decisions.

If leadership were always rational, we would not have to deal with crises such as arose with Iraq, but the fact is that we were dealing with a leader who had invaded one of his Arab neighbours; who had used chemical weapons against his own people and the people of Iran; and whose violations of human rights and of traditional processes of international relations were well known to us.

Both in Baghdad and on his return to New York, Kofi Annan said that diplomacy can go a long way, but that diplomacy backed by resolution and force goes a lot further. That is surely a vindication of the position that we took, and poses starkly and dramatically to my hon. Friend the question of what would have happened had the threat of force not been available to Kofi Annan in his negotiations.

On his return to New York, Kofi Annan said that the British Prime Minister was a true peacemaker and peacekeeper for the United Nations. That shows what can be achieved by the intertwining of diplomacy with the threat of force. In international relations, force is sometimes a representation of our failure to achieve our objectives through diplomacy, but sometimes it has to be used or threatened.

We welcome the memorandum of understanding and hope that Saddam Hussein will adhere to the agreements and commitments that he has made, but Saddam's record of keeping his word does not suggest that my hon. Friend could bet on it with any confidence. On each and every occasion in the past, Saddam Hussein has broken the commitments that he has given to the international community. It is in the interests of the people of Iraq and of the wider region that he should keep his word on this occasion, and we in the international community have said that, if he does not, he will face the severest consequences.

There is no doubt about what that means. It is understood in Baghdad. To find excuses for any further breach would be beyond the imagination and wit of any defender of Saddam Hussein. This recidivist has been given so many opportunities that, if he breaks the current agreement, the international community's patience will well and truly have run out.

Last week, I visited Kuwait: a country and a people who know Saddam Hussein very well. People there know what happened when Saddam invaded their country seven years or more ago, and they are still extremely cautious, with good reason. They are also extremely grateful for the position taken by the international community and supportive of the position taken by the United Kingdom Government.

I saw our troops in Kuwait last week and took the opportunity to thank them for their contribution. They are living in trying and difficult circumstances, but nobody can doubt their commitment and professionalism. I am sure that I speak for the whole House when I congratulate them, and thank them for the work that they have done in their role as peacemakers and peacekeepers.

My hon. Friend raised some important points about the oil-for-food regime and the need to deal with humanitarian concerns about the ordinary people of Iraq. The fact that we are talking about the way in which Saddam Hussein has been able to pervert the oil-for-food humanitarian regime for his own purposes, rather than using it to feed his own people, is one of the most damning indictments of his regime.

We are determined that the ordinary people of Iraq should not be punished for the decisions taken by their leadership. They are not responsible for those decisions. Indeed, if they were to exercise what we would consider a basic human right and criticise the regime, their lives would be short. We know the regime's record. It is difficult for the people to criticise the regime or to contemplate a change of regime, because the risks are so great. They are clearly not responsible for the decisions of a totally irresponsible and out-of-control leadership, and it is our task to help them if we can. We are determined to do so.

My hon. Friend referred, kindly, to resolution 1153, which the United Kingdom, with consensus, steered through the Security Council. It more than doubles the amount of money available from the sale of oil and oil revenues for humanitarian purposes. We certainly welcome that, and will continue to encourage the process.

In addition, we have announced a European Union conference to look into ways in which we can get additional humanitarian aid to the Iraqi people—my right hon. Friend the Secretary of State for International Development made an announcement last week about additional aid from the United Kingdom to the people of Iraq. The conference is still in the planning stage and is an important initiative and innovation by our Government. However, whatever the European Union does, it is important that it supports Security Council resolutions and in no way contravenes them. Our role is to be supportive, not in competition or contravention.

Mr. Dalyell: Will the Government consider the critical question of pumping equipment, without which it might be impossible to implement resolution 1153?

Mr. Fatchett: My hon. Friend makes a valid point, which I understand. I have regular meetings with representatives of the Iraqi Opposition, and that is one of the points that they have made about the nature of the infrastructure in Iraq. We shall certainly take their points and that made by my hon. Friend into account.

This is a double-headed debate, so I shall now refer to Iran. I probably ought to congratulate my hon. Friend on his technique of opening up two issues in one debate, which shows great parliamentary skill and diligence.

He made some important points about our relations with Iran and asked a number of detailed questions, which I shall come to.

First, we welcome the changes that appear to be taking place in Iran and the election of President Khatami. We hear the noises and see the potential warming of relationships. We hope that those changes will develop constructively in the region and more generally. There are some positive signs, and we are watching them. We welcome Iran's decision to ratify the chemical weapons convention. It is important, and we certainly applaud it. We also welcome Iran's condemnation of terrorism and the terrorist attacks in Algeria and Egypt. Again, those are extremely positive signs. We hope that Iran will continue to move in that direction. As we have said on many occasions, we are prepared to judge the new regime not by the rhetoric of the past, but by its record and what it achieves and sets out to do in future.

All students of Iran—my hon. Friend probably stands equal to all of us in that respect—will be fascinated by the internal political processes there. Clearly, a struggle for dominance, in terms of values and ideology, is taking place, and we shall watch that struggle and encourage those who want a more open Iran that will engage with the international community.

My hon. Friend asked about the European Union and the United Kingdom presidency; progress has already been made. Our tactics have to be double-headed. We have to ensure that we encourage positive developments within Iran, while being cautious about other developments and characteristics of the regime there, to ensure that we get the balance right between the two.

My hon. Friend will be delighted to know that at the General Affairs Council in February, under the British presidency, European Union Foreign Ministers decided to increase the level of political contact with Iran, by lifting the ban on bilateral ministerial visits imposed after the Mykonos verdict last year. Therefore, the European Union is sending a first, encouraging sign to the regime in Iran that we certainly want to encourage a warmer relationship, but some caution still runs alongside that. We are also discussing how and at what level political contacts with Iran should be enhanced. My hon. Friend questioned the level of those contacts—that matter is under discussion within the European Union. In principle, the issue is how we enhance discussion and not necessarily whether we should do so. Clearly, there is no veto on developing those contacts.

We are prepared to welcome the positive signs, but we want more concrete and positive indications from the Iranian Government in certain areas. We shall be considering the following areas of caution. First, we have to be sure that the Iranian Government are not involved in the development of weapons of mass destruction. If they intend to come back more closely into the international community, they could make it abundantly clear that no programme for weapons of mass destruction is being carried out there. I am sure that my hon. Friend shares that objective. It will be an important element in the development of relationships.

Secondly, we have to be clear that the Iranian regime is not continuing to sponsor terrorist activity on its own initiative. That has happened, and it is crucial that it should not in future. Much of that terrorism has been designed to subvert the middle east peace process. Again, we must ensure that the Iranian Government are not sponsoring terrorism with that purpose. My plea on that issue is: yes, we shall be cautious, but we want progress from the Iranians and a clear indication that they are not the sponsors of terrorism within the region or elsewhere in the world.

My hon. Friend mentioned Salman Rushdie and asked whether we could refer to another Islamic country to intervene in the case. The fatwa against Salman Rushdie remains a significant impediment to better relations between Iran, the United Kingdom and the European Union. It is totally alien to our values for one state to declare what is in effect a death sentence against a citizen of another state. It is wholly alien for us to negotiate in any way or conciliate about our own basic values. Salman Rushdie's right to publish and his freedom of speech are crucial elements in our political democracy, and we therefore should not allow those basic rights and principles to be negotiable. Therefore, we await a positive response from the Iranian regime on the issue. We know what the regime has said in the past, and it has not gone far enough.

My hon. Friend's suggestion was constructive—that we should look for a third country—but I do not think that it is the way to make progress with Iran. The best way to make progress on the fatwa and other issues is through direct contact between Iran, the European Union and the United Kingdom. The fatwa and Salman Rushdie will be key elements in the development of the relationship, and they must be tackled by the Iranians in discussions with the United Kingdom and our European Union partners.

It has been a pleasure to respond to the points raised by my hon. Friend, who is a keen observer of the middle east and has a good knowledge of the countries and the region. We are determined to show that we are even-handed in our approach to the region, and have clearly set out our position and our values in relation to Iraq. As my hon. Friend said, we look forward to the day when Iraq will again assume its position in the middle east commensurate with its history, its potential for the future and the abilities and expertise of its people. There could be no better middle east than one in which Iraq was free, democratic and pluralistic and had the ability to play that full role in the region, and one in which Iran was readmitted to the international community and felt part of it, reflecting its values.

On Iran, the signs are encouraging. We are cautious, but we are opening up the relationship. We need to be confident that the Iranians will move in the right direction and make it possible for us to remove that caution.

Mr. Dale Campbell-Savours (Workington) *rose—*

Mr. Fatchett: Does my hon. Friend want to intervene?

Mr. Campbell-Savours: I shall wait and see.

Mr. Fatchett: All right.

Again, I congratulate my hon. Friend the Member for Linlithgow on introducing the subject. In the 20 or so minutes that I have been speaking, I hope that I have been able to set out clearly the Government's position. I shall probably have disappointed my hon. Friend yet again in some of my remarks. One thing about our relationship is that at least I consistently disappoint him, so he will

[Mr. Fatchett]

probably have known exactly what I was going to say on one issue, but perhaps I have managed to say something new and fresh on the other, and he will be pleased with that.

Mr. Campbell-Savours *rose—*

Mr. Deputy Speaker (Mr. Michael Lord): The hon. Gentleman ought not to intervene after the Minister has completed his speech in a debate of this sort.

Mr. Campbell-Savours: On a point of order, Mr. Deputy Speaker. I understood that under the procedures I was able to do so.

Mr. Deputy Speaker: No, this is not that sort of debate.

Mr. Dalyell: My hon. Friend had my permission.

Mr. Deputy Speaker: Even so, the Minister had completed his speech and summed up. However, if the hon. Member for Workington (Mr. Campbell-Savours) wants to make a brief contribution, he may do so.

Mr. Campbell-Savours: On a point of order, Mr. Deputy Speaker. I have now lost my half a minute and my opportunity to speak, and I strongly object.

Mr. Deputy Speaker: The occupant of the Chair ruled last week on a similar position, and I have made the position clear. This is a half-hour debate for one Back Bencher to put his point to the Minister and for him to respond.

It being Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Sitting suspended, pursuant to Standing Order No. 10 (Wednesday sittings), till half-past Two o'clock.

Oral Answers to Questions

WALES

The Secretary of State was asked—

Uniform Business Rate

1. **Mr. Blunt:** What representations he has received from Welsh businesses regarding the future of the uniform business rate. [33426]

The Parliamentary Under-Secretary of State for Wales (Mr. Peter Hain): Several representations, as part of our regular consultations with Welsh businesses.

Mr. Blunt: When the new national assembly is in place, is it possible that the uniform business rate could be a useful source of revenue for the assembly and Welsh councils, in addition to the resources already provided?

Mr. Hain: We are, in common with our counterparts in England, reviewing the business rate. We will consult businesses closely about it because several representations have been made on its reform. I am sure that the outcome will assist Welsh businesses, which are benefiting from a Wales run by a Labour Government.

Mr. Rowlands: Is my hon. Friend aware that companies in my constituency are much more concerned about possible cuts in European structural funds? Will he pay as much attention to that as to business rates?

Mr. Hain: Yes, I will. My hon. Friend raises an important point because today's news from Brussels is very disturbing. I will make sure, as will the Secretary of State, that Ministers in Wales bat hard for Wales and fight our corner to get a good deal from Brussels on the structural funds. Wales is one of the poorest regions of Europe. Our gross domestic product is only 80 per cent. of the European average, and we should qualify for objective 2 status. Many of our communities in west Wales and the valleys, such as my hon. Friend's constituency, should qualify for objective 1 status. We will bat hard to achieve that.

Mr. Llwyd: Given that the Government are supportive of local government, should we not now be thinking of giving more discretion back to local authorities in setting business rates? The problem is that there is often not enough sensitivity to smaller firms and firms that have just started up. Is it not time to remove the dead hand of central Government and to revert to the way things were?

Mr. Hain: Businesses have suffered from the dead hand of a Tory Government for nearly two decades. We are consulting small businesses in Wales about the balance of the new structure. There is a demand for local autonomy, but there is equally a concern that Welsh businesses do not suffer costs additional to those in England. We will consult generally on the matter, and with Welsh businesses very closely.

Mr. Öpik: Given the difficulties in my constituency following the closure of D. C. Evans in Newtown and MDM in Machynlleth, is the Minister prepared to discuss the uniform business rate and other issues directly with sacked staff on his forthcoming visit?

Mr. Hain: I am indeed willing to discuss those and other issues. I am due to meet the hon. Gentleman in his constituency. Nevertheless, many Welsh businesses welcomed yesterday's Budget, which was an enormous boost for business and enterprise in Wales. It should give businesses cause for optimism amid the many difficulties from which they have suffered in the past 18 years.

Farmers

2. **Mr. Wigley:** What steps he has taken during the past four weeks to improve the economic prospects and cash-flow position of farmers in Wales; and if he will make a statement. [33427]

The Parliamentary Under-Secretary of State for Wales (Mr. Win Griffiths): We recognise that the current problems have created serious difficulties for the industry. The beef export ban is a major factor that we continue to pursue vigorously. The right hon. Gentleman will know that we have recently secured a major breakthrough in lifting the ban in Northern Ireland, which is the first step toward the resumption of trade in United Kingdom beef. On 25 February, we announced that about £70 million will be paid by the Government in meeting the costs of BSE-related schemes for specific risk material controls and the new computerised cattle tracing system for Great Britain. That is in addition to the £85 million we have pledged in aid to livestock farmers to help to counter the effect of the strength of the pound. On Monday, my right hon. Friend the Secretary of State announced a study into ways in which we can speed up common agricultural policy payments to farmers.

Mr. Wigley: In welcoming the progress made in respect of the export of beef from Northern Ireland to Europe, may I press the Minister to say what prospects there are of making progress in exporting beef from Wales on the basis of a date-based scheme? What is he doing to press that issue in Brussels, and when does he expect to be achieved?

Mr. Griffiths: We are obviously keen to see the beef ban lifted across the United Kingdom and in Wales, and we are pressing the case strongly in Brussels. I hope to take the opportunity at the next Council meeting at the end of this month to put the case for Wales strongly in Brussels.

Mr. Alan W. Williams: I congratulate the Minister and his fellow Welsh Office Ministers on their part in putting pressure on the Ministry of Agriculture, Fisheries and Food and the Commissioners in Brussels. The progress that has been made in respect of certified herds will bring great relief to farming in Wales, because beef exported from Northern Ireland will expand demand for beef across Britain. May I echo the point in respect of beef from cattle born after August 1996? We are quite certain that feed was clean after August 1996, so will the Minister exert maximum pressure for the lifting of the ban on that beef as well?

Mr. Griffiths: My right hon. Friend the Secretary of State has discussed this issue often and regularly with my

right hon. Friend the Secretary of State for Northern Ireland, and we are continuing to press as strongly as we can for steps to be taken to get the beef ban lifted as a whole. However, my hon. Friend will appreciate that we have a great deal of ground to make up because of the bad taste left in Brussels by the way in which the previous Government handled the issue.

Mr. Evans: When will the Minister recognise the depth of the crisis facing farmers and their associated suppliers? The crumbs of comfort that he has announced shrink in comparison with the problems they now face. Their incomes have been cut by a half this year and are still declining. There have been cuts in the hill livestock compensatory allowance, and deadweight limits and lower prices in the over-30-months scheme. Beef on the bone has been banned and now there is the threat to ban green top milk. Yesterday's Budget was a further slap in the face for farmers, with 4.4p a litre on petrol, in addition to the steep 4p increase in July. Finally, the pound is still strong today, which is not helping farmers. How many more farmers is the Minister prepared to see go bust before they get some real action from this complacent Government?

Mr. Griffiths: It is a pity that Conservative Members did not take sufficient interest in the BSE crisis when it first broke, because, if they had, we would not be in this situation. The Government wish that we had not had to start from this point, but unfortunately, the previous Government left us in a pit about 500 m deep, out of which we are now pulling ourselves. Yesterday's Budget was generally welcomed by farmers on "Farming Today", which was broadcast at 6.30 am today. I suggest that the hon. Gentleman gets up a bit earlier so that he becomes better informed.

National Assembly

3. **Mr. Nicholas Winterton:** What response he has received to his proposals for the establishment of regional committees within the National Assembly for Wales. [33428]

The Secretary of State for Wales (Mr. Ron Davies): There has been a very favourable response. We are determined that the assembly will work for the benefit of the whole of Wales and next month, my advisory group will seek views on the number and boundaries of regional committees to help to achieve that.

Mr. Winterton: I am grateful to the right hon. Gentleman for that response. He will be aware that my constituency of Macclesfield is in the county of Cheshire, which abuts north Wales. Is he aware that, now that he has announced the fact that the assembly is to be located in Cardiff, there are many people in north and central Wales who are deeply concerned that their views will not be heard in Cardiff? Bearing in mind that, from many parts of north Wales, it is easier to get to London than to Cardiff, what assurances can he give the people of north, west and central Wales that their views and their interests will genuinely be taken into account in the new assembly?

Mr. Davies: I am not sure whether the hon. Gentleman asks that question on behalf of his constituents or those of my right hon. and hon. Friends who represent Welsh constituencies.

The question of accessibility was a major factor in deciding to locate the assembly in Cardiff. I am determined to ensure that we have a network of contacts linking the assembly in Cardiff with all parts of Wales, and I am presently holding discussions with the Welsh Local Government Association in order to achieve that. We have a system of proportional representation—which the hon. Gentleman could not find it in his heart to support—which ensures that we have political plurality within the assembly. Of course, we shall also have a system of regional committees, which is at the heart of the hon. Gentleman's question.

Mr. Donald Anderson: The city of Swansea may qualify for a regional committee, but that will be poor consolation for the loss of the assembly. My right hon. Friend should be well aware of the intense anger in the city at the way in which many people feel that we have been used—particularly because the Secretary of State first broached the subject of Swansea guildhall as an option. If the key consideration was the capital city status of Cardiff, why did the Secretary of State not say that at the start and save us a lot of bother? As together we used to criticise the Conservative Welsh Office for centralising everything in Cardiff, can my right hon. Friend produce any clear evidence—chapter and verse, citing investment or jobs—that that has changed?

Mr. Davies: My hon. Friend has raised several points. I take this opportunity to express my appreciation to the people of Swansea and the local authorities for the way in which they presented their case, and to my hon. Friend and his colleagues who pressed the case for Swansea very vigorously.

When it became clear last autumn that the city hall in Cardiff was not available, I was of the view that it would be appropriate to allow local authorities in Wales to make submissions to the Welsh Office offering any buildings in their areas. I believe that the debate in Wales was taken forward because we received many submissions not just from Swansea, but from throughout Wales. During the consultation process on the submissions, it became clear that the overwhelming majority of opinion favoured Cardiff. That obviously bore very heavily on my decision.

As to the latter part of my hon. Friend's question, I intend to develop—together with my colleagues—an economic strategy that spreads economic prosperity throughout Wales. The need to attract inward investment to all parts of Wales—particularly to the west—is a central part of that strategy.

Mr. Ancram: Following that answer, does the Secretary of State appreciate what a figure of fun he has become both inside and outside Wales over the location of the assembly? Did he not hear the mockery that met his announcement last Friday? Apparently, having suddenly discovered where the capital city of Wales is, the Secretary of State is now compelled to do what the White Paper told us categorically last July he intended to do anyway and locate the assembly in Cardiff—although he still cannot tell us where in the city it will be situated. Does he accept that his dithering and posturing programme of indecision, sheltering behind what is clearly a sham and bogus beauty contest, has caused great bitterness in various parts of Wales that have been exploited? Will the Secretary of State now apologise to

the people of Wales for his crass performance, and will he reimburse those councils that have incurred costs because of it? Will he now make way for someone who can do his job properly?

Mr. Davies: No, no and no are the answers to the right hon. Gentleman's questions. With an attitude like that, it is little wonder that the previous Conservative Government had a reputation for disastrous financial and economic performance.

The right hon. Gentleman has consistently urged me to pay more than I need to for an assembly building. He is arguing that I should be both profligate and irresponsible—and I shall certainly not be either. Much as he dislikes it, I am determined to get value for money. I know that the right hon. Gentleman has been a strong supporter of devolution for all of the past two and a half weeks, but he should temper his new-found enthusiasm with a little better judgment.

Mr. Alan Williams: May I underline to my right hon. Friend the bitterness and disillusionment felt in Swansea at his announcement? Does he not realise that the arguments that he found so compelling last Friday were every bit as compelling before he even launched his consultation process, and have led to the conclusion in Swansea that the low-cost Swansea bid was simply used as a bargaining counter against the two expensive Cardiff bids? Where does Swansea go, now that our Secretary of State has abandoned it?

Mr. Davies: My right hon. Friend is wrong on two counts. It was not my desire, nor was it the effect of my discussions with Swansea, to use the city as a bargaining counter. He is also wrong to suggest that I have abandoned Swansea. I have done neither of those things. As I told my hon. Friend the Member for Swansea, East (Mr. Anderson), it is my intention to work with the people of Swansea to try to ensure that the economic prosperity experienced by much of south-east Wales is shared in south-west Wales.

The decision that I had to take in respect of the location of the assembly was not what was good for Swansea, but what was good for Wales and for the assembly itself. During the discussions that have taken place over the past three or four months, it became clear that there was a compelling case for Cardiff. I hope that my right hon. Friend, his hon. Friends and the people of Swansea will understand that it is now in everyone's interests to get behind the assembly project in Cardiff, because that is the way in which we shall have a successful economy and a prosperous Wales in the future.

4. **Mr. Paterson:** If he will make a statement on progress on the Welsh assembly. [33429]

Mr. Ron Davies: Excellent progress is being made. The Committee stage of the Government of Wales Bill has been completed. Following calls from all parties and the advice of my advisory group, I have tabled amendments to allow the assembly to adopt a cabinet-style system of government, should it wish to do so. My advisory group will publish a wide-ranging consultation document next month on the assembly's internal working arrangements. Last Friday, of course, I announced that the assembly will be located in a new building in Cardiff.

Mr. Paterson: How can the Secretary of State say that excellent progress is being made, when we have graphic evidence this afternoon from Labour Members that Wales is bitterly divided, following the shambles of the consultation process? Will the right hon. Gentleman, who has dithered all along on the matter, make a clear statement this afternoon about where in Cardiff the assembly will be built, and when? If he cannot make that decision, will he make way for someone else who can?

Mr. Davies: The hon. Gentleman invites me to take a decision based on short-term political considerations, not value for money. I will not do that. I will make sure that the public interest is properly protected. I am looking for the best deal, not just the quickest fix.

Ann Clwyd: Does my right hon. Friend agree that the twinning proposal adopted by the Scottish Labour party as a means of achieving better representation of men and women in the Scottish Parliament is an excellent idea and the way forward for Wales as well?

Mr. Davies: That is a matter for the Scottish Labour party. I fully appreciate the arguments in favour of ensuring that there is a proper gender balance in the assembly when it is elected. I draw my hon. Friend's attention to paragraph 4.7 of the White Paper, which states:

> "In particular, the Government attaches great importance to equal opportunities for all—including women, members of ethnic minorities and disabled people. . . greater participation by women is essential to the health of our democracy. The Government also urges all political parties offering candidates for election to the Assembly to have this in mind in their internal candidate selection processes."

That is a part of the White Paper that I personally wrote, and I stand by every word of it.

Mr. Ieuan Wyn Jones: The Secretary of State will be aware that, during the Committee stage of the Bill, I and my colleagues argued strongly for a European committee to be included in the national assembly. Does he realise how important that is, bearing in mind the future of structural funds? In the meantime, will he take no nonsense from the Department of Trade and Industry? Will he push the case for a new NUTS—nomenclature of units of territorial statistics—designation area for Wales, to make sure that west Wales and the valley areas that need it will achieve objective 1 status? Will he give the House an assurance that, at the appropriate time, he will appear at the Council of Ministers to argue the case?

Mr. Davies: I discussed the questions that the hon. Gentleman raises yesterday with my right hon. Friend the President of the Board of Trade, and I impressed on her the strength of feeling that exists in Wales. As my hon. Friend the Member for Neath (Mr. Hain) said, the Government believe that we have a strong case for objective 2 status across Wales, and for objective 1 status in west Wales and the valleys. I assure the hon. Gentleman that it will be my intention, and that of my colleagues, to ensure that, when the negotiations start—

today's announcement is the start of the negotiations, not the completion—we will continue to press that case as vigorously as possible.

On the establishment of a European Committee, there was a strong case before today's announcement to have such a Committee in the assembly. During the early part of next month, my advisory group will produce a consultation document inviting views on the nature of the committee structure in the proposed assembly. I very much look forward to the observations and submissions that no doubt will come from the hon. Gentleman and his party on how the internal organisation of the assembly should be structured.

Mr. Barry Jones: In the opinion of my right hon. Friend, which would fill an empty factory quicker in the town of Buckley—a regional committee, an assembly, or the current Welsh Office? There is concern in Buckley about the 70 jobs that we lost at the Optec factory, which was a grave blow, and we would welcome any help that my right hon. Friend can give to help my constituents back into work at that factory.

Mr. Davies: I am grateful to my hon. Friend, who has raised this matter with me before. I have indicated that I shall continue to work with him. I have discussed with the Welsh Development Agency what measures we can take to get proper employment into the factory to which he referred. It would be wrong of us to view the assembly as a means of creating job opportunities. The assembly must be a means of creating a new democracy, and that new democracy in Wales will be the means by which we can improve the performance of our economy. We should not view the location of the assembly as a means for economic regeneration or urban redevelopment.

Mr. Ancram: I warmly welcome the Government's conversion to our proposal for the more accountable cabinet structure rather than the committee structure that was previously in the Bill. Does the right hon. Gentleman realise, however, that there is still considerable—and real—fear in parts of Wales that their regional interests will be submerged by the demographic majority in the south? Will he look again at giving Members of the Assembly real, rather than consultative, powers to protect their regions? In particular, powers with which to ensure significant economic, social and cultural decisions will require positive assent from all the regions in Wales.

Mr. Davies: No, I will not do that. The right hon. Gentleman has not thought through his case. If we were to give the regional committees the blocking mechanism that he suggests, the cabinet system of government, which he now welcomes, would not be capable of being operated in Wales. Further, he has long argued that the assembly should be seen as a mechanism to strengthen local government. If we were to strengthen the regional system of committees in the assembly, that would be nothing less than an attempt to second guess the role played by local authorities. Because I want to have strong, developing local government in Wales, and strong cabinet government for the Welsh assembly, I am not inclined to accept the right hon. Gentleman's suggestions.

Mr. Rhodri Morgan: Does the Secretary of State agree that one of the virtues of devolution is that it is a clean break with Tory sleaze and the corruption-ridden semi-colonial past? Does he further agree that one of the two options that he presented for the location of the Welsh assembly—the one located around Crickhowell house—is the very embodiment of Tory sleaze and that corruption-ridden past? A previous Tory Secretary of State, David—now Lord—Hunt, signed the lease with the company of his predecessor Tory Secretary of State, Nicholas Edwards—now Lord Crickhowell—and a building that cost Associated British Ports, Lord Crickhowell's company, £11 million suddenly became worth £22 million, representing 100 per cent. profit overnight to two Tory Secretaries of State.

Mr. Davies: The substance of my hon. Friend's question is whether we should locate the assembly in one of two sites that we have identified in Cardiff. I have a great deal of sympathy with much of what he said, but my decision must be based on what is good for the assembly, for Cardiff and for Wales.

NHS Waiting Lists

5. **Mr. Ian Bruce:** If he will make a statement on trends in NHS waiting lists in Wales since May 1997; and what targets he has set over the next four years. [33430]

Mr. Win Griffiths: The latest information shows that the number of residents waiting for in-patient or day case treatment at 31 December last year had risen by 5.1 per cent. since June 1997. The number of residents waiting for out-patient treatment over the same period had decreased by 0.9 per cent. Reducing waiting lists is a Government priority, and my right hon. Friend the Chancellor announced in his Budget yesterday an additional £25.126 million next year for the health service in Wales, most of which will be used specifically to reduce the number of patients waiting for treatment to below what it was when we took office.

Mr. Bruce: I am grateful to the Minister, but like the Under-Secretary of State for Scotland, the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith), and the Secretary of State for Health, he refuses to say what targets will be set for the next four years. Reducing waiting lists is a Labour manifesto commitment, but no target has been set. Surely the money given by the Chancellor is too little, too late? Does the Minister accept that, unless he sets targets for the next four years, there is no chance of the health service achieving what we all want it to achieve?

Mr. Griffiths: In Wales, the Conservative Government lamentably failed. For all their trumpeting of their achievements in the health service, 22,000 more people were waiting for treatment when they left office than when they came in. We shall use the money to ensure that fewer people are on waiting lists at the end of the next financial year than when the Conservative Government left office. We shall work out our targets exactly. I assure the hon. Gentleman that it is our objective to cut waiting lists, not to let them rise hopelessly, as his Government did over 18 years.

Mr. Hanson: Will my hon. Friend confirm that, since the general election, more than £85 million has been put

into the national health service, in addition to money that was allocated by the previous Government? That is more than £1 million for every vote in the majority that the hon. Member for South Dorset (Mr. Bruce) had at the election. In-patient waiting lists increased by 22,000 in the past 18 years, which is why he has a majority of 77 votes and why there is a Labour Government.

Mr. Griffiths: My hon. Friend is right. The additional resources that my right hon. Friend the Chancellor has made available for the health service in Wales will reduce waiting lists. It is our objective to ensure that they reduce steadily over the lifetime of this Parliament.

Livestock Prices

6. **Mr. Livsey:** If he will make a statement on the current market prices of cattle and sheep in Wales. [33431]

Mr. Win Griffiths: Meat prices for cattle and sheep in Wales are significantly below those of a year ago. In addition to the short-term help that the Government are providing to livestock producers, I am discussing with farming unions in Wales how Welsh agriculture can be viable for the long term.

Mr. Livsey: While acknowledging what the Minister said about the Government's recent assistance to farmers, will he note that more than 1,000 lambs were sold a week ago at Talgarth market in my constituency for between £23 and £27 a head, which is £15 down on last year's price? The main reason for that fall in price is the strength of the pound. The headlines in tonight's *Evening Standard* state that the pound is at a nine-year high. Will he ask his right hon. Friend the Chancellor, who is almost beside him, to do something about the devaluation of the green pound to ensure that prices are competitive for farmers and that they can survive?

Mr. Griffiths: My right hon. Friend the Chancellor is not almost beside me; he is beside me, as the hon. Gentleman should have seen from where he was standing.

Is devaluation Liberal Democrat policy? We presented a very successful Budget yesterday, and we must look at everything that we are trying to achieve through it. Farmers in rural Wales have welcomed extra money being made available for rural transport schemes. The Welsh Office is paying a great deal of attention to consultation with farming unions in Wales and with other rural interests to ensure that we promote and strengthen Welsh agriculture at a time when aspects of economic policy are not, in the short term, meeting all their objectives. I assure the hon. Gentleman that we shall do everything possible to ensure that Welsh agriculture survives this difficult time and makes good for the future.

Madam Speaker: That was far too long an answer.

Student Grants

7. **Mr. St. Aubyn:** If he has met student groups' representatives to discuss the future of the maintenance grant for students in Wales. [33432]

Mr. Hain: Yes.

Mr. St. Aubyn: Given the concern about the fall in applications for places in the autumn, what will the Minister do if the number of students taking up places is seriously down this year? What plans has he to make up the shortfall if there is spare capacity?

Mr. Hain: I was not aware that Guildford was in Wales—[HON. MEMBERS: "Irrelevant."] No, it is relevant. The hon. Gentleman is clearly unaware of the fact that university applications are holding up very well, not just in Wales but throughout Great Britain. In some universities—Aberystwyth, for example—the number of applications has risen by 2 per cent., and there is no reason to suppose that the new funding arrangements that we have introduced are penalising students or deterring them from applying for places.

PRIME MINISTER

The Prime Minister was asked—

UN Security Council

Q1.[33406] **Mr. Godman:** When he last met President Clinton to discuss matters relating to the reform of the Security Council of the United Nations.

The Prime Minister (Mr. Tony Blair): I did not discuss that particular issue in relation to the Security Council of the United Nations during my Washington visit last month, but we do consult closely with the United States on matters relating to the reform of the Security Council.

Mr. Godman: Judging by what I heard in Washington last week, it appears that Kofi Annan's intervention in the Iraqi crisis has upset and angered many gung-ho Republican Congressmen. It therefore seems unlikely that Congress will sanction the payment of the $1.5 billion that is owed to the United Nations. Would it not make sense to alter, or modify, article 27 of the Charter of the United Nations and Statute of the International Court of Justice to allow for the removal of the voting rights of Security Council member states that are in arrears with their subscriptions? The idea might cause apoplexy on Capitol hill, but it is worth considering, is it not?

The Prime Minister: I think that it could cause quite a few tremors in many places, but I understand the point that my hon. Friend is making. We very much hope that Congress will approve the proposal that is currently before it, so that the arrears can be paid. I strongly support Amnesty International's "Get up, sign up" campaign to mark the 50th anniversary of the universal declaration on human rights, and we were delighted to sign up on 3 February.

Dr. Julian Lewis: Does the Prime Minister intend to involve the Foreign Secretary in any future discussions on the reform of the Security Council, or does he intend—following the diplomatic disasters involved in the Foreign Secretary's trips to India and Israel—to send him on a third and final trip in the course of his up-coming Cabinet reshuffle?

The Prime Minister: The hon. Gentleman knows the answer to the last part of his question.

Just a couple of weeks ago, Conservative Members were urging us to be more active in ensuring that Israel lived up to its obligations under agreements that had been signed. It is rather unfortunate that the hon. Gentleman should make such a criticism of the Foreign Secretary now.

Mr. Dalyell: In view of this morning's Adjournment debate on relations with Iran, and the thoughtful and constructive response of the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Leeds, Central (Mr. Fatchett), will the Prime Minister reflect on how we can improve relations with a country containing 60 million people—a country, incidentally, whose pollution problems, along with those of its neighbours in Iraq, are appalling in terms of the release of carbon into the atmosphere?

Madam Speaker: Order. I do not require the Prime Minister to answer that question if he does not wish to. The main question relates to the Security Council of the United Nations, but I did not hear the hon. Gentleman utter a word about that. Does the Prime Minister wish to respond? If not, he does not have to.

I believe that questions should be in order. The hon. Member for Linlithgow (Mr. Dalyell) knows full well what the question says, and what our procedures are. I think that he tried to put one over on me, and I am not having that.

Engagements

Q2.[33407] **Mr. Whittingdale:** If he will list his official engagements for Wednesday 18 March.

The Prime Minister: This morning, I had meetings with Cabinet colleagues and others and, later today, I shall have further such meetings.

Mr. Whittingdale: Will the right hon. Gentleman confirm that his own Red Book shows that, as a result of the Budget measures, an extra 250,000 families will face a marginal rate of taxation and benefit withdrawal of 60 per cent. or more? Rather than improving work incentives, will not that considerably reduce them?

The Prime Minister: No. That is entirely wrong. As a matter of fact, the Budget will increase work incentives dramatically because it will take a whole lot of people out of paying national insurance. It will mean that a whole lot fewer people pay tax and that poverty traps for the vast majority of people will be reduced. I should have thought that a Budget that makes work pay and helps get people back to work would be supported even by the neanderthals in the Conservative party.

Q3.[33408] **Mr. Savidge:** Following a Budget that was focused on social justice and on rewarding work, and given the centrality of a national minimum wage to achieving both objectives, has the Prime Minister had any indication from the Leader of the Opposition as to whether he will now support that Government policy, or whether he will go into the next election campaigning for a return to poverty pay?

The Prime Minister: We have not yet had a policy from the Conservative Opposition, but I will keep the House informed when we get one. This Budget will mean that no family with earnings of less than £220 a week will pay any income tax at all. Any family with a full-time worker has a guaranteed income of £180 a week. Child benefit is up. There is new help for child care. There are cuts in corporation tax and small business corporation tax. It is a Budget that both helps people back into work and rewards both enterprise and fairness. That is a new Labour Budget and we are proud of it.

Mr. Hague: The biggest single tax change in yesterday's Budget was a change to corporation tax, which will cost businesses £3.5 billion in the next two years. When he delivered the Budget statement yesterday, why did the Chancellor of the Exchequer neglect to make that clear?

The Prime Minister: Business has welcomed the changes that have been made. The Budget will mean that, when the changes are through, business pays less tax than before.

Mr. Hague: Actually, the Confederation of British Industry spoke about the "adverse impact" of that particular policy. The right hon. Gentleman has spoken about the cut in corporation tax, which, according to the Red Book, gives businesses £700 million in two years' time. Other changes in corporation tax, which the Chancellor glided over in his speech, will cost businesses £2,000 million in the same year. That is in the Red Book—or, apparently, in the Prime Minister's case, the unread book. Will he now admit that yesterday's Budget increased the total tax on businesses for the whole of the rest of this Parliament?

The Prime Minister: "No" is the answer to that. As we have made clear throughout—this is the reason why business welcomed the Budget—it allows us to move to a situation where businesses are going to have corporation tax reduced. Indeed, corporation tax under this Government—a Labour Government, I remind the right hon. Gentleman—is the lowest that it has ever been.

Mr. Hague: I have to give the Prime Minister a few more details. How can "No" be the answer to my last question when the total tax reductions for businesses shown in the Red Book add up to £1,600 million and the increases add up to £3,800 million? Is the table in the Red Book—which contains the Treasury's own official figures—correct when it shows a large increase in business taxation for the rest of this Parliament?

The Prime Minister: For the reasons that I have already explained to the right hon. Gentleman and that were explained by the Chancellor last year, the fact of the matter is that, once the changes are all through, there is a reduction in corporation tax, not an increase. As I have said, this Government have cut corporation tax twice since being in power—a rather better record than that of the right hon. Gentleman's Government.

Mr. Hague: Is it correct that business taxation has been increased for the whole of the rest of this Parliament—yes or no?

The Prime Minister: As I have just said, the rate of corporation tax has been cut.

Mr. Hague: It is a pity that the Prime Minister cannot look at a piece of paper issued by his own Government

and say that what it says is true. Why was the Chancellor not straight about that when he presented the Budget yesterday? Why should we not have next year's Budget read out by the Foreign Secretary? He does not care what he blurts out or whom he offends, so he should read out the Budget. After five interest rate rises and rumours of more, with the pound at a level that is strangling the life out of exporters, and with manufacturing output down for five months in a row, does the Prime Minister think that this was the time to add billions of pounds to the tax bills of British businesses?

The Prime Minister: Let me remind the right hon. Gentleman again that we have cut corporation tax and small business tax. As a result of the changes going through, businesses will pay less tax, not more, which is why business has welcomed the Budget. What is the right hon. Gentleman's policy? He says that he opposes all the changes. He opposes all the revenue measures although in the past he has proposed them—the fuel escalator, for example. He wants more money to be spent, although he opposes all the measures to raise it. He wants to cut tax and borrowing, and he wants action to tackle the pound, he says—although the only action to tackle the pound lies in raising revenues, not depleting them. The fact of the matter is that his figures do not add up, and the real loser by the Budget is the credibility of the Opposition.

Mr. Hague: The Prime Minister says that the figures do not add up, but the figures that I am reading out to him are the Chancellor's figures, out of the Chancellor's own book. The tax rises for British business are yet another step in the step-by-step betrayal of business in this country. After all the hype of yesterday, now, in the cold light of day, businesses face higher taxes, a crippling exchange rate and falling output. Is not the message to businesses that the Government are not on their side?

The Prime Minister: No; we are on their side, which is why they have welcomed the Budget. The only people who have not welcomed the Budget are the Conservative party. When we hear their figures today—[HON. MEMBERS: "Your figures."] No; we have cut corporation tax and small business tax. When we hear all the Conservatives' comments today, the fact of the matter is that their figures simply do not add up. I can tell the right hon. Gentleman that if he wants to stop raising revenue while at the same time increasing spending, one of the toddlers on the Chancellor's new child care scheme with a set of beads could make a better job of opposition than the present Opposition.

Mr. Ian Stewart: From what the Leader of the Opposition has said today, it is clear that the official Opposition cannot count and cannot read. [HON. MEMBERS: "Question?"] Does the Prime Minister agree that over the past 18 years the Tories' high levels of taxation have penalised those on low incomes? Does the Prime Minister—

HON. MEMBERS: "Question?"

Madam Speaker: Order. If the Opposition had been quiet they would have heard the hon. Gentleman put a question. I have been listening, and he has put his question.

Mr. Stewart: Does the Prime Minister accept that the taxation system should pay work? Will he ensure that the proposed system of working families tax credit is implemented as soon as possible, so that the families in my constituency of Eccles and throughout the country can benefit as soon as possible?

The Prime Minister: Yes. The scorn of Opposition Members is due to the fact that they do not care about the low-income families who will benefit from the Budget. We have cut not merely corporation tax and small business tax, but national insurance. The effect of raising child benefit, with the extra help with child care and the working families tax credit, will both make work pay and help families in poverty. The Budget is good for all of Britain.

Mr. Ashdown: As the Prime Minister knows, we broadly support the new direction set in the Budget. *[Interruption.]* I suppose we would have to, as more of its provisions were drawn from our manifesto than from the Prime Minister's. However, as the Prime Minister also knows, we regret what we regard as the Government's timidity on the environment, and we believe that the provisions in the Budget are inadequate to deliver the right hon. Gentleman's personal promises on health and education. I ask the Prime Minister a very specific question: are rising hospital waiting lists now at an end?

The Prime Minister: As the Secretary of State for Health will say, we will lower national health service waiting lists—by spending more money than either the Conservatives or the Liberal Democrats were intending to spend. I should point out to the right hon. Gentleman—because, as he knows, I always like to be very welcoming to Liberal Democrats—that, while he is saying that we have not done enough to meet our environmental targets, other Liberal Democrat spokesmen are criticising us for raising petrol prices.

Mr. Ashdown: The reason for that criticism is very simple: the Prime Minister has cut emission targets from 20 per cent. to 8 per cent.

However, let us return to hospital waiting lists. The Prime Minister says that hospital waiting lists will be cut, which is welcome, but cut from what level—from the level that he inherited, from today's record level or from the even higher levels that will be reached in the next few months?

The Prime Minister: Very simply, from the levels that we inherited; that is our promise, and we will keep it. The only way in which we can lower national waiting lists—which have been rising since March 1995—is by putting extra cash into the health service. This year, we have provided an extra £300 million. As was announced in yesterday's Budget, next year an extra £1.7 billion will go into the health service. That is a lot more money—even by the Liberal Democrats' arithmetic—than the £1.1 billion that they were promising before the general election. We will get waiting lists down and deliver on our pledge. We will keep our promise, but we will do it while keeping a tight grip on public spending—because we promised that, too.

Ms Oona King: Is the Prime Minister aware that the recent genocide in Rwanda of 1 million people in three months is possibly the worst the world has seen? It is

worse than, for example, the deaths of 180 million Africans in the slave trade or 6 million Jews in the second world war for one reason: the United Nations did not exist and was not there watching when those horrific genocides occurred. In the light of that fact, although I speak as someone of African and of Jewish descent, I appeal to anyone of human descent to help to ensure that victims of genocide do not go unhelped. Will the Prime Minister give his assurance that the United Kingdom will be a friend and staunch ally to Rwanda? Will he also push for the IMF and the World bank—as a minimum measure—to reduce Rwanda's crippling debt burden? If we do not prioritise genocide, our priorities must be wrong.

The Prime Minister: I thank my hon. Friend for her question. Since the 1994 genocide, we have put about £190 million of aid into Rwanda. We are continuing to work, both within Europe and with other countries, to ensure that Rwanda gets the debt relief that it desperately needs for its future. Although we have been able to help many of the families who were victims of genocide with the aid that we have provided, I agree with my hon. Friend that more can be done. We will see what we can do—both within the European Union and elsewhere—to increase the help that we are giving.

Q4.[33409] **Mr. Baldry:** Does the Prime Minister know that, this year, Oxfordshire county council has a £3.5 million deficit in its education budget, which is leading to very severe cuts in school budgets, such as that of the Warriner school? The cuts are being made at a time when people in Oxfordshire are having to face a double-digit increase in council tax bills. Given that much of the £250 million for education that was announced yesterday seems to be for inner-city education action zones, is the Prime Minister satisfied that sufficient money is going into education in English shire counties?

The Prime Minister: I do not doubt that more could go in, but the fact is that—quite apart from yesterday's Budget announcement—in the coming year, an additional £800 million will go into education spending, which will help areas such as Oxfordshire. That sum is £800 million more than the previous Government were, before the general election, intending to spend on education.

I understand that many schools still face problems. We have always said that our first priority would be to sort out the public finances, which we have done, and that our second priority would be to invest in our schools and hospitals—on the basis that we are not simply throwing money at them but achieving long-term reform that improves standards and makes possible the excellent service that people want them to perform. I sympathise with the current problems of the hon. Gentleman's constituents, but, next year, we will put in extra money, which is a lot more than the previous Government planned to spend.

Mr. Efford: Will my right hon. Friend join me in welcoming the news that the family of murdered teenager Stephen Lawrence have accepted the Home Secretary's assurances and will take part in the public inquiry? Will he also join me in condemning journalists who have managed to get articles into daily newspapers that have denigrated the people in my constituency and portrayed them all as racist? Does he agree that such reporting does nothing to address the issue, which exists throughout our society, or to bring together the whole community, including the good people in my constituency, which is overwhelmingly not racist, to attack and address the issue?

The Prime Minister: I am obviously pleased that the inquiry is now back on foot, and I very much hope that it will continue to be so. I obviously understand and sympathise with the position of the Lawrence family, and I am delighted that a suitable agreement has been found. As for my hon. Friend's constituents, I believe that the vast majority of people in this country want to live in a society where, irrespective of people's race, they are treated equally and are of equal status. That is a fundamental principle, which I am glad to say is shared by every single mainstream political party in the House. That is one reason why we can be optimistic about the future of race relations.

Q5.[33410] **Mr. Gorrie:** When traditional Labour voters ask why the Government are sticking to Tory expenditure plans and Tory Treasury rules, which will result in yet further cuts in essential services in the coming year and create the worst services in living memory, how does the Prime Minister respond to such supporters, who feel betrayed?

The Prime Minister: My hon. Friends tell me that the hon. Gentleman used to be in a Conservative coalition on Edinburgh council some time in the early 1990s, so I do not think that we should be too persuaded by what he is saying. We are sticking to very tight spending plans—that is right—but within those spending plans it is completely wrong to say that we are spending the same sums of money as the Conservative party on the same things: we are not.

We are actually spending more money on health and education than the Liberal Democrats ever asked for. They shake their heads, but they should read their manifesto. We are spending about double what they wanted on, for example, education and health. It is absurd for the Liberal Democrats to oppose every measure that raises revenue, such as the windfall tax, but end up saying that they want all the spending, or that it all comes out of their 1p on income tax. I am sorry but, in government, there is a bottom line of credibility, and the Liberal Democrats are not meeting it.

Q6.[33411] **Mr. White:** Given that bus services have been devastated since deregulation in 1985, particularly in rural areas, does the Prime Minister agree that yesterday's announcement of £500 million for transport, and particularly £50 million for rural areas, will be especially welcome in my constituency, but that it is only a start, and more must be done to achieve our sustainable transport objectives?

The Prime Minister: Yes. About three quarters of our rural communities do not have a proper or regular bus service. That is the legacy that we have inherited. I hope that the rural transport fund will at least give some forward relief to people who need a proper rural bus service and that, in future, we are able to do more. The £500 million over and above what the Conservatives planned to spend is an additional indication of how it is quite wrong to say that we are sticking to Conservative

spending plans. We are not sticking to Conservative spending plans, but we are sticking to Labour's tough rules on financial prudence.

Q7.[33412] **Mr. Greenway:** Will the Government's review of child benefit include the option of ending the separate taxation of men and women? Would not that be the inevitable consequence of taxing child benefit?

The Prime Minister: No, I do not accept that. I hope, from the indication given by the Leader of the Opposition yesterday, that the Conservatives do not object to the review in principle. We have to look at all the factors. If we are to increase child benefit by substantially more than inflation—yesterday we announced a 20 per cent. increase in child benefit, which is the largest for decades—the question of how best to do it is properly on the agenda. I hope that the Conservative Opposition will react constructively to our proposals when we table them.

Mr. Tony Clarke: Contrary to the official Opposition's announcement yesterday that they support little of the Budget, will my right hon. Friend join me in congratulating our right hon. Friend the Chancellor on his announcement about child care tax credits? The proposal will not only empower those parents who want to go to work but enable them to do so in the knowledge that up to 70 per cent. of the cost will be met by the Government. Will my right hon. Friend announce when the credit will come into force so that my constituents can take full advantage of it? Will he also ensure that the child care offered is of a sufficient standard to give parents comfort about how their children will be looked after while they are at work?

The Prime Minister: The changes come into effect next year. The £300 million for child care that my right hon. Friend the Chancellor announced some time ago will take effect far sooner. My hon. Friend is right. Many families, even those earning up to £30,000 a year, will benefit from the proposals, which will allow them to afford decent and quality child care. That is why our proposals are important. We do not want to prevent people from staying at home and looking after their children if they wish to, but they should have the choice to go out to work, knowing that they will get some help with the costs of child care.

Q8.[33413] **Mrs. Spelman:** Does the Prime Minister believe in principle that the tax system should favour marriage or be neutral between married and unmarried couples?

The Prime Minister: Whenever we have this debate, I am perfectly happy to say that, if people can give us a sensible proposal on how to assist marriage, we are prepared to do so. It is as well to be honest about the problems we face. As my right hon. Friend the Chancellor pointed out yesterday in relation to the married couple's allowance, single parents get the same allowance at the same rate as do unmarried couples with children. It does not seem rational to focus the help in that way. It is better to do what we announced yesterday and help children, because that helps all families. That is the best way to do it. Of course I believe in marriage, but every time that we ask for proposals from people who want to assist the process, it is difficult to get one that makes sense.

Q9.[33414] **Mr. Linton:** Will my right hon. Friend reassure my 87-year-old constituent in Battersea, who has had to suffer a five-month delay for her knee operation, that the Government are fully committed to tackling the backlog in waiting lists that grew so rapidly under the previous Government? Will he assure us that the £500 million announced in yesterday's Budget, coming on top of £1.5 billion in last year's, will be dedicated above all to reversing the rise in hospital waiting lists, to honour the pledge on which the Government were elected?

The Prime Minister: Yes, of course it will. The money that is going in today will be additional money to help reduce national health service waiting lists—again way over and above anything that was asked for by the Liberal Democrats or promised by the Conservatives. However, it will take time—it was always going to take time. Once we have the finances sorted out, as we have done, we shall be able to get additional money in. That is the right way to do it, so that the investment that we put into the health service and our schools carries on year on year. We have to get away from the system under the Conservatives, in which spurts of spending were followed by cuts.

Mr. Butterfill: The Prime Minister is well known for his concern for the safety of British citizens travelling abroad, and in particular the safety of Members of this House. As hon. Members will want to avoid getting a hostile reception in overseas territories over the Easter recess, will the Prime Minister publish the itinerary of the Foreign Secretary?

The Prime Minister: The hon. Gentleman and his hon. Friends said during the debate we had on Iraq that we were being remiss in not taking a high-profile attitude in the European Union to ensure that the obligations entered into were adhered to. That settlement was one part of those obligations. My right hon. Friend the Foreign Secretary was entirely justified in doing what he did, and the hon. Gentleman would do better to support him.

Q10.[33415] **Mr. Barry Jones:** Does my right hon. Friend accept that, from time to time, Government Back Benchers will have critical opinions of his Government as well as supportive ones? Does he know that, since he has visited my constituency, the Airbus factory has received £123 million of investment, the Toyota factory has received £130 million of investment and the £40 million Flintshire bridge has been opened, and that, try as I might to be critical, I cannot? Will he accept also that the Budget was magnificent?

The Prime Minister: On balance, I would agree. Some people may not like some old-fashioned sycophancy—but not me. I am grateful for what my hon. Friend said, although it may mean that I make slightly fewer constituency visits in future. The money has been given on the basis of highly efficient production and it is a tremendous tribute to those who work in the two plants in his constituency. I am delighted they have done so well and I look forward to coming back and announcing new jobs in his constituency later.

ROYAL ASSENT

Madam Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

Consolidated Fund Act 1998

Fossil Fuel Levy Act 1998

Wireless Telegraphy Act 1998

Nuclear Explosions (Prohibition and Inspections) Act 1998

NHS (Waiting Lists)

3.31 pm

The Secretary of State for Health (Mr. Frank Dobson): Madam Speaker, yesterday's Budget has, rightly, been well received. It confirmed new Labour's reputation for economic competence. It was a Budget for enterprise, a Budget for work and a Budget for families, and it was a Budget for our national health service.

The £500 million the Chancellor announced yesterday takes to £2 billion the extra money that the Government have put into the health service in the 10 months we have been in power. That £2 billion in ten months is about £5 million extra for the health service for every single day of the coming year. That is more than the Tories ever planned, and even more than the Liberals promised.

I intend to put that money to very good use. At the general election, we promised to save the national health service and to modernise it. We have kept that promise, as we keep all our promises. We have saved the national health service; we are modernising it. We are doing that in partnership with the million people who work in the health service. We have asked them to work in new and better ways, and we have matched that by extra funds.

When we took over, waiting lists had been rising since 1995, and record numbers of patients were waiting for treatment. I made it clear that the first priority for the NHS was to ensure that the health service avoided a winter crisis. I asked the people working in the health service to make contingency plans, to break down the Berlin wall between hospitals and community and social services, and to make sure that emergency and urgent cases were treated promptly.

NHS and social services staff responded magnificently. The Government provided an extra £300 million, and, with the help of the 1,500 special schemes introduced this winter, the NHS has treated record numbers of emergency cases and record numbers of people off the waiting lists.

As top priority was given to emergencies, waiting lists have grown despite all the hard work of the staff. I set that priority, and the health service met that priority—I congratulate it on doing so. That effort was not simply a one-off for the winter, however; it was a long-term investment for the future. It has put in place new partnerships between general practitioners, hospitals and social services to tackle long-standing problems, which had denied some people high-quality treatment at home or in the community. Those new partnerships will endure.

Now we shall build on those partnerships. We shall bring the same combination of investment and modernisation to bear down on waiting lists. Today, I can spell out that our top priority for the coming year is to reduce waiting lists, using the extra £500 million that my right hon. Friend the Chancellor announced in his Budget yesterday. That £500 million comes on top of the extra £1.2 billion for the NHS next year that had already been announced.

Of that extra money, £417 million will be invested in the health service in England. Three hundred and twenty million pounds of that will go directly into cutting waiting lists; it will be invested in more operations, more surgical and medical sessions, more doctors, more nurses, and more flexible seven-day working. It should result in the biggest increase in the number of operations in the history

of the NHS and the biggest ever cut in waiting lists. The money will be earmarked and targeted to deliver what patients most want—shorter waiting lists.

Each health authority and trust will have to play its part, and each will be set a challenging individual target. The waiting lists action team will step up its advice and support, and performance will be closely monitored in every part of the country. Best practice will be identified and spread, and everywhere standards will be driven up. There will be rewards for those who hit their targets and sanctions for those who do not. The chief executive of the NHS, Alan Langlands, will oversee performance in meeting those targets; he will regularly report to me personally.

The rest of the extra money will also be invested in cutting waiting lists. The flow of operations will be maintained by building on the success of the new ways of working that were pioneered this winter, and through better primary, community and mental health services. We shall also start to modernise the waiting list system, which is archaic. Some of the extra money will be spent on pioneering new streamlined appointment systems so that day case patients can book the date that suits them for an operation. Again, we shall manage the new investment closely to ensure that our objectives are delivered.

I said last year that the waiting lists were like a supertanker—it would take time to slow them down, longer to bring them to a stop, and even longer to turn them around. Waiting lists are still growing, but, as our measures bite, we shall halt the rise, and, by the second half of the year, they will be coming down. Through targeted investment, good management and innovative change, we shall do better than the Tories ever did. In the 18 years of Conservative government, the number of people on waiting lists rose by more than 400,000. In the next 12 months of a Labour Government, the numbers will fall, and will continue to fall.

By April next year, I expect hospital waiting lists in England to be shorter than the 1.16 million record level that we inherited from the previous Government. That is the target. Delivering that target will be a significant stepping stone towards fulfilling our pledge to reduce, in this Parliament, waiting lists by 100,000 from the level that we inherited.

The target is ambitious, but I am confident that, provided we do not encounter a dreadful winter or major epidemic, we can meet it. [Hon. Members: "Ah."] Fools opposite apparently think that the system could cope with a major epidemic; perhaps they think that we could cope with the arrival of an asteroid. I am confident that the target can be met, because our ambition to cut waiting lists is shared by the people who do the work in the health service, as well as by the people who need operations.

The Budget was a defining moment, because it showed clearly what new Labour means: enterprise, efficiency and fairness going together. The Government's sound management of the economy has enabled us to find more money for our priorities, and in particular for health. As a result, there can be extra investment.

I am determined to ensure that patients and taxpayers get full value for that investment. That will require modernisation and reform, and I know that the staff of the NHS will match our commitment with their own. It was a new Labour Budget for a new health service, delivering on our promises to the people at the general election.

Mr. John Maples (Stratford–on–Avon): In the general election campaign, the Labour party made a specific promise: to reduce waiting lists by 100,000. The Secretary of State talks a lot about ambitious targets and supertankers, but I wonder whether the electorate would have been so impressed if they had known that it was a five-year promise. Somehow, reducing waiting lists by 20,000 a year does not sound quite so impressive. Even he should be able to turn a supertanker round in less than five years.

Since the general election, far from falling by 100,000, waiting lists have risen by 100,000, and they have almost certainly continued to rise this winter, and will probably do so this summer. Labour made another promise, intimately connected with waiting lists: to spend more money than us, every year. Our spending plans were criticised in the most exaggerated and emotional terms and denounced as inadequate. Has Labour done better? No, it has not. *[Interruption.]*

Labour Members do not like this figure, but, for 18 years under the Conservatives, the national health service budget increased by an average of 3.1 per cent. a year over and above inflation. Under Labour, the increase for last year and next year will average 1.8 per cent.

Yesterday, the Chancellor said that there would be £500 million more for health, but the Red Book details show that the increase is only £420 million for England, of which only £340 million is being spent on the NHS. Why is England getting only 84 per cent. of the money, when it got 90 per cent. of the winter emergency money? According to the Red Book, which many members of the Government have clearly not read, England is getting £420 million out of the £500 million. What is the other £80 million—the difference between the £420 million allocated to the Department and the £340 million for the NHS—to be spent on?

Will the Secretary of State confirm that hidden away in the Red Book was an increase in the estimate of inflation for next year; that the estimate of the gross domestic product deflator was raised from 2.75 per cent. to 3 per cent.; and that that will reduce real spending in the NHS by £90 million? When that is taken into account, the £500 million becomes not £420 million or £340 million but £250 million extra in real terms for the NHS in England.

The Secretary of State says that he intends to spend £320 million on reducing waiting lists, and that he will get us back to where he started in two years' time. What an achievement: he will have turned his supertanker 360 deg, and gone absolutely nowhere in two years. Will he go a little further and promise the House that his pledge to reduce waiting lists by 100,000 from the figure that he inherited will have been fulfilled by May 1999?

Can the Secretary of State confirm that the national health service budget increased in real terms by only 1.27 per cent. in 1997–98; that, even with the extra £500 million announced yesterday, the increase in real terms will be only 2.3 per cent. in 1998–99; that the average real-terms increase between 1979 and 1997 was 3.1 per cent.; and that, if the NHS budget had continued

[Mr. John Maples]

to be increased at the same rate under Labour as it was under the Conservatives, the NHS would have an additional £940 million to spend next year?

The Secretary of State has been all over the media, congratulating himself on the extra £500 million, which now turns out to be £250 million. We should like to know what happened to the £2 billion that was being trailed across the Sunday newspapers a couple of weekends ago. That really would have made a difference, and that is what the Secretary of State wanted, but he failed in his negotiations with the Chancellor. That was new Labour 1, old Labour 0.

Far from crowing about his success, the Secretary of State should be apologising for his failure. Since the election, waiting lists have gone up 100,000 and the cash has gone down by £940 million. Is that what he means by saving the NHS—with longer waiting lists and less money?

Mr. Dobson: It is clear from that response that I need to keep the figures simple, because the hon. Gentleman finds them difficult to understand. Since we got in, we have found £2 billion more than the Tories provided for in the Budget for the current year and that for next year. That is £2 billion more than they intended to spend in their last Red Book.

That money is not unreal money or discounted money, but will go on real operations, carried out by real doctors, in real operating theatres, helped by real nurses and other people, and it will treat real patients. That is why it has been welcomed by representatives of doctors, nurses, NHS managers and the unions representing other people who work in the health service.

There is no point in the shadow Secretary of State comparing chalk with cheese. I am comparing what we are providing in this year's and next year's Budgets with what was provided by the previous Tory Chancellor of the Exchequer in his last Budget. When we take those into consideration, we find that there is £2 billion more than the Tories ever intended. I might add, for good measure, that there is £1 billion more than the Liberals promised.

Audrey Wise (Preston): Does my right hon. Friend agree that the full use of operating theatres, which at present stand empty for some part of the week in many parts of the country, would mean that we could use the capital resources of the NHS as well as the professional skills of surgeons and others far more effectively? Has he noticed that, in the days of the Tory Government, when waiting list reductions took place at all, they took place as a result of making people wait to go on the waiting lists? I congratulate my right hon. Friend on a far more straightforward approach to the problem.

Mr. Dobson: I certainly agree with much of what my hon. Friend says. Clearly there will have to be a lot more operations in operating theatres in the coming year. From my discussions with representatives of the people who have to do that work—no one in this House will do it: it will be the people in the hospitals—I am convinced that they are ready, willing and keen to do it. We have now found the money to enable them to do it.

We have to get away from the ludicrous situation that has prevailed, admittedly for years, in the health service, in which theatre crews—surgeons, anaesthetists, nurses and others working in the operating theatre—have had to stand down for the last six weeks or two months of the financial year because their health authority could not afford to pay the small additional amount to look after patients after they had been operated on. We have to get away from that nonsense, and we are going to get away from it.

Dr. Evan Harris (Oxford, West and Abingdon): The Liberal Democrats welcome this overdue action on the crisis in waiting lists, and we welcome the overdue and tiny extra spending on community care, but does the Secretary of State accept that, if he followed the costed Liberal Democrat alternative Budget, there would be much more than the £1.7 billion available to spend on those problems next year—in fact, double that? He says that he will modernise waiting lists—that is the new euphemism, modernise—but does that mean that he will change the goal posts?

Can the right hon. Gentleman assure me that all operations will still be offered in the NHS next year that are offered now? Can he assure us that in-patient waiters will be tackled, that this will not just be a blitz on day case waiters, and that hips will be done as well as toenails? Will long waiters be tackled—people waiting over a year, whose number has tripled to over 68,000 since May?

Given the recruitment crisis among doctors, nurses and physios—a recruitment crisis not helped by staging their pay award—where will all the extra doctors and nurses and professions allied to medicine come from to do all these extra operations?

Mr. Dobson: The motto of the Liberal Democrats appears to be: think of a number, put it in their election manifesto, and double it when they lose. At the general election, they said that they wanted £540 million a year extra for the health service. We have put £2 billion into the health service over the first two years, which is roughly double what they advocated. It is difficult for them to criticise us for spending twice as much as they would have, had they by some freak of fate won the general election, which they did not.

I confirm that we intend to reduce the in-patient waiting list. We are making a special effort to ensure that the 18-month waiters list is eliminated by the end of this year. As we progress in getting the waiting list down, waiting times should come down as well. It will be a long, hard struggle for the people working in the national health service, but they asked for the extra money. Representatives of the British Medical Association, the Royal College of Nursing and health service managers have welcomed the money. I do not understand why Opposition Members appear to be the only people who do not.

Mr. David Hinchliffe (Wakefield): I warmly welcome today's announcement, and congratulate my right hon. Friend on the manner in which he has won huge additional resources for the NHS, which will directly affect many of the problems that the Government have inherited from the Conservatives.

I urge my right hon. Friend, in using the money, to build on the obvious success of the winter beds initiative to establish closer working relationships between the

national health service and social services, and to tackle the problems of the Berlin wall to which he referred. The issue is directly related to bed blocking. Will he also consider the problems facing local authority social services departments, many of which are making significant cuts in their budgets? Does he recognise that there is a partnership between local authorities and the NHS, and that local authorities should be enabled to their play their part in resolving these difficult problems?

Mr. Dobson: My hon. Friend, who does such a good job chairing the Health Select Committee and has devoted a substantial part of his parliamentary life to promoting the interests of the NHS and social services, is right to say that we need to draw on the good experience of the way the NHS, social services departments and certain voluntary bodies used the extra £300 million for the winter.

I may be letting out some terrible secret, but it was easier to convince some of my colleagues of the ability of the NHS to respond and to put money to good and immediate use when I could point to the immense success of the initiatives taken in the winter. They are a credit to everyone concerned. More than 1,500 new schemes were introduced, and I asked for reports on them all.

I asked for honest reports, because, if they were put together quickly, it is likely that, out of 1,500, one or two may have turned out to be a total frost. If we are going to learn from one another, we need to learn from the things that work well and the things that go badly. It is on the basis of our experience of the brilliant efforts of the NHS and social services with the money for the winter that I am confident that we can have equal success with targeted funds to tackle the waiting list problem.

Mr. Tom King (Bridgwater): Is the right hon. Gentleman aware that, while it may seem a clever debating point here to quote Conservative years two and three as though they were likely to be the expenditure levels in the NHS, every year the Conservative Chancellor for the year in question substantially increased health expenditure, which led to the 3 per cent. increase in real terms in health expenditure quoted by my hon. Friend the Member for Stratford-on-Avon (Mr. Maples)? Is he aware that this year is clearly the most difficult that my local Taunton and Somerset NHS trust has ever faced, and that the trust is likely to be in deficit? I do not see the sums announced in the Budget as likely to make a significant difference to that situation.

Mr. Dobson: The right hon. Gentleman obviously knows better than the people representing nurses and doctors, but he certainly does not know too much about his own Government's spending plans, because we are talking not about years two and three, but about years one and two—the year we are in now started off as a Tory year. There was a Tory Government at the beginning of this financial year, so we are not comparing oddities or theories; we are comparing the amount of money that the Tory Government allocated for this year—we started the year with that and did the allocations for the health service on that basis.

I fully accept that a great number of health authorities and trusts are in severe financial trouble, as they were under the previous Government. When we took over, 60-odd of the 100 health authorities were in debt, as were 120-odd of the 400-odd trusts, so that is no novelty. We have reduced that debt by reintroducing financial rigour into the health service, at the same time as people are doing more work.

Mr. Dale Campbell-Savours (Workington): I warmly welcome the statement, for which we have all called over a long period. However, I have a problem in west Cumberland that has to be resolved, which is that loose talk by consultants in Carlisle Hospitals NHS trust about the configuration of services in Cumbria is totally undermining morale in West Cumberland hospital. That has to stop. Is my right hon. Friend prepared to look into those matters on my behalf? We are very worried indeed.

Mr. Dobson: My hon. Friend raises an important point. When there is any question of reorganisation of the health service, everyone finds it disturbing, but it behoves everyone involved to try to adopt a reasonably moderate tone in what they say about such matters.

Mr. Bernard Jenkin (North Essex): Like you used to in opposition?

Mr. Dobson: Let me tell the hon. Gentleman—

Madam Speaker: Order. I shall tell the hon. Gentleman something: he will not be called for his question if he shouts from the Back Benches. He is a Front-Bench spokesman.

Mr. Dobson: I can say that I have probably taken a more rational attitude to hospital change in my constituency than any other Member of the House of Commons. I have been in favour of amalgamating two great teaching hospitals and of amalgamating into those two great teaching hospitals a large number of other small hospitals in the area. Not many Tory Members of Parliament can say that.

Sir Geoffrey Johnson Smith (Wealden): Is the right hon. Gentleman aware that one of the reasons why waiting lists have increased is that some health authorities and trusts have been advised, and in some cases instructed, not to send patients out of area or even to private hospitals—some of them non-profit—which can carry out the surgical or other treatment to a standard equal to that offered by the NHS, and in some cases at less cost?

Mr. Dobson: Generally speaking, if someone is sent for an operation in the private sector, it is not at less cost. Some people running loss leaders may manage it, but generally speaking operations are more expensive in the private sector. However, the restrictions on where health authorities can send patients were part of the system we inherited, and we are getting rid of them because, like the hon. Gentleman, I think that they are stupid.

Mr. Kevin Barron (Rother Valley): Will my right hon. Friend tell us how quickly patients currently on waiting lists are likely to see action as a result of the new investment in the national health service?

Mr. Dobson: The people who run the health service will know that money is available. We are telling them that they can start making the necessary plans, and,

[Mr. Dobson]

from 1 April, incurring the necessary expenditure in the knowledge that the money is coming. As soon as 1 April arrives, people who would not be treated but for the extra £500 million that the Chancellor has found will begin to be treated. Additional people will be treated.

Mr. Nicholas Winterton (Macclesfield): Medical treatment and medical care should not be the battleground of party politics. Does the Secretary of State agree that advances in medical skills and technology mean that, year by year, additional burdens are inevitably placed upon the national health service? The East Cheshire NHS trust in my constituency benefited from the winter beds initiative. If the money that the Secretary of State is spending in an attempt to reduce waiting lists achieves that objective, I am prepared to say from this side of the House that I at least will be eternally grateful, as will my constituents.

Mr. Dobson: Yet again, I thank the hon. Gentleman, who, in days gone by, was a distinguished Chair of the Health Select Committee and member of the Social Services Select Committee. He has always spoken up for the national health service.

I recognise the hon. Member's point entirely: technological changes and pharmaceutical improvements offer a challenge to the national health service. However, I would like to change morale within the service.

From the point of view of patients and clinicians, the new technology is wonderful and brilliant. It means that people who could not be treated in the past may now receive treatment. Those who could be treated in only an inferior manner and were offered palliative care can now receive treatment to cure their condition. We must change the whole approach, so that the national health service feels confident enough, and is sufficiently well funded, to look to and welcome change, and to deploy it in the best interests of patients.

Judy Mallaber (Amber Valley): I hope that hon. Members on both sides of the House will offer warm congratulations to the Secretary of State on securing the additional money. Will my right hon. Friend ensure that at least some of the extra £500 million will be used to introduce new and better ways of managing NHS waiting lists?

Mr. Dobson: Yes, indeed. I like to keep statements short, so I referred only briefly to our intention to move away from the archaic manner in which waiting lists are put together and managed. The treatment of patient data and information is a scandalous disgrace. The national health service is the only major institution in the country that stores basic data on fairly scrappy bits of paper that have a tendency to get lost. We must introduce much better information technology, for the benefit of all.

Mr. Crispin Blunt (Reigate): Is the Secretary of State aware that, at the time of the general election, the Labour party displayed in my constituency a poster promising shorter waiting lists? I have asked my local hospital about the length of waiting lists in each specialty area of treatment available to my constituents. What poster may I expect to see if the right hon. Gentleman fails to deliver shorter waiting lists by the next general election?

Mr. Dobson: We will not fail to deliver. I would be interested to learn whether the hon. Gentleman displayed a poster in his constituency at the last general election saying that waiting lists would rise under a Conservative Government—because that was inevitable.

Mr. Dennis Skinner (Bolsover): Does my right hon. Friend agree that it would be much easier to reduce waiting lists if we could start to change more dramatically the dodgy system that we inherited from the Tories in respect of the NHS? I do not think that my right hon. Friend has an easy task—it is probably the biggest nut to crack in government. Did he hear the Chancellor of the Exchequer refer to the extra £500 million that will go into the contingency fund? Will my right hon. Friend keep an eye on that money? He needed some of it last winter, and I think he might need it again this year.

Mr. Dobson: I understand the point that my hon. Friend makes. I am not evading his question if I say that everyone working in the health service shares my view and wants the comprehensive spending review to produce a new approach to funding of the NHS, so that the NHS will know for the next three years what resources it will get, and will be able to plan properly and deal with them. I am reasonably confident that the comprehensive spending review will enable us to do that, to the infinite benefit of the people who work in the health service and, even more so, of the people they look after.

Rev. Martin Smyth (Belfast, South): I welcome the statement. I read in the papers in Northern Ireland this morning that £13 million is going there. We welcome that, but unfortunately we cannot question the Minister on how it will be spent.

I underscore the point made by the hon. Member for Wakefield (Mr. Hinchliffe): much bed blocking is due to the fact that social services cannot take people into residential accommodation. Does the Secretary of State agree that the problem does not arise just at the end of the financial year, and that purchasing authorities do not pace themselves properly earlier in the year so that people can be operated on, instead of money being held back lest emergencies develop?

Is it not important that the attitudes of managers and administrators should be changed? Often people get a letter when they are on their way to work, on the morning that they are required to present themselves for an operation. That is a waste of health authority time.

Mr. Dobson: I take on board the points that the hon. Gentleman makes. In Northern Ireland, the national health service and social services have worked closely together, which was extremely helpful last winter. I was privileged not long ago to hand over the nursing innovation of the year award jointly to people in the NHS and social services in Northern Ireland, which I am sure was well deserved. Northern Ireland was also well represented among those who did not quite make the final.

Mr. Peter L. Pike (Burnley): I congratulate my right hon. Friend on the good news that he announced this afternoon. He will know that one of the waiting lists consists of people suffering from multiple sclerosis, who are considered suitable for treatment with

beta-interferon, but who cannot receive it. Will some of those people be able to benefit from the additional money that is being made available?

Mr. Dobson: It may be so, but the decision will have to be taken by the clinicians involved. There are disputes among doctors as to the effectiveness of beta-interferon for substantial groups of patients.

One of the points that I am making to the pharmaceutical industry as it introduces more and better ways of treating people is that it must do its part of the job of identifying patients suffering from degenerative diseases who will benefit from a particular new drug. Often the drug will benefit only 17, 23 or 30 per cent. of patients, and we cannot allow false hopes to be raised in the remaining patients or in doctors. We must have a clearer, more sensible system, so that people are not misled into believing that something that has been discovered will cure them, when it will not.

Mr. Andrew Lansley (South Cambridgeshire): I am sure that the Secretary of State is right to say that nurses, doctors and representatives of health trusts will welcome additional resources, not least because they know that the increase in health resources this year and next is below that which is necessary to maintain services and to respond to demography and technology change.

Will the right hon. Gentleman explain why, if the additional resources arise from an underspend in this financial year, they are not being made available to the NHS in this financial year, rather than being carried forward and being made available in the next financial year? Will the additional resources for winter pressures and the additional £500 million of which the Secretary of State speaks be consolidated into the NHS baseline expenditure for negotiation with the Chancellor of the Exchequer and the Chief Secretary for 1999–2000 and beyond?

Mr. Dobson: The hon. Gentleman has clearly consolidated the £300 million into his figures. The fact that we found the £300 million reduces the apparent increase for next year, as he knows, and he has drawn upon that.

On general funding, I know, the hon. Gentleman knows, and everybody in the country knows, that the national health service does not have at its disposal all the resources it needs. That is why we are having a comprehensive review of spending by the Department of Health and all other Government Departments—so that we can change the priorities and ensure that, in future, the national health service has sufficient sustainable funds to be able to do its job properly, which I assume all of us want.

Ms Karen Buck (Regent's Park and Kensington, North): Will my right hon. Friend join me in paying tribute to the magnificent work done by national health service staff during the past winter, particularly in the hospitals that serve my constituency—St. Mary and St. Charles? Does he agree that the £500 million that he has announced this afternoon will lift pressure from health service staff by giving them the tools to do the job?

Mr. Dobson: It will indeed lift the pressure on health service staff, but they are applying further pressures on themselves, because the nursing and medical professions are more dedicated to improving the quality of performance, to measuring outcomes and to having evidence-based medicine for the benefit of patients than they have ever been. It is our job to encourage and sustain them in that, and the £500 million will go a long way down that road.

Mr. Edward Davey (Kingston and Surbiton): Earlier this afternoon, in answer to my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris), the Secretary of State said that, by the end of this year, waiting lists will have been cut so that no one will have been waiting for 18 months or more for an operation or treatment. Does he recall that, on Thursday 19 February this year, his Department issued a press release in his name, which said:

"by the end of March nobody should be waiting over 18 months for treatment."

When is it? Is it March this year or December this year?

Mr. Dobson: It would be a bit of a respite for all of us if it was December this year. The hon. Gentleman should know—allowing for the fact that he is a Liberal—that, generally speaking, financial matters and figures in the health service are calculated on the basis of financial years, which end on 31 March.

Dr. Howard Stoate (Dartford): Does my right hon. Friend agree that one of the most important features of his proposals is that money will now be tied to outcomes? How will he ensure that it is put to best possible use, so that people in my constituency and elsewhere will see genuine improvements in their services?

Mr. Dobson: As I said in my statement, there will be incentives to ensure that people spend the money where it is intended, and sanctions for those who do not.

Mr. Andrew Tyrie (Chichester): Will the Secretary of State answer at least one of the concerns raised by my hon. Friend the Member for Stratford-on-Avon (Mr. Maples)? In 1998–99, how much of the £500 million is accounted for by the increase in the GDP deflator from 2.75 per cent. to 3 per cent., set out in the Red Book on page 108?

Mr. Dobson: If the hon. Gentleman wants to talk about the GDP deflator, he should know that one does not set it against the £500 million extra; it should be set against the £36 billion or £37 billion that the health service will be getting as a whole. I emphasise yet again that, whatever he may say about Red Books, Green Books, or any other books for that matter, the fact is that the people working in the health service, who will have to do the work, who deal with the operations, welcome this money, because it is an extra £500 million that will be spent on real nurses, real doctors and real operations.

Ms Julia Drown (South Swindon): This extra much-needed money for the health service will be welcomed by my constituents, just as the winter pressures money made a real difference to Swindon patients this year, and made the winter much better than it was last year. Will my right hon. Friend encourage trusts and the waiting list task force to take into account suggestions

[Ms Julia Drown]

from patients and front-line staff, so that together we can get the best ideas about how services can be provided more efficiently and effectively, and thereby help to reduce the waiting lists?

Mr. Dobson: I entirely agree with my hon. Friend—that is what we are trying to do.

Mr. Tony Baldry (Banbury): May I return to the point made by the Chairman of the Select Committee? Will any of the money go to local authority social services? If it does not, it will be difficult for Oxfordshire county council to play its part in moving patients on from hospital, and beds will inevitably be blocked. We all welcome extra money for the NHS, but defeating waiting lists will be difficult unless social services can play their part.

Mr. Dobson: The success of the winter initiative was that social services and the national health service co-operated to a greater extent than ever before, and most of it will remain in place. I said in my statement, albeit briefly, that some of the money will go on community services—I thought that I had made that clear. We have ring-fenced the additional money that is going to social services for community care for the coming year, and one of the conditions is that some of it must be spent on improving arrangements between social services and the NHS. I think that we are doing what the hon. Gentleman wants us to do.

Mr. John Gunnell (Morley and Rothwell): May I thank my right hon. Friend for his statement and for being explicit about the Liberal Democrats' election manifesto promise of £540 million per year for the NHS? Will he say what he would have been able to do had he been limited to the Liberal Democrats' spending promise, because that would give the lie to the bleating we heard on this subject from the leader of the Liberal Democrats yesterday?

Mr. Dobson: I agree with my hon. Friend. Every Member of Parliament is supposed to be a person of honour, so I would expect every elected Liberal Democrat to say that they do not want funds over and above the £540 million that they asked for to be spent in their areas, and generously to allow the money to be spent in other areas.

Mr. Nick St. Aubyn (Guildford): Is the Secretary of State aware of the latest research, which shows that, because of the withdrawal of tax relief on health insurance premiums, an additional £60 will have to be spent on operations in the current financial year? According to his party's calculations, that is equivalent to 60,000 operations. Does he accept—as we warned him—that cancelling tax relief on health insurance premiums has led directly to significant increases in hospital waiting lists?

Mr. Dobson: It is difficult to reconcile what the hon. Gentleman says with the insurance industry's announcement that the measure has not made a blind bit of difference, and that people are still paying their premiums. I cannot work out what to take notice of.

Dr. Brian Iddon (Bolton, South-East): Partly as a result of the closure of Bolton royal infirmary, which is now a speculative building site; partly as a result of the lack of 24-hour accident and emergency provision at Leigh infirmary; and partly because admissions are brought in from a wide area because new facilities at the Royal Bolton hospital are adjacent to the M61, accident and emergency work at the hospital has increased by 20 per cent. Will my right hon. Friend please bear in mind the fact that Wigan and Bolton health authority must address that problem urgently? I am pleased by yesterday's announcement.

Mr. Dobson: We shall certainly bear that fact in mind, because we do not want local people in any area to suffer as a result of changes in the health service. We want them to benefit, so we shall consider the points made by my hon. Friend.

Mr. John Greenway (Ryedale): Will the Secretary of State tell us more about how the money will be distributed around the country? He knows that waiting lists grow for different reasons in different areas, and can increase because of lack of provision, or because one health trust is not as efficient as another. Rural North Yorkshire, with which he is familiar, has problems, although waiting lists are not as bad as in other parts of the country.

Does the right hon. Gentleman agree that people would be a little happier about the announcement if they were able to cheer because some of the money was coming to them? Can he assure people in North Yorkshire that the pattern of money going from rural areas to inner cities will not predominate in relation to this money?

Mr. Dobson: Let me make two points. First, about 90 per cent. of the money will be allocated according to the usual formula, so that every area gets some; but a certain amount will be held back to deal with crises or to encourage those who need a bit of encouragement. Secondly, as one who represents an inner-city seat within about a quarter of a mile of the House, I can tell the hon. Gentleman that my health authority received one of the 20 smallest allocations in the country. The area that the hon. Gentleman represents received a good deal more in percentage terms—and I know that his hon. Friends like percentages.

Mr. Tom Levitt (High Peak): I know that my right hon. Friend is a great believer in long-term planning, so I feel I must alert him to a problem that he may face before the end of the life of the current Parliament. What will happen to all the new doctors and nurses who will be recruited, when no significant waiting lists are left to be reduced?

Mr. Dobson: If—as I hope—we hit the target, there will sadly still be more than 1 million people waiting for treatment. I hope that those doctors and nurses will remain in the employ of the national health service, reducing the figure much further.

People sometimes suggest that waiting lists are not important. Some of the academics who write about health care seem to think that, but we can usually assume that

they are not waiting for operations. Many people waiting for operations are in pain, and their lives and subsequent health may be endangered. I also think that long waiting lists damage the reputation of the health service in a way that practically nothing else does. They are dreary and apparently disorganised, and it looks as though our system—the most efficient in the developed world—is not doing its job properly. That is why it is important to reduce waiting lists.

Mr. Jenkin: After all the irresponsible hype and propaganda that was conducted by the right hon. Gentleman's party in opposition, cannot the British people be forgiven for expecting increased resources for the health service under his party in government, to match, at the very least, what the Conservatives gave year on year on year?

Can I communicate to the right hon. Gentleman the real despair in Essex Rivers Healthcare MHS trust, which is having to close small hospitals around north Essex because it is experiencing the tightest financial circumstances in my memory, if not the tightest for the last 10 or 20 years? Will the right hon. Gentleman re-examine the formula for allocating resources across the health districts, which he has manipulated to favour the inner cities rather than the shires? The same has happened with local government.

Mr. Dobson: Let me make it clear that we changed the formula to reflect need, and added an element to allow for the problems of ambulance services in rural areas. If there has been any fixing of the allocation since we came to office, it has been in favour of rural areas. That is why many people in inner cities are not very happy with the present position, and want it to be re-examined. I must tell the hon. Gentleman that we clearly do need to re-examine the system when areas as deprived as the east end are not getting their fair share.

Mr. Neil Gerrard (Walthamstow): My right hon. Friend will know from his recent visit of the serious concern about the way in which Redbridge and Waltham Forest health authority is managing its waiting lists and its budgets, and about the cuts that it is making in community services. Does he agree that waiting for treatment for mental health problems in the community matters just as much as waiting for an operation in hospital? Will some of the £500 million go into community services? Will my right hon. Friend ensure that whole-service trusts dealing with community services as well as hospitals do not fiddle their hospital waiting lists by cutting community services?

Mr. Dobson: I can confirm that my hon. Friend's health authority will receive its normal allocation, and that money will go into mental health care. On occasion, people suffering from severe mental episodes turn up at hospitals and have to be admitted to wards where they not only occupy beds but make life intolerable for others, which is bad for them and bad for everyone else. We are trying to deal with that important problem.

Questions to Ministers

4.24 pm

Mr. Andrew Robathan (Blaby): On a point of order, Madam Speaker. On 15 January, at Treasury questions, the Chief Secretary to the Treasury quoted some figures on pension returns, as reported in column 477 of the *Official Report*. The figures interested me, so I tabled a parliamentary question. On 20 January, I received a response saying that the question would be answered as soon as possible.

Those were figures quoted by the Chief Secretary. It is now nine weeks since he did so. I have re-asked the question, and have just been told that it will be answered as soon as possible. Is there anything that you can do to encourage Ministers to answer questions more quickly?

Madam Speaker: There is nothing further I can do. I have answered points of order from the hon. Gentleman and other Back-Bench Members on this issue. The Government, I am sure, are very aware of it. No doubt, as he has raised a point of order yet again with me, they will look at it and respond as soon as possible.

Disabled Persons and Carers (Short-term Breaks)

4.25 pm

Mr. Huw Edwards (Monmouth): I beg to move,

That leave be given to bring in a Bill to provide for assessments of health and social needs of disabled persons to include assessments of the needs for short-term breaks for the disabled persons and any carer.

Every right hon. and hon. Member will have in their constituency a silent army of dedicated, selfless carers. They care for people with a wide variety of needs: people with physical disabilities, learning disabilities, mental health problems, chronic sickness and degenerative conditions. Carers can be of any age, and from all walks of life. One in seven of the adult population are estimated to be carers, the great majority of whom are women. Any of us could become a carer at any time.

That army of carers has increased in recent years, with the shift from institutional to community care, with the increase in the number of elderly people, and as a result of medical advances to sustain the lives of many people who would formerly not have survived. Those are the triumphs of our welfare state, but they have led to a disproportionate reliance on informal care, and care by women.

In recent years, our statutory agencies have put increasing responsibility on informal carers as a result of community care legislation. The National Health Service and Community Care Act 1990 gave local authorities a duty to undertake individual care assessments. The need for respite care, or short-term breaks, has increasingly been recognised as a major unmet need, but it is not specified in community care assessments. The Bill's aim is to give people with disabilities and carers the right to be assessed for respite care and to have that care provided, if they are so assessed.

It is important to establish appropriate respite care—to involve carers in decisions about their need for respite care. The Bill therefore extends the Carers (Recognition and Services) Act 1995, which was introduced by my hon. Friend the Member for Croydon, North (Mr. Wicks).

That Act gave statutory recognition for the first time to the role of carers and their right to have their needs assessed, but it gave no right to the provision of services. That is why Lord Rix, chairman of Mencap, introduced a private Member's Bill similar to this Bill in the House of Lords in 1996. I am privileged to have been asked by Mencap to reintroduce that Bill into the House, and I thank it for the help that it has given me in promoting the Bill.

According to Mencap, 100,000 people with severe learning difficulties and their carers are not receiving much-needed respite care. Only 32 per cent. knew about respite care. Almost one in five carers who applied for respite care were refused it by a local authority or health authority.

In recent weeks, I have met groups of carers in my constituency. Those I have met have stressed the value they place on respite care for the person for whom they are caring. Respite care offers an opportunity to meet new people, for personal development, to be more independent, and to enjoy a new environment. In effect, short-term breaks for people with disabilities have the same attractions as they have for all of us.

Carers I have met say that they need short-term breaks too, to allow them to lead more ordinary lives, to recharge their batteries by going away for a couple of weeks, a few days or even a few hours—to spend time with their partners, their families and friends, to spend more time with their other children, to catch up with the housework, to go shopping, or simply to catch up on their sleep.

However, Mencap's research showed that four out of 10 carers had not been out for an evening in the past six months, and one in five not for the past five years. One mother wrote to me:

"I am very grateful for the 3 hours per week respite that we have through our Mencap Family Carer, but I am conscious of how fortunate we are compared to most others."

A short-term break may be covered in the carer's own home by a sitting service; it can be inexpensive, a small investment, but its value can be immense.

Respite care can be cost-effective, as has been shown by research carried out at the university of Brighton, where I worked before entering the House. The needs of carers were studied, and it was found that supporting carers can maintain their health, thus reducing the cost of hospitalisation and breakdowns among carers.

Respite care enables carers to return to work, which reduces the cost of benefits and increases tax and national insurance revenues. If carers could not or would not care, the responsibility would fall on the state. Official carers would be paid and receive time off and annual leave, whereas informal carers get next to nothing.

There are many forms of short-term break—holiday breaks, emergency breaks, family-based care and sitting services. In many areas, there are good examples of respite care provided through local authority social services and voluntary organisations. The all-Wales mental handicap strategy was a progressive strategy that established good collaboration between voluntary and statutory agencies. It was a progressive programme, with ring-fenced resources, but it lacked the statutory framework of rights that carers, and the people for whom they care, need.

However, respite care is scarce in many areas. Too much depends on where the carer happens to live. The aim of the Bill is to make respite care universally available, to raise standards nationally and to enshrine a right to a specific form of care, thereby imposing a duty on local authorities.

I am grateful for the support that many organisations have given me for the measure—organisations such as Mencap, the Carers National Association, Sense, the National Aids Trust, Age Concern, the British Medical Association and many other voluntary organisations. I am grateful, too, to the hon. Members on both sides of the House who have signed early-day motion 1090. However, it is the carers, more than others, that the House should thank—and society should thank them, too.

The Chronically Sick and Disabled Persons Act 1972 was piloted through the House by Alf Morris, who then represented Manchester, Wythenshawe. That Act was rightly seen as a charter for the disabled. Arguably, it was the most significant piece of legislation on disability in the post-war period, and it was passed by a Labour Government and implemented by a Conservative Government. The present Government have established a royal commission on long-term care, and we intend to make specific representations to it about the need for respite care.

My Bill will reinforce the work that the Government are doing to enhance the rights of people with disabilities. We need to establish a charter for carers, and the Bill will establish the right of carers to respite care and short-term breaks. It has cross-party support, and I commend it to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Huw Edwards, Ms Chris McCafferty, Mr. David Amess, Mrs. Betty Williams, Mr. Roy Beggs, Mr. Dafydd Wigley, Mr. Desmond Swayne, Mr. Paul Keetch, Mr. Malcolm Wicks, Mr. Steve McCabe, Mr. Anthony Wright and Laura Moffatt.

DISABLED PERSONS AND CARERS (SHORT-TERM BREAKS)

Mr. Huw Edwards accordingly presented a Bill to provide for assessments of health and social needs of disabled persons to include assessments of the needs for short-term breaks for the disabled persons and any carer: And the same was read the First time; and ordered to be read a Second time on Friday 24 April, and to be printed [Bill 150].

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [17 March].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Gordon Brown.*]

Question again proposed.

Budget Resolutions and Economic Situation

4.34 pm

Mr. Peter Lilley (Hitchin and Harpenden): Yesterday's Budget was the first that I have heard in which not a single measure introduced by a Chancellor of the Exchequer was costed. He gave no idea where the extra spending that he announced will come from. Overnight, we have been able to examine the small print and determine where the costs will fall. There will be a large cost, and it will fall on ordinary families and on businesses—which, ultimately, will have to pass on that cost to consumers, or reduce the number of those they employ.

The Chancellor pretended that we would have lots of goodies at no cost. He tried the oldest trick in the book: pretending that there is such a thing as a free lunch. What he really gave us was a menu without prices. I steer clear of establishments with such practices, because, although their presentation may be top class, one gets very small portions and pays very large bills. In paying the bill for the Chancellor's menu, we shall discover that he has, once again, betrayed the Prime Minister's promise to the British people not to impose any taxes other than the windfall tax.

Before the general election, the Prime Minister promised Birmingham business men:

"We have no plans to increase tax at all."

He told the BBC:

"What I have said is the programme of the Labour party, and that does not imply any tax increases at all."

Now—as we saw in last week's debate—Ministers are trying to airbrush those pledges out of the picture. They want us to think that the only pledge that matters is their narrow promise not to raise income tax rates. So when the Prime Minister made vows to his party conference,

[Mr. Peter Lilley]

we should have taken no notice of him? When he gave unequivocal answers to the media, they counted for nothing? We should have read his lips, and seen "lots more taxes"? What arrogance from the Government. It tells us an awful lot about new Labour. Although new Labour thinks that words are cheap, British taxpayers will discover that believing Labour's words will cost them dear.

This Budget is new Labour's second tax-raising Budget. It raises taxes by another £2 billion a year, on top of the massive tax rises introduced in last July's Budget.

If Ministers are so keen—as they were last week—to direct us to the text of their manifesto pledges, will they tell us where in their manifesto they promised to cut the married couple's tax allowance? Perhaps in the section entitled "Supporting the Family"? Where did they promise to clobber businesses with almost £20 billion in extra taxes? In the section they headed "Promoting Enterprise"? Where did they spell it out that they would cut mortgage interest tax relief? Was it in the section on home ownership? Where did they spell out the increase in employers' national insurance charges for employees earning above the average wage? Where did they spell out three petrol duty hikes in 16 months? Where in their manifesto did they say that they plan to tax child benefit for upper-income families?

Ms Joan Ryan (Enfield, North): Does the right hon. Gentleman agree that BP's announcement that it is reducing petrol prices in rural areas by a further 2p—totalling a 4p reduction in the past month—clearly shows that it approves of the Budget and is responding to the Chancellor's challenge to work with us in helping rural areas?

Mr. Lilley: That is a bit rich. Although the Government have hiked petrol tax three times in the past 15 or 16 months, Ministers claim credit for oil companies absorbing some of those increases because of low oil prices. They claim credit for that? The Government insult rural motorists by offering £50 million over three years, to compensate for almost £1 billion in extra taxation. Come off it. Read out something else from the brief next time.

Yesterday, the Chancellor may not have spelt out the cost of any of his policies, but his Red Book makes it clear. It shows that the share of national income taken in tax is set to increase. By the end of this Parliament, he will be taking nearly 3 per cent. more of national income in tax. That is the cost of Labour's tax programme; that is the cost of its stealth taxes. Public finances are strong, but because they are strong and doing even better than we expected, it should be possible to get back to a balanced Budget with fewer tax increases, not by adding to them as the Chancellor is doing.

The reason Labour is having to put up taxes is that it is breaking another pledge: its promise to cut the cost of the welfare state. Before the election, the then leader of the Labour party used to trail around editors' offices, particularly of right-wing newspapers, saying that, just as it took a Republican President such as Richard Nixon to recognise communist China, and just as it took a white President such as Pik Botha to do a deal with the African National Congress—[HON. MEMBERS: "It was P. W. Botha."] Well, whoever did it. The then Labour party leader said that it would take a Labour Prime Minister to cut the size of the social security bill.

Many editors thought that the then Labour party leader meant what he said. Indeed, Labour made cutting the social security bill a specific pledge in its manifesto. As part of its top pledge, it said that it would decrease the share of national income spent on the bills of economic and social failure. Labour said that it would cut the size of the welfare state, but since the election, every change that the Government have initiated in the welfare state—not those that they inherited from me—has involved increasing the cost of welfare; increasing spending on the welfare state, not reducing it.

The Red Book shows that yesterday's Budget will add another £10 billion to the cost of welfare this Parliament. That destroys Labour's promise and its claim that its programme could be financed without increasing taxes. Instead of reducing social security spending, Labour is increasing it. That is why people are having to pay more tax.

The Government do not even expect the welfare changes that they have introduced remotely to pay for themselves. It is clear from their figures that they expect very few extra people to be enticed back to work by the changes that they have made. I invite the Chancellor to tell us how many people he expects to be taken off the unemployment register as a result of the changes that he announced yesterday. Either he does not know or the number is so small that he will not tell. It is certainly invisible in the accounts that he published yesterday.

If unemployment is higher in two years' time than it is now, will the Chancellor admit that all his programmes have failed? We said—we have said all along—that we would support the Government if they brought forward the right welfare reforms. If they tackle the poverty trap, reduce the number of people who are dependent on benefit and bear down on the costs of the welfare state, they will certainly deserve the support of the whole House. This Budget does nothing of the kind. It increases spending, extends the number of people who are dependent on benefits and lumbers more people further up the income scale with greater disincentives to work.

The Red Book shows that the number of families facing a marginal deduction rate of more than 60 per cent. will be increased by 250,000 as a result of the changes that the Government have introduced. Therefore, more people will face greater disincentives, not fewer. As the *Financial Times* pointed out this morning in its analysis of the Government's child care credit:

"the assistance tapers so that help will be given for childcare costs for one child in families with incomes up to £22,000 and for two or more children in households with incomes up to £30,000".

The Government are bringing households with such income into the benefits system. The truth is that extending help up the income scale to people with good jobs will not get people into work.

People can get off welfare and into work only if there are jobs for them to go to. Our reforms succeeded in creating jobs hand over fist. Before the election, unemployment had been falling month in, month out for more than four years. That momentum has continued. The good news today is that unemployment is down again, as the continued consequence of our reforms.

The previous Government bequeathed a golden economic legacy of low inflation, steady growth, rising living standards and falling unemployment, which has come down to 5 per cent.—about half the level of France and Germany.

The new Government are betraying that golden economic legacy, putting this country's economic achievements at risk. After just 10 months in office, they have already hit pension funds with a £5-billion-a-year pensions tax, which means £5 billion a year less for British industry to invest. They have hit industry with a new quarterly payments regime that will cost companies £2 billion a year during this Parliament. In aggregate, industry will have to pay nearly £20 billion extra in taxes during this Parliament.

The Government have reduced the rate of corporation tax, but they have increased the burden falling on British companies. Businesses have been hit with higher national insurance contributions for employees earning more than the average level. That will hit high-tech companies, which the Government claim to want to promote. Because the Government have taxed business and savings, interest rates have had to go higher, driving up the exchange rate and hitting our exports.

Almost every economic decision that the Government have taken has helped to push our manufacturing sector towards the brink of recession. For five months in a row, output from manufacturing has fallen.

Mr. Geraint Davies (Croydon, Central) *rose—*

Mr. Lilley: Doubtless the hon. Gentleman wants to tell us that that is what he was elected to achieve.

Mr. Davies: Does the right hon. Gentleman agree that, arithmetically, only about a quarter of the exchange rate is explained by relative interest rates? Does he further agree that the real reason for the high value of the pound is the uncertainty over the euro—the fact that the drachma decided to come in and that nobody knows what the rate will be? The fact that people are investing in sterling is a testimony to the prudent policy of my right hon. Friend the Chancellor. People know that investing in sterling is an investment in certainty and stable policies for the future.

Mr. Lilley: The hon. Gentleman made a brave try, but he is in difficulty because he does not know his Chancellor's policy on the exchange rate. We also do not know the Chief Secretary's policy. He was asked five times on "Newsnight" last night whether he thought that the exchange rate was at the right level. The Chancellor has said that he wants a stable pound. Does he want it stable at the present level, or does he want mobile stability?

Whatever the Government say, their friends in the Trades Union Congress have become disillusioned with their policy. Their analysis says:

"Because of the combined impact of the exchange rate, higher interest rates and tight public spending controls, unemployment will start to rise by the end of this year."

The Conservatives commissioned the Centre for Economics and Business Research, which has one of the best track records in recent years for forecasting the performance of the economy, to calculate the likely performance resulting from the combined effects of the two Budgets that the Chancellor has introduced compared with what would have happened under unchanged Conservative policies. It concludes that the main impact has been on the level of investment, which has been lowered by the taxes on business. As a result, the economy will grow more slowly and unemployment will be 100,000 a year higher under Labour than our policies would have achieved.

Thanks to decisions taken by our party in government, Labour inherited a buoyant economy that was generating increased tax revenues, taking people off welfare and helping to reduce public expenditure. That means that there was no need for the extra taxes that Labour has thrust on businesses and ordinary people. What it has done will damage investment and enterprise and will jeopardise our golden economic legacy.

As well as arranging for that analysis of the economic impact of the Chancellor's policies, we commissioned a study of the impact on individual households of the changes introduced in this Budget and the previous one. It shows that the Chancellor got his figures wrong. In the Red Book, a table shows that almost all households are better off as a result of this Budget—although the Government had to publish a corrigendum, showing that all the figures that they published were too rosy. Even the corrected figures are wrong, because they take account only of direct taxes. The Labour Government think that people do not have a car, do not drink, do not smoke, do not have a pension and do not save: all those ways in which this and the previous Budget hit ordinary households were not taken into account.

We asked the experts to look at a typical family with a couple of children and a mortgage, who contribute to a personal pension and own a car; we shall assume that they are not smokers, because they are a virtuous couple. The study showed that, next year, as a result of the changes introduced by the Chancellor, every household at all levels of income will be worse off. In the year after—when his increase in child benefit and the change to working families tax credit comes into force—only households with an income below £16,000 will be better off. All households of that type with an income above £16,000 will be worse off, as a result of the combined effect of direct and indirect taxes, increased by the Chancellor.

One thing we have learnt about the Chancellor—from books, of course, and from leaks from No. 10—is that he suffers from a psychological flaw. That flaw seems to inhibit him in consulting people about his policies before he announces them. He does not even consult his own officials sufficiently. We found that in his first Budget—he clearly had not consulted in detail about the plan that they cooked up in opposition, to scrap advance corporation tax credits. The Government did not realise that that meant abolishing foreign income dividends and, in turn, abolishing ACT and, in turn, that they would have to replace it with quarterly payments. They then had to come back yesterday and revise the system, because it was putting too great a squeeze on business. That was muddle enough.

The Government also had the muddle on individual savings accounts and abolishing personal equity plans and tax-exempt special savings accounts. The original proposals were a dog's breakfast, which would retrospectively have hit the most prudent the hardest. We

[Mr. Lilley]

may not have won the vote in the debate the week before last, but we won the argument. We could see from the expressions on the faces of Ministers that the Government would have to come back with a changed policy. It may be better than what they were proposing last November, but as the Institute for Fiscal Studies pointed out today, the Government could clearly have achieved almost all of that change by adjusting TESSAs, to allow people to take out their money sooner than was previously the case.

Mr. Gerald Howarth (Aldershot): Was not the original proposal indicative of Labour's total hostility to wealth creation? The Government have done a U-turn because of the arguments promoted by my right hon. Friend the shadow Chancellor and because their focus groups told them that the proposals were not popular. This is not a policy change out of principle—it is a policy change because they know that the proposal is unpopular in the country.

Mr. Lilley: My hon. Friend is right, but the damage has been done. The Government have revealed what they want to do to people's savings. That destroys trust, and it means that the likelihood of people saving as much in these ways in future is limited, because they fear that the Labour party might come back and change the system retrospectively, to damage them once again. That is why the Government forecast in the Red Book that the savings ratio is set to fall hard and fast in the years ahead. They themselves have undermined the savings culture in this country.

The Chancellor's failure to consult is revealed by more than the muddle arising from the changes to ISAs; he clearly has not thought out all the consequences of the move from family credit to working families tax credit. He recognises that, in 500,000 households, the woman could on average lose £40 a week to the benefit of the breadwinner into whose pay packet the money will be paid.

Although people will be given a choice about how the money will be paid, the Chancellor does not say how that choice will be exercised. He says that the choice is for the household, but will it be for the man or the woman? It will be a new source of discord for low-income families. Will he tell the House what will happen if they cannot agree? In her speech to the Fawcett Society, the Financial Secretary was unable to say what would happen, but perhaps she can tell us now. This is another matter about which there has been no consultation because of the Chancellor's psychological flaw.

Yvette Cooper (Pontefract and Castleford): Will the right hon. Gentleman give way?

Mr. Lilley: Perhaps the hon. Lady was consulted—I believe that she was recently married, so she will be able to tell the House how she will reach agreement with her spouse.

Yvette Cooper: If the right hon. Gentleman dislikes the working families tax credit so much, will he say whether a future Conservative Government would abolish it?

Mr. Lilley: The question is whether the Labour Government will fulfil the promises in their manifesto last year, not what will be in our manifesto in four years. They promised that they would reduce the cost of the welfare state and not plough further billions of pounds into it.

We also want to know whether the Minister for Welfare Reform still believes what he said when he commented on the Conservative Government's proposal to pay family credit through the wage packet. In a reasoned and thoughtful contribution, he said:

"Whatever scheme is enacted, if the parents behave as we hope we ourselves would behave, it would be irrelevant. But we are concerned with that minority—it may or may not be substantial—of families in which money for the children is not paid over to the wife. We must draw on our experience to decide whether it is more likely that the money will go where Parliament wishes it to go—towards the welfare of children—if it is paid to the mothers rather than the fathers. I believe from my experience and that of many other organisations that more money will get to children in those families where something is wrong if we pay the money to mothers rather than fathers."

The House has a right to know whether the Minister for Welfare Reform has altered his view on that. Conservative Members realise that the problems exist—we listen to reason and do our homework—but the Chancellor has not learnt from experience.

Again, on the proposal to tax child benefit for those on high pay, the Chancellor is too confused and muddled to spell out the details. He rushes to say that the proposal will be implemented, but he does not know how that will be done. I tell him that he faces some serious dilemmas. If he decides to tax on the basis of the income of the whole household, he must do away with independent taxation and take into account the joint income of husband and wife. However, if he does not do that, and taxes only the recipient of the child benefit—usually the mother—that will be very unfair, as modestly paid women who receive the benefit will have to pay tax on it because they are working, whereas the wives of rich husbands will not pay any tax on it, and will be given it in full.

The Chancellor hinted at a third option, whereby child benefit will be taxed only if one or other member of the household is liable to the 40 per cent. rate of tax. That infringes the principle of independent taxation and will prove unfair because, unlike at present, the couple will have to reveal to one another which tax band they are in.

If the Chancellor insists on making those whose household contains one or more members who are liable to tax at 40 per cent. pay a tax on their child benefit, a couple with a combined income of £50,000 might not have to pay, while someone with an income of £30,000 would. How can that be fair?

Mr. Robert Sheldon (Ashton-under-Lyne): The right hon. Gentleman referred to child benefit. I had something to do with its introduction to replace the child tax allowances. That change was undertaken on the basis of an agreement between our two parties that child benefit would be uprated in the same way as the allowances were. The previous Government broke that promise, and the new Government have tried to restore some of the advantages that we—and, indeed, the Opposition of the day—foresaw.

Mr. Lilley: That is a fair enough point. The right hon. Gentleman played a distinguished part, and he will remember that child benefit replaced a tax allowance. Is it

not extraordinary to tax a tax allowance? That is a strange proposal. It is the sort of idea that the Chancellor cooks up in the Paymaster General's Park lane flat or in one of his country retreats in Italy or France, without consulting officials.

The Secretary of State for Education and Employment (Mr. David Blunkett): Perhaps the right hon. Gentleman will recall for us the attitude that his party took towards joint and several liability for men and women under the poll tax, and tell us what action he took as Secretary of State for Social Security. Perhaps he will tell us whether he is for or against the proposal in the Budget.

Mr. Lilley: We abolished the poll tax and replaced it with the council tax. The Government have introduced the biggest rise ever in council tax. Before the general election, the Prime Minister—

Mr. Blunkett *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Both right hon. Gentlemen must sit down. The right hon. Member for Hitchin and Harpenden (Mr. Lilley) is not going to give way.

Mr. Lilley: I did not want to cause you to rule out of order a long debate on the poll tax, Mr. Deputy Speaker.

Before the general election, the Prime Minister tried to convince the British people that Labour's days of redistributive politics were long gone, but the more one looks at the Budget, the more its redistributive nature becomes clear. Perhaps the title of the Red Book, "New Ambitions for Britain", provides a clue.

Yesterday, the Prime Minister was sitting on the Front Bench. His ambition was to win the general election. Standing at the Dispatch Box was the Chancellor. His ambition is to win the leadership of the Labour party. He has his own agenda and needs to convince Labour Back Benchers that he is on their side. That is why the Budget conflicts with the Prime Minister's promises: the Prime Minister made promises to appeal to the British electorate, and the Chancellor breaks them to appeal to the Labour selectorate.

The Government believe in slick presentation and think that it is more important than keeping their promises. They think that they can tell us that black is white, spending is saving and taxes are good for us. They say that they want to encourage pension provision and they put a £500-million-a-year tax on pension funds. They say that they are the friends of business and they put nearly £20 billion of tax on business. They say that they are really country folk at heart and then slap the best part of £1 billion of extra taxes on motor fuel and gasoline, and believe that they can buy off rural anger by insulting people with £50 million for rural buses over three years. They say that this is a Budget for women and children, but they create a situation in which up to 500,000 women and children could lose £40 a week.

This Budget betrays the Government's pledges to middle Britain, it betrays their promise to reduce spending on the welfare state and it betrays the golden economic legacy that we bequeathed them. The Chancellor may have seen the waving Order Papers yesterday, but the people of this country will see the bills of his Budget landing on their doorstep in the months and years to come.

5.5 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): The official Opposition seem to have gone into a paradox and a paradigm of denial. [HON. MEMBERS: "Which?"] It is both. First, the right hon. Member for Hitchin and Harpenden (Mr. Lilley) cannot remember the poll tax. Then he can remember only that the Conservative Government replaced it, as though they had inherited it from the Opposition. Now, having forgotten the introduction of the poll tax, the Opposition have forgotten the instruments with which they imposed it. They followed that up this afternoon with the most wonderful denial of all—they pretended that we started the process of reducing the married couples' allowance and mortgage interest relief at source, when it was them. Then they invent a new research project in 24 hours that proves that the British people are not on average £250 per family better off, with the lowest 20 per cent. on average £500 better off, but that everyone is worse off.

Suddenly, all the things that happened yesterday are no more. This is an entirely new political stance. It is not simply a caricature of the Government's position, but a terrible dilemma—waking up in the night, sweating and thinking, "I wish I had introduced those policies," and then remembering that one is in opposition and has to go on the "Today" programme to denounce them. Is the right hon. Gentleman against the policies or in favour of them? Is he envious of them or contemptuous? We are not absolutely sure.

Mr. Nick Gibb (Bognor Regis and Littlehampton): We are.

Mr. Blunkett: No doubt during the debate the hon. Gentleman will be able to tell us exactly what the shadow Chancellor actually believes in. Is he in favour of the cut in corporation tax? Is he in favour of the cut in corporation tax for small companies and the cut in employers' national insurance for the lower paid and for all employees? Is he in favour of the cut in capital gains tax on long-term investment? Is he in favour of the cut that the Chancellor has already made in value added tax on fuel?

Mr. Gibb: Of course the Opposition are in favour of the cut in corporation tax. It was the Conservative party that brought down the rate of corporation tax from 52 to 33 per cent. However, we are against the big rises in the burden of corporation tax that this Government have imposed on business in their two Budgets since 1 May.

Mr. Blunkett: As my right hon. Friend the Chancellor pointed out in his brilliant presentation yesterday, we have cut corporation tax to its lowest ever level. So this not hearing, not thinking, not seeing and then denying seems to be becoming a terrible habit.

[Mr. Blunkett]

Let us face it industry and commerce know better about what they feel and think than Opposition Members. That is why the British Chambers of Commerce have said:

"This is a valuable Budget for enterprise and employment. It is both prudent and positive."

I will give way to the right hon. Member for Charnwood (Mr. Dorrell) so that he can explain why he does not believe that they are right.

Mr. Stephen Dorrell (Charnwood): The Secretary of State wants a little clarity. I wonder whether he can clear up one thing that was left unclear at the end of yesterday. During the Budget speech, the Chancellor said first that an extra £100 million would be allocated to tackle the skills gap. Later, he said that an "additional £250 million" would be allocated for education—those are his words, not mine. Arithmetic suggests that that would be £350 million for the Secretary of State's Department. However, when we consult the Red Book in the name of the Financial Secretary, we see that the Secretary of State will get not £350 million as the Chancellor announced at 4 pm yesterday, but £250 million. I would be grateful if the Secretary of State could clarify whether the Chancellor or the Financial Secretary is right.

Mr. Blunkett: One thing that is certain is that it is £250 million more than the Opposition would have allocated. I am always delighted to give way, because I am not afraid of the Opposition in the way that they appear to be afraid of us. It is £250 million for education and skills that will be spent in addition to the £2.25 billion that my right hon. Friend the Chancellor has earmarked for education since the general election. He has been able to do that precisely because, as the shadow Chancellor said this afternoon, we have done better than the Opposition expected. That is praise indeed, and I hope that he will not be churlish. He should congratulate us and say that he is delighted with our performance so far, and that they are finding it difficult to lay a finger on us or undermine what we are doing.

The bulk of the British people would want to congratulate us on the Budget. After all, its three key pillars are: work—making sure that people are in work and that work pays; enterprise—enabling small, medium and large businesses to flourish; and reinforcing and supporting children and the family.

Mr. John Townend (East Yorkshire): If the burden of taxation on companies was coming down year on year, I would congratulate the right hon. Gentleman, but will he confirm that there will no benefit from reductions in taxation until after 2000? Page 18 of the Red Book shows that companies will pay £1.6 billion extra in 1999–2000 as a result of the quarterly payment of corporation tax. In 2001, they will pay another £2 billion, and only £700 million will be offset by corporation tax reductions. Even in that year, the overall burden of corporate taxation will rise by £1.3 billion.

Mr. Blunkett: I did not hear the hon. Gentleman denounce the British Chambers of Commerce. I think that he may be the chairman of a Back-Bench committee; if so, he understands the system that applies in other developed nations. The introduction of a phased quarterly payment system inevitably means a phased-in approach and a carry-over point.

The reason why business and commerce are enthusiastic about what we are doing is precisely because the Chancellor is underpinning a long-term strategy to ensure that this country will never again have the boom-bust that the previous Government inflicted on us. A so-called boom 10 years ago led to the most enormous bust in term of people's jobs, livelihoods, homes and fears, and the large-scale unemployment from which we are only now recovering.

I would have hoped that the Conservatives would congratulate us on reaching the level of unemployment that we bequeathed to them. The new unemployment figures today show a further 14,000 off the claimant count and that we have got back to the position of June 1980. Some 150,000 people gained jobs in the final quarter of last year, an acceleration of what was happening before the general election. We will support long-term policies to ensure that that continues.

I want to ask the shadow Chancellor some simple questions, and I will be happy to give way to him if he wants to answer. Does he support the measures that we have taken to make work pay? Does he support the working families tax credit scheme and child care disregard, about which my right hon. Friend the Secretary of State for Social Security will say more tomorrow? Does he support our measures to ensure that the taper is gentler, so that people do not lose out when they take jobs? Two thirds of people who experience the 70 per cent. taper will be better off because of the measures taken yesterday which will genuinely make work pay. Above all, does he support the new deal, which is all about preparing people for the world of tomorrow and equipping them with confidence, skills, social experience and the expectation of having a job?

I ask those questions because I understand that, in an interview in *The Independent on Sunday* the shadow Chancellor was asked such questions and, in talking about the Conservatives' attitude, said that a

"debate at this point would be bad for our party."

I do not know whether it is bad for his party but I should have thought that the new deal was good for young people.

To paraphrase the television advert, there may be the odd person who is mad enough to be against the new deal. There may be a couple of people—the Leader of the Opposition and the shadow Chancellor—who are misguided enough to be against it. When they get to a sect of 10 they may think that there is a cult against it. When they get beyond the membership of the Tory party, say 1,000, it is such a movement that it is difficult to be against it. When there are 100,000, it is a revolution and the Tory party will change its mind to be in favour of it.

The shadow Chancellor must come clean. Will he, in a fortnight's time, take on the challenge? Will he or the Conservative party in Smith square take on a new deal youngster? If they took on rehabilitating the Leader of the Opposition, they would have a lifetime job—no danger of losing it after only six months.

Mr. Geoffrey Clifton-Brown (Cotswold): Will the right hon. Gentleman confirm that the new deal will be

paid for entirely by a one-off windfall tax, and that the number of long-term unemployed has decreased greatly in the past six months? How long does he expect that reduction to go on for, and what will pay for the new deal when unemployment starts to rise?

Mr. Blunkett: I had hoped that the hon. Gentleman would welcome the challenge and say that he would take someone on in his office as a gesture of good will. He makes a serious point, which I shall answer. Of course the new deal is being paid for from the windfall tax; everyone knows that. The shadow Chancellor condemned the windfall tax. On 3 July last year, he suggested that the windfall tax would either be bad for consumers because it would put prices up or bad for shareholders because, if the regulator held prices down, shares would fall. He was wrong on both counts. Prices have fallen in each of the affected industries, and the share price has gone up by 23 per cent. The FTSE index is now at 5,800—1,000 above what it was on 3 July when he made that suggestion.

The intention is to ensure that people are prepared for long-term jobs and have the social skills needed. That is why the Chancellor yesterday announced a series of new measures that will enable us to carry our programme forward, making it possible to ensure that work pays but also making it possible for us to extend what we are doing so that more people can benefit from the new deal. Another £100 million will be devoted in the next two years to ensuring that 70,000 people aged over 25 will have the sort of opportunities available to those under 25. We are piloting those programmes to ensure that people can learn from them and gain skills.

There is £50 million to extend the gateway. Whatever the Opposition are against, they should never be against preparing people for meaningful work through social and educational skills. A substantial part of the extra £50 million will be used to make it possible to help those in the greatest difficulty, those facing particular problems in their lives. They would be expected to be dependent on the welfare state unless their problems are overcome. Inevitably, they would be long-term dependent on the welfare state unless we invested in the gateway.

For the partners of those who receive jobseeker's allowance we have allocated an extra £60 million to ensure that they have the opportunities that were previously denied them. Couple that with the announcements that my right hon. Friend the Secretary of State for Social Security will make later this week in respect of child care. Couple that with the 12 pilot programmes—six projects from September this year and a further six a few months later—that we are initiating for disabled men and women to ensure that they can get back to work and have an opportunity to take advantage of the disregard brought in by my right hon. Friend the Chancellor.

All that is a positive programme of change for the future. It secures the long-term gains that my right hon. Friend the Chancellor has already set in place through his changes to the Bank of England and with his Budget of 2 July. It is a long-term programme for a long-term Government ensuring that the economy of this country is in safe hands and that the stability we seek provides stable growth with low inflation. That is a prize worth having, and it is a prize which all of us on the Labour Benches will work to achieve.

5.20 pm

Mr. John Townend (East Yorkshire): The Budget lives up to the reputation of the Government, in that it treats the House of Commons with contempt. At one time, the contents of the Budget were revealed first to the Cabinet and then to the House of Commons. Now, the political spin doctors receive the details first and we Members of Parliament read them in the press. That is done to soften us up for bad news on Budget day, but what really annoys me is that the details are not even spun with truth—they think that in that way, when the Budget is not as bad as expected, middle England will be relieved and welcome it.

It would be churlish of me not to acknowledge that I agree with some of the contents of the Budget. We all accept that being able get more money on benefit than in work is wrong; we all want the poverty trap to be reduced and eliminated. I have always strongly believed in the concept of a balanced Budget, so I welcome the Chancellor's aspirations in that respect.

However, those are as yet only aspirations: Labour Members must not forget that, when the Conservatives were in office and Lady Thatcher was Prime Minister, we achieved a balanced Budget—indeed, we had a substantial surplus for several years. It was only when Lord Lawson started to shadow the deutschmark at DM3 to the pound and my right hon. Friend the Member for Huntingdon (Mr. Major) joined the exchange rate mechanism that things started to go radically wrong.

I remind Labour Members that the current Chancellor was very keen that we should join the ERM, and when we came out of it, he called for us to rejoin it within a matter of weeks. I should be happier if I thought that the Chancellor believed in a balanced Budget for its own sake, but I have a sneaky feeling that his desire to join economic and monetary union and the single currency is the driving force.

My other major criticism is that the Chancellor's success in reducing the deficit is not the result of taking tough decisions and reducing the excessive level of public expenditure in this country that we have borne for some years, but the result of increasing the overall burden of taxation. Labour is reverting to type: it is, and always has been, a high-tax party. As my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) pointed out, the secret is given away on page 119 of the "Financial Statement and Budget Report", which shows that, in the last year of the Conservative Administration, the total tax take with social security contributions was 36 per cent. of GDP, yet now the graph is going up and up, and the projections show that it will reach nearly 39 per cent. of GDP. The Labour party will preserve its record of leaving office with the overall burden of taxation higher than when it went in.

The big increase was the boost that the Government tried to hide last year by stealthily hitting private pensions and the corporate sector. The people in the front line of the main tax increases this year are motorists. Again, the Labour party has confirmed itself as the anti-motorist party par excellence. It fiddled the system: motorists expect one increase a year, but we have had two in nine months—4p the first time and 4.4p this time.

[Mr. John Townend]

Anyone who thinks that raising the tax on petrol way above the level of inflation will stop people driving cars does not understand how people live today. I do not know anybody who drives any less; they just spend less on other things, including their family. The only people who actually stop driving are poor people, especially those living in the countryside. Are those the people whom the Labour party wants to hit? Low-income car owners in my rural constituency are to be discouraged from travelling into Hull and York in their cars because of the cost, so they will be unable to get the benefit from the free museums the Chancellor favours so much. What a warped sense of priorities.

Mr. Don Foster (Bath): Does not the hon. Gentleman recall that it was the Conservative party that introduced the 5 per cent. above inflation escalator? Presumably, he was critical of that, but does he agree that if you use that sort of escalator—it is now sensibly set at 6 per cent.—it is important that there is an offset in terms of a reduction in vehicle excise duty? The great pity of the Budget is that it does not contain clear proposals on that subject.

Mr. Townend: I shall deal with our position in a few minutes. Because of the distances and the infrequency of public transport that one experiences living in a small village—nearly everybody needs a car—£50 million over three years for rural transport is peanuts. Most Labour Members have probably never lived in a village, so they do not realise that, if there is only one bus a day, which is doubled to two buses a day, not only will that cost hundreds of millions of pounds across the country, but people will still need to use their cars.

The increase in petrol duty will also increase business costs. The Government say that industry should be competitive, but do they think that industry does not use petrol? Do they think that fewer goods will be delivered because they have put up the price of petrol? Will there be fewer calls by salesmen? I suggest that this is an increase too far—enough is enough. It is time that one party in the House started to speak up for the motorist. I hope that my right hon. Friend the Member for Hitchin and Harpenden is listening when I tell him that we should abandon road fuel escalation and say that there should be no more increases above inflation.

Corporate car drivers are being hit yet again with another penal increase. That increase is surprising, because it hits the very people whom new Labour is always saying it wants to encourage—the managers, salesmen and entrepreneurs who are all part of middle England. What is the sop? We are going to have a £50 reduction in vehicle excise duty for small cars and clean cars, but what is small and what is clean? If it means small new cars, that will hit the poor, who mainly own older and second-hand cars.

Mr. Geraint Davies: Is the view the hon. Gentleman is expressing his personal view, or does it reflect the wider view of the Conservative party? Is it just an odd little view?

Mr. Townend: I am speaking for myself, but I would not be at all surprised if on Monday, when I go into the Lobby to vote against Labour's proposals on petrol, my right hon. Friend the Member for Hitchin and Harpenden is with me.

Mr. Geraint Davies: He does not share that view.

Mr. Townend: That is a matter for my right hon. Friend. I represent a rural constituency, and I shall fight on behalf of the motorists. Enough is enough. There comes a point when one should not go any further and, when 80 per cent. of the cost of petrol is tax, I believe that we have reached that point.

The cornerstone of the Government's Budget is the welfare-to-work package, including family tax credit and national insurance contributions reform. While the Chancellor's motives are praiseworthy, there remain many unanswered questions and some serious reservations. First, although I welcome the abolition of the national insurance entry fee—I always thought that it was nonsense—I am a little disturbed about who will meet that cost. It will hit the high-productivity, high-tech and high-wage firms that the Government claim that they want to encourage. Many firms that pay high wages operate—or are trying to operate—in the export industry, and that cost will reduce their competitiveness even further.

Secondly, as my right hon. Friend has said, the reforms were first mooted as supposedly reducing the cost of the social security budget, which was getting too big for the country to afford—it was getting out of hand. As we have heard today, far from reducing that cost, the Budget will increase it. People do not realise that the pensioners will pay for that. The Government stole £5 billion from the occupational pension funds last year in order to finance it—and it will do that this year, next year and every year. I think that that is awful. Married couples will also contribute £1 billion. That is appalling, as it signals a withdrawal of support from the institution of marriage at a time when most people believe that marriage breakdown is the major cause of many social problems.

Thirdly, I have doubts whether it should become the accepted wisdom that most mothers should work and their children should be left with child minders. I am old-fashioned enough to believe that the best environment for bringing up children is in the home with the mother as carer. As a result of the costs that we are now incurring, which will increase over time, we could reach the stage where it will cost as much to get mothers into work as it will cost to get them to look after their own children. We must consider that.

My fourth criticism is that the Government appear to have no policies designed to reduce the growing problem, not of lone parents or single mothers, but of unmarried mothers. I believe that Britain has the highest number of unmarried mothers in Europe—and that number is growing. We must address that situation and encourage young women not to have children outside marriage.

I must also ask where all the new jobs will come from. The main failure of the Budget is that it does nothing to encourage the Bank of England to reduce interest rates and the value of the pound. Indeed, the market's first reaction to the Budget was to push up the pound even further. That will cause our exporting industries to shed labour.

Despite all the incentives and the money that will be spent in an attempt to get people into work, I think that the Government will find that a significant number of people are unemployable or do not want to work—I call them the "professional unemployed". Constituencies such as mine have many such people. Unemployed people come to Bridlington from Sheffield, Leeds and Halifax, believing that it is far better to live by the seaside. They certainly do not come to Bridlington seeking work, because there is none.

I turn briefly to the other taxes in the Budget. Stamp duty on more expensive houses has been increased. That is a return to the traditional Labour taxation of envy: it is a tax on mobility. Why should executives, entrepreneurs, export salesmen—and Prime Ministers—who must move house frequently have to pay that extraordinary level of tax? Someone who buys a house for just over £500,000 must pay the Government £15,000 in tax. That is a tax on mobility, and it is wrong.

I make it clear that I have a lifetime's experience in the alcohol industry. That industry is facing difficult times because of cross-border shopping and smuggling. The Financial Secretary should not laugh, because she is responsible for that problem. *[Interruption.]*

Mr. Deputy Speaker: Order. There is far too much noise in the Chamber.

Mr. Townend: Not only are the Government losing an enormous amount of revenue but, as I have warned from my own experience, organised crime is taking over the smuggling. Only last week smuggling gangs used guns in Dover. The only long-term answer to this problem—the Chancellor, who is pro-European, should realise it—is a progressive reduction in the differential between our duties and those of the French and Belgians.

Far from accepting that there is a problem and dealing with it progressively—we know that it cannot be solved in one go—the Government have made it worse by increasing duties on wine and beer yet again. The barriers came down in January 1993 and we have seen a massive increase in smuggling every year since then. Has the differential been reduced in that time? No, it has not. It has not even stayed the same: the differential on wine has increased by 18.4 per cent.

The same principle applies to tobacco. I do not smoke, but I know that, by increasing the duty on tobacco by more than 5 per cent., we will encourage more people to buy from smugglers. If people buy cheap tobacco, they will smoke more. Is it not incredible that duty is not paid on half the hand-rolled tobacco used in this country? The Government have accepted that there is a problem because they have not increased that duty this year—but they have not reduced it, either.

The Budget must be considered not in isolation, but together with the last Budget delivered nine months ago. Although I accept and support several measures, I believe that many people have done badly. Savers, pensioners and pension schemes have done badly. Companies have done badly through the windfall tax and the collection of corporation tax on a quarterly basis. Marriage has been undermined. The Budget does nothing to create jobs, as all the emphasis is on getting people to apply for jobs. The motorist has been savagely attacked and the overall burden of taxation continues to rise.

The Government's Budgets will not be judged now. Hon. Members should consider that the Budgets that receive the most cheers from their supporters on Budget day are often the ones that come home to roost. We shall judge the Budgets in two years' time according to whether unemployment, growth and taxes are higher or lower. Despite some beneficial measures, such as the reform of national insurance contributions, the whole complicated welfare-to-work package will be judged to be successful only if it gets the professional unemployed into work. I regret that I am pessimistic, because I do not think that the carrot will work without the stick.

5.38 pm

Mr. Derek Foster (Bishop Auckland): The House has been highly entertained by the hon. Member for East Yorkshire (Mr. Townend). He said that he had lifelong experience in the alcohol industry—which I believe explains a lot about his speech. As if that were not bad enough, he went on to blame my hon. Friend the Financial Secretary for his problem. I have been an almost lifelong teetotaller, and I have been the butt of many jokes in that regard. People say to me, "It must be terribly depressing waking up in the morning and knowing that that is as good as you will feel all day." *[Interruption.]* I am glad that that entertains my right hon. and hon Friends.

I have sat through 19 Budget debates in my parliamentary experience. This is probably the first one in which I have taken part. Year after year, I have listened to Conservative Members in government announcing proposals that increased the burden of taxation while claiming great credit for reducing the rate of income tax. It therefore comes a bit rich to hear the Opposition's charges against my right hon. Friends.

My right hon. Friend's speech yesterday was a tour de force. When I listened to the shadow Chancellor, I wondered why, if things were so magnificent on 1 May last year, we won a landslide victory.

Mr. Andrew Lansley (South Cambridgeshire) *rose—*

Mr. Foster: I also wondered why, if the Budget was as bad as the right hon. Gentleman said, it has been so well received in the City, by the business community and by families throughout the country. The Opposition protest too much. The language of betrayal is exaggeration in the extreme.

Mr. Lansley *rose—*

Mr. Foster: I shall give way in a moment.

Just before the Labour party conference last year, my right hon. Friend said that he wanted a crusade against unemployment and poverty. I know that my right hon. Friend is often accused of being ambitious, but such ambition is worthy of the brightest and best of any generation and would have united the Labour party at any time during its 90-year history. It is the reason why I joined the Labour party, and why I am so enthusiastic about the Budget, which has been the first powerful clarion call for a crusade against unemployment and poverty.

I welcome the widespread improvements offered by all the new deals. My right hon. Friends the Chancellor and the Secretary of State for Education and Employment deserve credit for putting so much drive, energy and money behind those powerful new programmes. Now they are to be extended in a way that the Employment Committee—which, as the House knows, I chair—called for some weeks ago. We asked the Secretary of State to build in sufficient flexibility to respond to the changing nature of the jobs market. We pointed out that there were other groups that deserved priority.

A few short weeks later, the money and the political drive are there to extend all those initiatives. Now those aged 25 to 50 are being substantially catered for, and the over-50s are being brought into the programme. Now there is a substantial improvement to the new deal

[Mr. Foster]

for single parents, and the new deals are being extended in various other imaginative ways. I welcome that whole-heartedly.

I promised to give way.

Mr. Lansley: I am grateful to the right hon. Gentleman, even though he has moved on a little. He criticised former Conservative Chancellors for, as he put it, increasing the tax burden while reducing the rate of income tax, although perhaps he will acknowledge that Conservative Chancellors left the tax burden as a proportion of gross domestic product unchanged, as compared with 1979. Why does the right hon. Gentleman think that it is such a triumph for the Chancellor of the Exchequer to increase the burden of taxation while not reducing the rate of income tax?

Mr. Foster: It is a triumph for the Chancellor to increase the burden of taxation and to receive accolades from the electorate for doing so. That was what the Opposition achieved over 18 years, which irritated and frustrated me greatly at the time.

The new deal is being extended considerably and is entirely welcome. If we are to get large numbers of single parents into work, which is what I want, the child care package is crucial. I am glad that my right hon. Friends have recognised that. However, if single parents are not to be locked into the low-wage, part-time, temporary sector of the jobs market, we must write into the single parents' new deal a substantial education and training option. At least 40 per cent. of single parents have no qualifications. We need to enhance their employability and earning capacity, if we want to make it worth their while to get a job.

The new deals would not have been introduced by the Conservatives. They still do not know whether to support the programme. The programme to make work pay would not have been initiated by them. I pay tribute to the shadow Chancellor because of the imaginative work that he did to reform the welfare state. Incidentally, most of that was pretty punishing to groups of needy people, but he did tackle the problem.

We have moved on a little further. The concept of making work pay is an exciting one. It will be extraordinarily difficult to pull off, because the complexities of the barriers to work for various groups of people are beyond the majority of Members of Parliament and perhaps beyond many civil servants to negotiate. I am certain that making work pay will be as crucial to modernising the welfare state as the high and stable level of employment written into the White Paper of 1944 was to the proper funding of the welfare state when it began.

I have signed up whole-heartedly to the concept of increasing the number of employable people, not just because it is good for them and good for society, but because it makes economic sense. The pool of employable people will bear down on inflation and allow the Chancellor to run the economy at a higher rate of growth than would otherwise have been the case. As Professor Layard said in his evidence to the Employment Committee, the net result of that should be a net increase in jobs.

Another group who deserve priority are those who are already in work. Some 80 per cent. of the work force over the next decade are already in work. My right hon. Friends are missing a trick, because there is a far greater and earlier payback to the Government from enhancing the productivity of those who are already in work than there will be from increasing the employability of those who will move into work. We must do both.

Moreover, although the schools agenda has greater political saliency and may have more profound effects in the long term, within the realistic life of the Government—say, within the next decade—there is a greater return if we invest in the people who are already in work.

In the next Budget, I shall look for tax breaks for companies to invest in training. If we are not going down the levy route, we must make it worth while for companies to invest in training. I shall explain why.

I have cited before the case of House Thorn Lighting, in Spennymoor in my constituency, whose managing director said, "We discovered that with every pair of hands we got a free brain." That expression highlights the problem that we are trying to solve: we do no more than scratch the surface of the skill and creativity of our work force. It is the companies that are the most adaptable, flexible and able to respond quickly to market situations that release the creativity of their work force and make them partners in the management of change and in improving productivity and quality. Thorn Lighting does that, as does another company in the north-east.

Nissan spends 7 per cent. of its turnover on training. The average for British industry is below 1 per cent., and for French and German companies it is between 2 and 3 per cent. It is small wonder that, in 14 years, Nissan has made itself the most efficient motor manufacturer in Europe. If we are to make an impact on our competitiveness—which we must—over the next five to 10 years, this is where the greatest return will be made. I urge my right hon. Friend to pursue strongly his lifelong learning agenda, and to remain strongly in favour of encouraging business to train those who are already in work.

The hon. Member for East Yorkshire and the shadow Chancellor referred to the high pound, which is a severe problem for most of Britain's manufacturing industry. I hope that there is not an enclave of people in the Treasury who still believe that a high pound is good for British industry—that, as a strong currency was good for Germany and Japan, British industry should have to live with the overvalued pound. Such people forget that Germany and Japan achieved a high currency through economic efficiency and economic strength. While those were being built up, they did not have to cope with the problems of an overvalued currency.

It seems clear that the Monetary Policy Committee will have to raise interest rates. If that is the case, short-term funds will flow into the pound, raising it even further. Some, including the Manufacturing Science and Finance union, warn that 100,000 jobs may be at risk because of the overvalued pound, so we must take the matter seriously. I read that those at No. 10 and No. 11 Downing street do take it seriously, and that they are rather worried about the problem. It is about time that they started to do something about it, because if we lose 100,000 jobs over the next 12 months, it will undermine all the new deals, making work pay and the modernisation of the welfare state.

Mr. David Willetts (Havant): What the right hon. Gentleman is saying goes to the heart of the Chancellor's

Budget judgment. I put it to the right hon. Gentleman that he is saying that, because of the Budget judgment, the City expects interest rates to rise, and that that is why the exchange rate has firmed since the Budget, giving rise to his fears about unemployment. What he just said is a fundamental attack on the Chancellor's Budget.

Mr. Foster: I am pointing out to the Chancellor what many of us know to be true in our constituencies: unless we begin to take seriously the overvalued pound and find some way of dealing with it, it will hit us in the face later this year or next, and could undermine our entire economic strategy. Therefore, it should be taken seriously.

For the past 40 or 50 years, successive Chancellors have tried to discover an economic strategy in which exports and investment drive forward growth. For a while after we had been blasted out of the exchange rate mechanism—much to the pleasure of some Opposition Members—it seemed as though the Conservative party had stumbled into a half-competent economic strategy: exports forged ahead and interest rates fell. Now we have the opposite problem. The question is, where are the jobs to come from?

We may end up with a large pool of employable people who are job-ready but without jobs to go to. We must take that seriously, because if we succeed in making people employable and enhance their ability to go straight into work, they will be severely disillusioned if there is no work for them.

We cannot look to exports to drive growth. Despite the enormous amount that my right hon. Friends have done to encourage business investment, which is why the Budget has been welcomed by the business community, I cannot see that, on the brink of even a mild recession, business investment will drive growth. So what can we look to? Perhaps we should look to public investment—perhaps to the private finance initiative.

Perhaps at last the PFI will spring into life. I read in the Red Book that there are only £1.5-billion-worth of signed deals this year, and that next year there should be £3-billion-worth of signed deals. With PFI and conventional public investment, growth is still not as high as it was a couple of years ago. The PFI will not drive growth. Perhaps conventional public investment will, but it is reducing and is planned to reduce still further, according to the Red Book.

It is time for my right hon. Friends to begin to take seriously the problems of the definition of the PSBR. I shall explain why. Let us take Newcastle airport. It is a successful airport in a rapidly growing industry—tourism. It is wholly owned by the local authorities. The commercial banks are bending over backwards to lend money to develop the airport on the strength of its balance sheet or its assets. That investment would immediately produce jobs in the construction industry in the north-east, where we badly need them. Ultimately, it would produce jobs at the airport, too. It would enhance the competitiveness of a regional airport in a rapidly expanding industry. What can be more sensible than to invest in it?

However, because the airport is wholly owned by the local authorities, it falls foul of the PSBR regulations. Such investment would amount to further borrowing by central Government and is therefore disallowed. None of our European competitors treat such investment in that fashion. It is not required by the Maastricht criteria, so why do we have the most restrictive PSBR regulations in Europe? They were introduced, I believe, in 1976, when we had to bring in the International Monetary Fund. It is time that we reviewed them.

We could invest not only in Newcastle and Teesside airports but in the Post Office. The Post Office is longing to be liberated by commercial investment so that it can respond to its own rapidly expanding market in a changing marketplace. I know that my right hon. Friends will not be able to respond to my remarks immediately, but I want to open up the debate. Let us look again at the PSBR regulations to see whether there is a way to fuel growth by sensible investment of this nature.

My constituency contains 600 square miles of rural territory. I wrote to my right hon. Friend the Chancellor last Friday to urge him to introduce compensatory measures to offset increases in petrol prices. We are trying to make work pay for the working poor in the countryside, but increased transport costs are a great deterrent. I asked my right hon. Friend to reduce vehicle excise duty on the basis of post codes in rural areas, although I am not bothered how that should be done.

I urge Treasury Ministers to take the problems of rural areas far more seriously. I welcome what they have done, and spending the £50 million on imaginative public transport schemes in rural areas would be a good investment. However, the extra money will disappear if it is spread thinly over existing services.

I make a final plea to Treasury Ministers: £50 million is welcome, but it only scratches the surface of the problem of making work pay for the working poor in rural areas. I make a clarion call for a crusade against unemployment and poverty. I eagerly look forward to future Budgets that will drive ahead with such a crusade so that we become a far more civilised society.

6 pm

Mr. Don Foster (Bath): I am delighted to speak after the right hon. Member for Bishop Auckland (Mr. Foster), who made a thought-provoking speech that hon. Members will have enjoyed. He and I correspond almost daily: we share surnames and initials and are for ever passing on misdirected post to each other.

I agree with many of the points made by the right hon. Gentleman and support what he said about the widening of eligibility criteria for the new deal. He was right to stress the importance of training, and used Nissan as an example. I hope that Ministers listened to him carefully.

The right hon. Gentleman was more provocative about other issues. He was right: we must do more about the vital issue of job creation, and should not just talk about job readiness. Having got people ready for jobs, there must be jobs for them to go to. I agree with him about the controversial issue of redefining the public sector borrowing requirement. The construction industry would benefit from such a redefinition, as would other sectors. Most student loan is repaid as debt, so if it were not treated as part of the PSBR, additional funds would be released for investment in that sector.

The right hon. Gentleman's most controversial remarks were about the pound. He may have upset Treasury Ministers—especially the Chief Secretary, who spent a great deal of time on "Newsnight" last night trying not to

[Mr. Don Foster]

make remarks similar to the right hon. Gentleman's remark about the pound being overvalued. Hon. Members will have noted the right hon. Gentleman's honesty.

I join the right hon. Gentleman in giving qualified support for the Budget, which is in the right direction. Unlike the official Opposition, I am honest enough to say that we welcome some aspects of it, fundamentally disagree with certain measures and are disappointed by others. Pensioners could have been given additional support to tackle the serious problem of pensioner poverty. The Chancellor rightly made more resources available for children and had the opportunity to do the same to deal with the plight of the elderly.

This morning's edition of *The Guardian* quotes a pensioner, who said:

"I was hoping for a decent hike in the old age pension, especially when he said he was increasing child benefit by 20 per cent.—mind you, at my age I should have known better."

It is a pity that he thinks that way. Our alternative Budget offered to increase the over-80s pension supplement from 25p a week to £5 a week, which would have helped the oldest and poorest pensioners.

We are also anxious about the environment. We welcome the £50 million of support for rural transport, but many cuts in rural transport occurred because local authority budgets had been cut. Although the boost to public transport in rural areas is welcome, it will simply make up for local council cuts.

The Government have made two significant and worrying U-turns. First, the Labour manifesto claimed:

"We will lead the fight against global warming through our target of a 20 per cent reduction in carbon dioxide emissions by the year 2010",

but paragraph 5.28 of the Red Book—on page 72—makes clear that the Chancellor is committing the Government only to the European Union's target of an 8 per cent. carbon dioxide emissions reduction by 2010.

I particularly look forward to hearing the Government's comments on their second U-turn. In 1994, the Labour party, when in opposition, promised an environmental Green Book to accompany the financial Red Book. The Financial Secretary reiterated the promise when she said:

"We have every intention of keeping that promise from the first full Budget."—[*Official Report*, 10 July 1997; Vol. 297, c. 1062.]

Sadly, that promise has been broken. Instead of a book, which should have had several pages at least, we have only one green page—page 78—in the Red Book.

It is not surprising that the Government broke their promise; the Budget does so little for the environment that there is little with which to fill a Green Book. The Budget contains a modest energy efficiency scheme; there is no carbon tax; there has been backsliding on CO_2 emissions; and fuel duties still represent tax rises—they have not been used to bring about a switch from vehicle excise duty as we recommended.

Cuts in VED are referred to, but there are no details about how they would work. The Liberal Democrats proposed a £10 VED rate for cars up to 1,600 cc to compensate for petrol price increases, whereas the Chancellor's measures will, as the right hon. Gentleman rightly pointed out, leave motorists in rural and other areas worse off. No wonder Charles Secrett, director of Friends of the Earth, said:

"This Budget is about as green as a smog alert."

We have other worries. For example, we are disappointed that the anomaly of differential two-tier tax rates on insurance products has been resolved by raising VAT for both to 17.5 per cent. We are worried about higher rates of stamp duty and believe that they could be especially harmful for people such as widows in high-price housing areas who want to trade down to smaller houses. The increase in stamp duty from £5,000 to £10,000 will be difficult for them.

We welcome many features of the Budget, not least the measures to help small businesses and tighten up on offshore trusts. We welcome measures to tackle unemployment, not least through the boosting of skills—and changes in national insurance contributions. We welcome the introduction of a fiscal responsibility code, which—rather like the independent Bank of England—was first proposed by the Liberal Democrats. We welcome measures to provide attendance allowances for women. That is another move that Liberal Democrats proposed some time ago. We are delighted not only that the Government have accepted our proposal, but that they have now accepted that it should be backdated. They did not agree with that last July.

As I have said, we welcome the extension of eligibility for the new deal. We welcome the plans that will reverse the Government's earlier proposals for independent savings accounts, personal equity plans and tax-exempt special savings accounts; and, of course, we welcome the fact that, judging by this one, Budgets seem to be starting to plan for the long term. We broadly welcome the Government's ambitious welfare reform package—particularly their introduction of a new system of tax credits, including much-needed child care improvements and a sizeable shift in the tax burden to help the least well off.

I was disappointed by the reaction of the shadow Chancellor, the right hon. Member for Hitchin and Harpenden (Mr. Lilley), who is not in the Chamber now. He made it clear that he did not favour redistribution. Indeed, we gain the impression from the comments of some Labour Members that they are not particularly interested in redistribution.

Mr. Tony McNulty (Harrow, East): Name one.

Mr. Foster: The Prime Minister would be a good example, in view of some of his remarks. Liberal Democrats, at least, welcome the redistribution proposals in the Budget and welcome the principle of redistribution.

I shall ask Ministers two questions about the welfare reform package. First, why is the cut in lone parent benefits, against which we have argued vociferously, to be made in the near future while the offsetting benefits that are due to be introduced through working families tax credit will not reach pay packets until April 2000? We urge the Government yet again to consider whether they wish to proceed with that cut.

Secondly, I wonder whether the Chancellor is aware of information given by the Institute for Fiscal Studies in a post-Budget presentation today. The institute points out that, although 1.1 million people will have better work

incentives as a result of the working families tax credit and other measures, some 2.8 million will have worse incentives. According to the institute—the point was also made, rightly in my view, by the shadow Chancellor—it will now be impossible to predict the net effect of the measures on employment. It is impossible to say whether jobs will be created in the way that both the right hon. Gentleman and I consider vital.

The Budget contains some measures that we may welcome in principle, but which we do not think go far enough. We believe that there are three reasons why the Government have not allowed themselves to go as far as they should have. First, they have agreed—wrongly, in our view—to stick to Tory spending limits. At least, that is what they said up until yesterday: they told us that they would stick to the overall control total for 1998-99. Those who analyse the Red Book, however, will discover that the Government have broken the clear promise that they made to the House—although it is one of the broken promises that Liberal Democrats welcome.

The second problem that has constrained the Chancellor and the Government is their refusal to consider raising the level of personal income tax. As has been pointed out, the Government have raised taxation overall in their package, but what has been raised is regressive taxation, not—as we would have liked—progressive taxation. The Government's failure to consider raising income tax levels means that they have no mechanism with which to control the current consumer boom and its effect on the economy.

The third problem is the Government's continued uncertainty about our membership of the European currency. It was no surprise to read today that the pound had reached a nine-year high, which threatens to create problems for our exporters and to lead to higher interest rates. With no controls on either our membership of the European currency or the ability to raise income tax, the pound will be left bobbing around, out of control.

Those constraints, with the Government's apparent determination to build up a war chest of money that they will be able to spend in the few years running up to the next general election—it is currently estimated that it will amount to £123 billion by the end of the Parliament—mean that the Budget has simply not gone far enough, especially in relation to public services. The extra cash for health and education falls far short of what is needed: it is just a drop in the ocean.

The trouble is—the Chancellor did not mention this in his speech—that the extra money he announced was largely offset by the upward revision of inflation, which means the cutting of about £750 million from real public spending next year. That cancels out almost all the spending increases announced by the Chancellor. It also means that the black hole in the Government's finances caused by higher inflation has cut a massive £6.8 billion from the real value of public spending plans for 1998–99, which are now well behind the proposals of the last Conservative Chancellor.

I shall now mention two aspects of public spending that I consider particularly important. The first is health. We heard much about the Government's commitment to health in today's statement by the Secretary of State for Health and, as hon. Members will remember, the Labour party's manifesto for the last election said:

"We will rebuild the NHS . . . cut NHS waiting lists by 100,000".

Since then, the pledge has been somewhat watered down. In yesterday's Budget statement, we heard that the NHS would have an additional £500 million, but that is much less than the £2.25 billion that we said was necessary in our alternative Budget. Furthermore, with the higher GDP deflator hidden away in the Red Book, the amount available to the NHS will be worth nearer to £400 million in real terms.

Given the pressure on the Budget caused by inflation rate trends in the NHS and the millennium computer time bomb problem, it is worrying that the Chancellor seems to believe that that amount will be enough to cut waiting lists in the way described by the Prime Minister today at Prime Minister's Question Time. We do not think it will be possible.

To sum up my views about the situation in the NHS:

"Opposition Members welcome any additional resources for the national health service and any plan to break down the appallingly high waiting lists. However . . . When health costs are rising faster than even ordinary inflation, the sum that the Chancellor has provided today will barely cover the basic inflationary pressures that the health authorities face, far less deal with their huge backlog of structural repairs."—[*Official Report*, 1 November 1988; Vol. 139, c. 826.]

Those are not my words; they were spoken by the current Chancellor nearly 10 years ago, when his party was in opposition. What he said 10 years ago we believe today about what this Government are offering to the health service.

We remember the Government's commitment to make education their number one priority. They also told us that it was their intention that the share of GDP spent on education would rise over the lifetime of a Parliament. With the Chancellor's announcement, unfortunately, they are not making any progress on that promise. The share of GDP has hardly altered over previous years. In fact, if anything, it has made a small downward movement.

The question is whether the education proposals will deliver much at all. According to the spin doctors, who had a field day up to and including yesterday, much is going to happen, but when the £250 million—that, of course, is in comparison with our Budget proposals for £2.5 billion—was announced, the Chancellor did not mention the effects of the upward revision of inflation.

Because the increase in inflation affects the entire education budget, the net extra that yesterday's Budget offers for education is, in fact, only £148 million. Of that, £100 million will go to the new skills programme and £10 million to education action zones, both of which we welcome—but that leaves only £38 million extra for our schools. We welcome that, but, frankly, it is not very much.

Mr. Phil Willis (Harrogate and Knaresborough): Does my hon. Friend agree that the Budget announcement—and, indeed, the announcement of the Secretary of State for Education and Employment—included no resources whatever to support the learning age? The idea that we can build lifelong learning in the next millennium on absolutely no resources is hypocritical—sorry, I should not use that word. It is misguided.

Mr. Foster: I entirely agree with my hon. Friend. I do not know whether he noted that, when the announcement came about the small extra amo,unt of money for education, and it was made clear that there was no extra

[Mr. Foster]

money for further or higher education, we also had an announcement that there was to be a continuation of the Oxbridge colleges' money. For a Government who concern themselves with providing for the many and not the few, that seemed bizarre.

As my hon. Friend knows only too well, there is a desperate need for additional money in higher education. Sir Ron Dearing, for example, said that, if we are to address the falling qualities of libraries, teaching facilities and especially information technology, we need £365 million this year, £575 million next year and £1 billion by 2000. The Government have, in practice, offered no new money in the Budget. Before it, they offered £165 million, of which £40 million is to improve access, and they will top-slice higher education budgets by £150 million by reclaiming the new tuition fee element.

As the Under-Secretary of State for Education and Employment, the hon. Member for Birmingham, Yardley (Ms Morris) will know, the £165 million is not new money; it comes simply from staging Higher Education Funding Council grant payments so that the Government make a saving.

The House may be interested to know that Baroness Blackstone said:

"I have tried to say as clearly as I can that we are committed to trying to find additional funding for universities."—[*Official Report, House of Lords*, 10 March 1988; Vol. 587, c. 188.]

It is clear from yesterday's Budget that the Government have failed in their effort to find additional funds for universities. Sadly, they have failed also to find any additional money for further education. Baroness Kennedy recently commented that our Cinderella further education sector needed

"a sustained and massive investment in tackling the backlog of underachievement in the population to create a self-perpetuating learning society".

The reality from yesterday's Budget is that no additional money is to go into the further education sector.

There is some additional money for our schools and for skills, both of which are welcome, but there is no additional money for further or higher education. There is no opportunity, then, to start to address some of the problems that need to be tackled in our education service.

Yes, the Government are committed to reducing primary class sizes for key stage 1 pupils, but we argue that we should reduce class sizes for all primary school children. There is little or no additional money to help tackle the backlog of repair and maintenance work in schools. There is no opportunity to start to put in place early-years education for three as well as four-year-old children whose parents want it.

There is no opportunity to start to introduce a cap on technology and science class sizes in secondary schools, or significantly to increase the amount of money for books and equipment in schools. There is no additional money really to tackle the problems that I have described in further and higher education and, in particular, to start to give some support to part-time students in both further and higher education. This Budget has moved in the right direction, and for that we welcome it, but it has disappointed in a number of sectors, not least in funding for higher and further education.

Mr. Tim Loughton (East Worthing and Shoreham): I have listened intently to what the hon. Gentleman has said. Before he finishes, will he perhaps undertake that his Liberal Democrat colleagues will turn up this year during the Standing Committee stage of the Finance Bill and go through the detailed work of criticising and amending the Budget—making the points that he has been making in detail—rather than, as last year, contributing 15 minutes out of the 26 hours of debate, which was undertaken mostly by Conservative Members? The hon. Member for Gordon (Mr. Bruce), the Liberal Democrat spokesman, appeared for just 30 minutes in the whole week.

Mr. Foster: I am certainly not going to make any commitments on behalf of my hon. Friends. They can make commitments for themselves. Earlier today, one Conservative Member told us what his views were and, when asked whether he was speaking for himself or the party, pointed out that he was speaking for himself. We then heard the shadow Secretary of State for Education and Employment, the right hon. Member for Charnwood (Mr. Dorrell), say that that is the way in which Conservatives always speak, so I shall let my hon. Friends speak for themselves as well.

We welcome the direction in which the Budget has gone. It has huge gaps, not least its failure to address the need to provide support for pensioners and to tackle this nation's environmental problems. We welcome a number of its measures, but argue that they simply do not go far enough. However, given that there is a movement and direction in this Budget that we support, we give it the qualified support that the right hon. Member for Bishop Auckland also gave it.

6.28 pm

Mr. Alan Simpson (Nottingham, South): I offer the Chancellor of the Exchequer congratulations on introducing four extremely important principles in this Budget, which could easily be overlooked in the detailed exchanges.

I congratulate my right hon. Friend on raising child benefit. In particular, it is important that the House notes the Prime Minister's comment at today's Question Time—that a belief that tax policy should favour the child, rather than judge the household, underpinned that change. That is extremely important when we place our children in the context of the best assets that a society has. If we can recognise that as a Budget principle, we will be much the better for it.

The second thing that I wish to congratulate the Chancellor on is his decision to reduce value added tax on the installation of home insulation products. Again, it may involve a relatively small amount in actual terms—perhaps no more than an extra 40,000 properties a year are likely to benefit—but it establishes a tax principle that will be central to how we view economics in the next century. The principle is this: it is wrong for any Government to tax energy-saving more heavily than energy-consuming. Labour fought for that argument in opposition, and I am pleased to see that in government we have stuck to the principle for which we argued, and made the decision to reduce VAT on home insulation products.

Mr. Loughton: On that point, will the hon. Gentleman admit that the Government have reneged on the campaign

that the Financial Secretary to the Treasury led two years ago, in that the VAT reduction applies only to grants from local authorities, not to energy-efficient goods in general, which anyone here, even the Lord Chancellor, could go down to B and Q tomorrow and buy?

Mr. Simpson: No; I think that we are at the first stage of a process that will move the whole eco-taxation agenda on to a significant point. It will profoundly shift the way in which we think about the relationship between taxation, economics and the environment, and I am pleased that we have made that start.

That fits in with the third factor on which I congratulate the Chancellor—the beginnings of a framework of green taxation. Spirited as was the defence by the hon. Member for East Yorkshire (Mr. Townend) of the rights of the private motorist, if we are to continue to exist on a planet and in an environment that will sustain us all, we must face the consequences of Kyoto. The principles of contraction and convergence that came out of the Kyoto agreement will force us all down a path which not only will mean that we take seriously our responsibilities for environmental taxation, but will probably become the central pillar of taxation policy for the 21st century.

Finally, I thank the Chancellor for issuing a pre-Budget consultation document. Many of us complained for years that the House was not taken seriously during the process of Budget formulation and consideration. This year—for the first time to my knowledge—a Chancellor has published a pre-Budget report, and invited contributions and responses.

I assumed that that invitation included me, and I had the temerity to submit my own Budget to my right hon. Friend about a week ago. Not much of it appeared in the Budget statement yesterday, but I am certain that the Chancellor has tucked it up his sleeve and is ready to unfold it in the next Budget, or perhaps later this year.

I shall describe some of the "big picture" issues against which the Budget must be measured, which the House has not properly addressed so far. Those focus on three factors—the real prospect of a recession, the case to be made for a reflationary and reinvestment programme, and the relationship between work and welfare.

When I wrote my Budget submission, I was greatly influenced by several commentators who had written about the changes that had taken place in the global economy over the past year. Those range from—before the Budget—people such as Robert Reich, the former American Secretary for Labour, to—after the Budget—Roger Bootle, one of the most senior economists and commentators in the United Kingdom.

Neither of those is a known member of the "usual suspects" group in the parliamentary Labour party, but each warns that the world is sitting at the edge at a large unco-ordinated global contraction, of which we have seen only the beginnings. To retain a monetarist obsession with the risks of inflation is to flirt with the real danger of missing the next war, because the serious challenge we face is the risk of an unco-ordinated global recession.

In that context, we must address some of the contradictions that one finds in almost every modern economy, such as the signs of boom and the signs of bust appearing at the same time—a boom in consumer spending and credit debt, co-existing with a bust in manufacturing output and manufacturing investment.

Those are new and difficult problems for any Chancellor and any Government to deal with, but deal with them we must. The likelihood is that the consequences already being seen to follow from the Budget statement will accelerate rather than delay the point at which the contradiction will have to be dealt with.

The value of the pound has already increased today. That makes it almost certain that, when the Monetary Policy Committee meets, it will raise interest rates. The fall in manufacturing and manufacturing investment that will follow will add to the Budget predictions for manufacturing industry, which have been downgraded from a presumption of 1.5 per cent. growth this year to an assumption of growth between 0 and 0.5 per cent.

That is all likely to come through in the second half of this year, when the welfare-to-work programme will be producing people who are at the point of looking for work. We shall face a real problem if employers are having to make decisions about whether they can retain existing employees, at the same time that we as a Government are asking them to take on the new trainees and recruits coming through the welfare-to-work programme. At that point we will be asked serious questions about where the work is to be found.

When the Institute of Fiscal Studies said that, out of this year's Budget, it would be possible for us to release between £3 billion and £3.5 billion for public investment, it was being excessively cautious. The real figure, as the hon. Member for Bath (Mr. Foster) said, is probably more; between £5 billion and £10 billion could have been released. That reinvestment is what we need for a publicly led and publicly financed programme to deliver real jobs in the real economy.

I looked at several of the newspapers this morning, and saw that one of them announced that the Chancellor had declared war on the work-shy. If we can inspire young people and others among the long-term unemployed to go into the welfare-to-work programme, and if we give them the skills to enable them to participate and the enthusiasm to seek permanent work, where will that work be found, if the economy is on the point of a serious and possibly sustained downturn?

I believe profoundly in our new deal proposals. There is nothing more important for a society than finding productive, secure and well-paid work. Yet, in the broader economic context in which the new deal is having to be framed, it may be difficult for us to deliver on that. I draw a comparison with the previous and probably better known "new deal" introduced by President Roosevelt after his victory in America in 1932. There are significant factors in what underpins each of the two approaches that are entirely different.

Under Roosevelt, the new deal programme built 651,000 miles of roads, 78,000 bridges and viaducts, and 38,000 municipal buildings; 2 million young people went into youth conservation work. The Government of the day introduced a minimum wage and price controls, regulated the financial markets and abolished child labour. Huge numbers of teachers were involved in keeping open rural schools that would otherwise have been closed on economic grounds, while the economies that supported their communities were rebuilt, underpinned and strengthened.

[Mr. Simpson]

That all took place around a presumption that public borrowing was not a carnal sin, and did not make one blind. It was the basis on which to rebuild a sensible economy. People in work were themselves tax contributors rather than welfare dependents.

The Government of the day borrowed to accomplish those goals. The issue was not whether they had debt, but where the debt was owed and how it would be used. Those are still the central issues, and will determine how we underpin a reflationary package to deliver real jobs in the United Kingdom economy.

There is no point in saying that we can leave it to the private sector. If there is one absolutely clear lesson to be learnt from the Tories' 18 years in power, it is that they gave the free market freedoms to do anything it liked, and that the one thing it did not do was reinvest massively in long-term job security in our economy. In those 18 years, our downgrading of private investment—in which the United Kingdom has always failed to meet the Organisation for Economic Co-operation and Development average—was made worse by the planned collapse of public investment and the planned sell-off of public assets.

When the Tories came to power in the late 1970s, net public wealth as a proportion of gross domestic product was 70 per cent. When they left power, it had been run down to 10 per cent. It was an exercise in long-term asset stripping rather than long-term reinvestment.

How will we underpin a real, serious and sustainable new deal programme? Although I do not urge that we build 651,000 miles of new roads—I am not a roads-supporting person—I remind Ministers that there is a rough equivalence in the number of houses in the UK that are miserably insulated and desperately in need of upgrading to modern home insulation standards. In the second appendix to my Budget submission, I outlined the basis on which the Government could begin the first stages of a 15-year programme to end fuel poverty in the United Kingdom.

The programme would require us to upgrade 500,000 properties a year for each of the next 15 years. Consequently, we would immediately create sustainable work for many of today's unemployed. We would also raise the quality of life of the many households who live in miserable, unhealthy accommodation. We would save money for health service, and raise the standard of the United Kingdom's capital housing stock. Environmentally, the programme would save large amounts of carbon emissions, and it would create a virtuous circle, in which all will win and none will lose. That is how we can create work, wealth and well-being.

We could also develop comprehensive national programmes to restore and rebuild public transport infrastructures in all our towns and cities, and to serve all our rural areas. However, such programmes will not be created by providing a few market incentives.

Although the £500 million provided in the Budget will be a start in developing such programmes, it will allow us—if we spread the amount over three years, across the country—only to draw up the plans, not to deliver the networks. Again, we will need a public investment-driven programme, which would underpin welfare to work and provide the arena in which we will allow people who are not work-shy to find a real and useful place in our economy.

The Chancellor, in accomplishing those objectives, may wish to examine and embrace other tax principles. One principle is very simple: a public stakeholding should be attached to every public subsidy—an interesting notion, which Conservative Governments studiously avoided in their 18 years in office. I shall develop later the point that those Governments were very good at shifting the locus of public subsidy from personal welfare towards corporate welfare.

Those who say that we should not attach conditions to public subsidies to the private sector might like to examine the United States' community reinvestment legislation, in which the private and financial sectors' social obligations are legally binding, and cover matters such as community reinvestment and not-for-profit work in local communities. Their obligation is one of demonstrating how public moneys will be used to benefit the communities from which that money is drawn.

Organisations such as Greenpeace, Friends of the Earth and the Association for the Conservation of Energy have all, in their own way, stated the colossal potential of environmental technologies and environmental repair in generating real, sustainable jobs. The sooner we seriously embrace our Kyoto obligations and an environmental agenda, the sooner we will engage in the economics of the next century.

Accepting those obligations will dovetail with some of the issues and contradictions that we will have to resolve in the transition to a welfare-to-work system. The Chancellor was absolutely right to set himself the task of reducing poverty, and particularly of reducing the outrageous marginal tax rates that fall on the poorest in the land.

Often, those who move from welfare to work face marginal tax rates of up to 96p in the pound. If they receive passported benefits—such as free school meals or school travel—the reclaim rate may amount to 117p for every 100p they earn. That is crazy. Therefore, trying to connect the benefits system with the wage system is an extremely important idea and objective.

Connecting the two systems will, however, have some real difficulties, and the House must not be deluded about them. The House attempted twice before to develop its own version of working families tax credits. On each occasion, it failed to enact workable legislation. The first problem—making the proposals complex and unworkable—was the legacy of an obsession with means-tested benefits.

The problem is not only the administrative difficulties of moving family credit from the welfare system to the work system—by means of income tax—but the relationship between whatever system eventually emerges and the remaining aspects of the means-tested benefit system. If we are left with a legacy of clawing back housing benefit and council tax rebates, we will discover that exactly the same poverty traps remain, but appear at different points. We may try to introduce different tapers and stages at which the clawbacks occur, but it will simply make a monster of the current mess.

I make those comments not to be critical of the idea of connecting the systems, but to acknowledge the scale of the complexity that we will have to sort out. If there is

one possible way in which the process can be made simpler, it is by simplifying the process by retreating from means-tested benefits. The simplest way of delivering a new system would be to return to many of the Beveridge assumptions about universal platform entitlements underpinning the benefits system, and to a progressive taxation structure—however it is constructed—as the means of claiming back benefits from those, at whatever position in the earnings scale, who are deemed not to be entitled to be net beneficiaries.

Returning to those earlier assumptions would remove the barriers between welfare and work. We remove the complexities of collection not by diving into separate taxation processes on individual benefits but by taxing overall disposable income. It is called progressive income tax—*[Interruption.]* Yes, it is unashamedly redistributive; but that is what society should do. We cannot tackle poverty without redistribution.

The idea that poverty will right itself if there is accelerated growth is nonsense. We inherited from the previous Tory Government a wider gap between rich and poor than this country has ever seen. That is because the Tories abandoned a recognition that the market has no interest in redistributing to the poor; it becomes self-serving to the rich. A redistributive tax policy is nothing to be ashamed of.

In considering how welfare to work and the working families tax credit might fit into the redistributive process, it is important that the House looks at the lessons that must be learned from Canada and the United States before it adopts any particular structure of a scheme. The equivalent to the working families tax credit in the United States has to be underpinned by food vouchers. I have yet to see a case for embracing the reintroduction of food vouchers in the United Kingdom. In Canada, the costs of going down such a path have been extraordinarily high.

At some point, any Government must ask themselves whether the costs of fundamental change in the welfare system outweigh the specific benefits of that change. The answers are to be found in different variations on this theme: a return to universal benefits and welfare system, tax thresholds that are adjusted to take the working poor out of tax paying rather than in pursuit of a lower rate of tax, and a rise in the initial tax disregard for those entering work.

The Chancellor has been absolutely right to go down the path of raising environmental taxation. He has been absolutely right to raise the amount of support that goes directly to children. He would also have been right if he had followed the same logic and raised the amount of support that goes to pensioners and disabled people. He would also have been right if he had said that we should go down the route of directed public investment, which would be the basis of a planned reflation of the economy.

I expect that, at some point, the Tories will say that all this is unaffordable; that the welfare burden is simply unsustainable in a modern economy. I must concede that there might be one sense in which they are right. Cuts in personal welfare under their Administrations effected a shift towards corporate welfare.

Allowances for and non-taxation of industry must amount to about £30 billion a year—just over £18 billion in capital allowances, £4.5 billion in direct grants, £4.1 billion in export credit guarantees, mainly in export support grants, and a whole series of other packages. In their own way, they are all forms of welfare dependency. If the Chancellor needs to look for money, and if tough decisions are to be made, we should begin by looking at corporate welfare.

Every day of every week, the Government's spending Ministries are besieged by businesses—mainly big business—saying, "Of course we will come to your country, but we need you to pay us. We need you to put together an incentives package that will make it worth our while. We want you to build the buildings for us, give us the land, train the work force and put in the infrastructure. While you are at it, we would like you to have a word with the local authority and ask them to give us a 10-year exemption from business rates. Don't talk to us about crisis loans; we want grants." If welfare is demeaning, we should try first removing the unaffordable, unsustainable, demeaning burden on business, and allow it to stand on its own two feet.

If we do not want to do that, we should introduce conditions on the use of public money in return for the investment or non-taxation with which they are graced. The idea of a stakeholder economy ought to extend to the notion that the Government, on behalf of the people they represent, take a stake in—or hand a different form of stakeholding to—the industries that are publicly subsidised by being allowed not to pay tax as the rest of us do.

It would be interesting to invite the Home Secretary to consider the behaviour of some corporations. Rather than judging lone-parent families, we should look at the morality of some of the lone-parent corporations and their conduct around the globe. They are terribly flighty. They take money in one place, get into a relationship in one country, spawn offspring, and then do a runner to somewhere else. Someone flashes a wad of cash somewhere else, and they are off. The behaviour of lone-parent companies, which have often had multiple partners, does not make them good parents.

We ought to ask the Home Secretary whether there is a need for lone-parent company classes in parenting. We should ask whether there is a need to curfew capital; whether it should be back in the country by 9 o'clock. There are a series of ways in which we can use the assets that this country still has in abundance to meet all the needs and aspirations that are found in the Chancellor's statement and the new deal.

Nothing is more important than putting the country back to work. To do so in an environmentally sustainable way is certainly our biggest challenge. That is the really exciting agenda of the next century. If we can shift our spending from warfare to welfare, from speculation to environmental repair and reinvestment, we will find that we have all the resources necessary to deliver not only a new deal but a sustainable deal for a new century. The sooner we embrace that in a Budget, the better society will be.

6.56 pm

Mr. Geoffrey Clifton-Brown (Cotswold): This was one of the most over-hyped, over-spun, media-spectacle Budgets that I can remember. Indeed, one is not disappointed by the two opening sentences of the Chancellor's Budget speech. It is a good idea to remind the House that he said:

> "Only once in a generation is the tax system fundamentally reformed. The Budget I bring before the House and the country today begins the task not just of modernising taxation but of modernising the entire tax and benefits system of our country."—[*Official Report*, 17 March 1998; Vol. 308, c. 1097.]

[Mr. Geoffrey Clifton-Brown]

The Chancellor gives himself divine status. A previous Chancellor coined the phrase that a Budget celebrated on the day is often regretted at leisure. History will judge today's Chancellor by whether he lives up to the very high expectations that he set himself in his opening remarks.

We know that the Budget is delivered against a macro-economic climate of falling growth, rising inflation, falling unemployment and, the joker in the pack, rising money supply—at some 10 per cent. a year, which is unsustainably high. What did the Budget do? It took me some little while to discover—buried deep in the Red Book in table B.20 on page 118—that it is a fiscally tightening Budget, to the tune of £4.8 billion this year and £2.9 billion next year.

Added to the fiscal tightening in the previous Budget, through the windfall tax and advance corporation tax credits, fiscal tightening amounts this year to £11.8 billion and next year to £9.9 billion. The question is whether that will be sufficient to avoid having to increase interest rates at the next Monetary Policy Committee, bearing in mind the effect that that will have on the value of the pound.

Part of the macro-economic situation is the City's verdict on the Budget. What happened? The pound soared to a nine-year high. The group chief economist of the Hongkong and Shanghai Banking Corporation, Roger Bootle, said:

"It's a considerable disappointment that will put a lot of pressure on the Monetary Policy Committee to raise rates."

So the pound is likely to go still higher. As I predicted in a recent speech on the economy, manufacturing industry is already beginning to go into negative growth. If we are not careful, the economy will go into recession in two or two and a half years.

We delivered one of the brightest economic situations that this country has seen since the war. We left a golden legacy, in which growth exceeded inflation. It is a bitter disappointment that the rate of growth is falling. The Red Book predictions show it falling from 2.5 per cent. to 2 per cent. this year and to 1.75 per cent. next year, which will be unsatisfactory even if it is achieved. On the day that the Budget was delivered, the retail prices index rose disappointingly from 2.5 per cent. to 2.6 per cent.

How is the Budget to be judged? There are some welcome elements, but most of the welcome measures come with a "but". One could welcome the decrease in corporation tax for large and small companies to 30 per cent. and 20 per cent. respectively, but that has to be considered in the context of the overall burden of taxation on business, which has considerably increased because of the withdrawal of associated tax credit in the previous Budget and, perhaps more importantly, the quarterly filing of corporation tax for large companies. That will place a burden on companies.

The Chancellor made much of trying to introduce a climate in which small businesses would thrive. He said that he was trying to reduce bureaucracy, but, nine months into the Government's term of office, I see no sign of them reducing bureaucracy—quite the contrary. As I said in an intervention on my hon. Friend the Member for Maidenhead (Mrs. May) yesterday, the measures that the Government are accepting from the European Commission, particularly in the social chapter, such as the decision at the recent meeting to allow works councils for small firms with fewer than 50 employees, will add considerably to the burden on small businesses.

The Budget will increase taxation as a proportion of gross domestic product. That can be seen from chart B2 on page 119 of the Red Book. The prediction is that the overall burden of taxation will be 38 per cent. next year. Given that our major economic rival, Germany, with which we compete directly in many markets, has an overall taxation burden of 39 per cent., the situation is serious. The prediction is based on some optimistic assumptions for levels of growth. If those predictions are not sustained, the level of taxation is likely to go over the magic figure of 40 per cent.

The level of Government expenditure as a proportion of GDP is also mentioned in the Red Book. That figure is also likely to go over the magic figure of 40 per cent. in the near future. With our major rivals such as the United States, Japan and Korea all having a ratio well below 40 per cent., it is bizarre that a Government who claim to be sticking to the Conservative expenditure plans are not doing so, as a detailed examination of the Red Book shows.

One of the disappointments is that the Government cannot control social security expenditure, contrary to what they are proclaiming publicly. Table B18 on page 128 shows that the social security budget is likely to rise by £4 billion over the next two years. The Government are predicting that they will not be able to stick to the expenditure plans.

I have already said that the Budget has some welcome measures, but there is always a "but". One could welcome the changes to employers' national insurance contributions. However, the overall rate of national insurance contribution for employers is rising to 12.2 per cent., placing a considerable burden on companies, largely in the high-tech and financial sector, that are the backbone of our economy and are helping our balance of payments. They will be hit by the measure.

National insurance is an odious tax. It would be more intellectually honest to abolish it and put the burden on income tax. That would be a properly progressive tax, with those who earned more paying more of their share of tax, instead of having a vastly complicated tax that takes up a lot of time for accountants and the Contributions Agency. All that could be abolished if the system were simplified. I welcome the Chancellor's decision to merge the Contributions Agency with the Inland Revenue. I also welcome the measures to ask the Inland Revenue to help new firms setting up payroll tax. Those are two positive measures.

The Chancellor largely got away with his Budget last night, and the media were on the whole satisfied with it, because he had hyped in advance that middle England—the middle classes and the opinion formers—would be hit. In the event, they were not—or were they? We might just have to wait for the small print. Those of us who know a little about such matters can already divine some of the measures that will hit the middle classes.

One might welcome the reduction of capital gains tax from 40 per cent. to 24 per cent. for assets that are held for 10 years, but let us think about that. If inflation is 2 per cent., over 10 years the asset will depreciate by 20 per cent. If, as is more likely, the rate of inflation is over 4 per cent., the asset will depreciate by 40 per cent.

In other words, the gain caused by inflation will be more than the reduction of tax that the Chancellor is making. By not allowing indexation of gains, we are going back to the bad old days of the high-inflation Governments of the 1970s, which taxed inflation on gains. That is unfair and unsatisfactory. I hope that, by the time the Finance Bill is published, the Government will have had a re-think.

Another disappointment is that, as the Red Book shows, the savings ratio has declined sharply in the past year—by about 1 per cent. It is predicted to decline again in the coming year. Is that surprising, when a retrospective tax was announced to put a lifetime ceiling on the new individual savings accounts and abolish PEPs and TESSAs? What are small savers to think when they might be taxed later? The Government are breaking faith with small savers.

It is a tribute to my right hon. Friends the Members for Hitchin and Harpenden (Mr. Lilley) and for Richmond, Yorks (Mr. Hague) and all my hon. Friends, who have conducted a vociferous campaign, based on huge numbers of letters, that the Government have been persuaded that a lifetime limit of £50,000 on the new ISAs is discriminatory, particularly against the young, and unworkable. The Government have listened to the savings industry as well. I welcome that very much.

Mr. Loughton: A U-turn.

Mr. Clifton-Brown: Indeed.

I should like to examine one or two of the largely welcome social measures in the Budget in a little detail. The working families tax credit suffers from a number of defects. The Womens Budget Group, an informal think tank of economists, social policy experts and women's organisations, believes that the replacement of family credit with the working families tax credit will lead to women and their children losing. Because the man is usually the breadwinner, he will get the tax credit, rather than it going to the woman.

The same would apply to taxing child benefit. It is often the low-earning or non-taxpaying wife who obtains the child benefit. Taxation would be calculated on the man's marginal rate. She would suffer. We welcome the increase in child benefit, but we regret that those on even basic rates of tax will suffer.

I wish to comment on the increase in petrol duty. The House of Commons estimates that the Chancellor has raised tax revenue by £1 billion this year, on top of the £695 million he raised in last year's Budget. This is a savage rise, which particularly hurts those people in rural constituencies who depend on the car for a lifeline.

People in my constituency have to use the car to get to the post office to get their benefit, to go to the doctor's surgery, and to do their basic shopping. It is all very well the Government saying that the problem is due to the previous Government's deregulation of the bus system, but there will never be a bus system in a rural area that is convenient for every single person—young, middle-aged and old. That is unrealistic. Those in rural areas need a car, and they are clobbered every time in the name of a so-called environmentally friendly tax.

There are many other more satisfactory ways of producing a green Budget. One is to reduce VAT on insulation materials. This is a so-called welcome benefit, but it is miserly because it is applied only to Government schemes. Why does it not apply across the spectrum? The Chancellor should talk to our European Community officials in Brussels to see if we can get a derogation to apply the benefit across the spectrum, so that all insulating materials can be free of VAT. In that way, instead of the home energy efficiency scheme insulating 3.5 million homes, it would get to all 10 million homes which need it, and some of the poorest people would benefit.

The real disappointment of the Budget is that it fails to deliver for the health service and for education. The Government claim that they have a wonderfully reducing debt and a strong economy, but they should listen to the figures. Let us look at the health service. The £500 million which was greeted—or was not greeted—with such glee by Government Back Benchers yesterday is 1.2 per cent. extra for the health service. When we were in government, we put in, year on year on year, 3 per cent. extra in real terms.

My constituents in Gloucestershire will see their waiting lists rise because the funding is not being increased at the same rate as for urban areas. We have a bed-blocking problem in Gloucestershire, and 100 people who should not be in hospital are there simply because the funding is not available to provide them with a domiciliary, residential or nursing care package. They are in beds which should be occupied by people who need operations. The doctors are there to perform the operations, but they cannot be carried out, because the money is not there to get the people our of hospital. The waiting lists lengthen, and people who need operations do not get them.

Ms Claire Ward (Watford): The hon. Gentleman has a selective memory of my right hon. Friend the Chancellor's speech. He refers to the increase in petrol duty and its effect upon the rural communities. He forgets that the Chancellor also introduced an extra £50 million for rural transport. He referred to the health service, but he forgets that we have put more money into the health service than the Conservative Government ever intended. We have done likewise in education. I am interested to hear the—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Lady is in danger of making a speech. Interventions must be brief.

Mr. Clifton-Brown: I rather wish I had not given way to the hon. Lady, but as I did, I will answer in robust terms.

The Chancellor has raised £1 billion from the extra petrol duty. The £50 million for special rural schemes transport is peanuts in comparison, and my constituents will feel the harsh economic effects of that increase in petrol tax. The £50 million is welcome, and here I make a special plea to the Chancellor. My constituency has an excellent community bus scheme, which has been going for 15 years. I hope that money will go not only to new schemes but to existing ones.

Mr. Shaun Woodward (Witney): Does my hon. Friend agree that the intervention by the hon. Member for Watford (Ms Ward) showed what we all know—that Labour Members have no understanding whatever of the

[Mr. Shaun Woodward]

needs of rural communities? Does he agree that they are given to the kind of patronising claptrap which suggests that £50 million for rural transport will solve the problems that the Government have created with their Budget?

Mr. Clifton-Brown: My hon. Friend is right. He moves in his constituency, and he goes to the local employment service and doctors' surgeries. He knows, as I do—and as every Member who properly represents a rural community knows—the real hardship that the increase in petrol duty will cause.

Mr. Paul Keetch (Hereford): The hon. Gentleman knows my constituency very well, and I must say that I find astonishing what he says about the great things done by the Tory Government. Does he remember the village schools, pubs, shops, postal services and bus services closed under the Tory Government? I have no great support for Labour Members who do not understand rural constituencies, but this is one issue that the Tories—who were thrown out of vast swathes of rural Britain—do not understand, either.

Mr. Clifton-Brown: I was the only Conservative Member of Parliament in the country who had a positive swing towards to me at the election. I do not recall a single time when I was trying to defend a rural school or bus service on which I received support from any Liberal Democrats.

The Budget is a wasted opportunity in terms of the amount of resources going to the health service. In terms of education, the position is even worse. I calculate that the increase—even with the extra £250 million yesterday—this year will be less than 1 per cent. That is a disgrace, and experienced teachers in my constituency will continue to leave schools and class sizes will rise. Special needs pupils will not get the statementing they need.

The previous Government were able to provide great public services at the same time as reducing the burden of taxation. I hope that the Government will do better in the rest of their term. Otherwise, when they reach the next election, the electorate will deliver their verdict.

7.17 pm

Mr. Geraint Davies (Croydon, Central): This is an amazing exhibition from the Opposition. In today's newspapers—from *The Sun* to the *Financial Times* and everything in between—there has been almost universal acclaim for the brilliance of the Chancellor's Budget. *[Interruption.]* Conservative Members may laugh, but they are in the minority. It is all very well pretending that the media do not really understand the issues—I suggest that they understand the issues much more than Opposition Members.

The centrepiece of the Budget—making work pay—goes alongside a number of other themes on which I will not dwell, as the media and right hon. and hon. Friends will articulate them in detail. I want to combat the somewhat pathetic points made by the Leader of the Opposition and other Opposition Members.

The Budget contains measures for supporting families with children through child benefit rises and encouraging business by lower corporation tax and special concessions for small business. The Budget provides extra cash for education and health, £500 million for public transport, more support for the environment and—all-importantly—the setting of a long-term economic framework for the prosperity of Britain in a global marketplace.

The Leader of the Opposition said that the initiatives on corporation tax, small business tax, the challenge funds for universities in terms of venture capital, the reduction in national insurance and the reform of capital gains tax were all the idea of the shadow Chancellor of the Exchequer—that they were all your ideas.

Mr. Deputy Speaker: Order.

Mr. Davies: I apologise if—

Mr. Deputy Speaker: Order. The hon. Gentleman must sit down when I am on my feet. I am trying to help him to remember the convention of the House that hon. Members refer to one another in the third person. Remarks must be addressed only through the Chair.

Mr. Davies: I apologise, Mr. Deputy Speaker—I was not suggesting that you had claimed those tax policies as your idea. The suggestion was that they were the idea of the Conservative party. If they were—and of course they were not—why were they not implemented in the 18 years of Conservative Government? Why, instead, did we have years of drift that ended in £400 billion of public sector debt?

I come to that well-trodden, pedestrian point that the Prime Minister claimed that there would be no new taxes under Labour. Frankly, no voter believes that a new Government will not reshape the fiscal terrain to deliver their ambitions on poverty, on environmental sustainability, on employment, on security and on building a coherent society and future prosperity. Everybody knew that our pledge was that the lower and higher rates of income tax would not be increased—and they will not be. Indeed, I am confident that the overall tax burden will be less by the time of the next general election.

Mr. Woodward: The hon. Gentleman says that the overall tax burden will have come down by the time of the next election. Will he explain the Government figures which suggest that, this year, the burden in terms of net taxes and social security contributions is 37.2 per cent., whereas the projection for 2001-2 is 38.5 per cent.? By using simple mathematics, can he explain by what magical trick the proportion will be reduced in the final week before a general election?

Mr. Davies: There is not going to be an election next year. The key point is that the centrepiece of the Budget is making work pay. Our strategy is to translate claimants into taxpayers—we shall create opportunity where there was despair. By creating an economy based on work, we shall establish a virtuous cycle.

The Conservative Government characteristically built an economy of spiralling taxation and low success. Their mismanagement meant that there were hidden taxes—for example, the BSE crisis cost £3.7 billion, and the underpricing of shares in the privatisation programme cost £5.7 billion. Moreover, it took the Labour Government to

give the Bank of England independence, which is saving £6 billion a year in terms of the repayment of Government debt, as long-term borrowing costs are the lowest for 30 years.

Another myth is that the Conservatives are the friends of rural areas—we have just heard that claptrap from the hon. Member for Cotswold (Mr. Clifton–Brown). Tory Members scoff at the £50 million for rural infrastructure, but that is not an insignificant amount. Part of the Tory legacy is the scrapping of rural transport as a result of deregulation, which was a complete disgrace. I am glad that our partners in the business community are responding to the challenge of the new Labour Administration. For example, BP today issued a press release saying that it would reduce relative prices of petrol in rural communities, which is a very welcome step.

Mr. Loughton: We have heard that red herring several times this evening, but will the hon. Gentleman acknowledge that the reduction in the oil price may have something to do with the fact that, over the past six months, the price of a barrel of oil has fallen from $20 to less than $13?

Mr. Davies: No. I am talking about the urban-rural differential, not the average price. The increases in fuel taxes are broadly in line with those imposed by the previous Administration, yet the Conservative party has now performed a cynical U-turn in an attempt to get more votes.

The Labour Government are introducing an environmental package. There is a policy shift from taxing the vehicle to taxing use. That is a sensible step, not only for people who work in car factories, but for the environment. Moreover, we are spending £500 million extra on public transport—we hope to continue that policy in future Budgets.

Mr. Clifton–Brown: Does the hon. Gentleman accept that a shift in taxation from the vehicle to its use is exactly what discriminates against rural dwellers, whom I want to protect?

Mr. Davies: That is why we are spending £50 million on rural transport, which the Conservative party destroyed.

On families, child benefit will rise by 20 per cent., which is the biggest ever increase. What is remarkable is that, after the idea of progressive taxation on child benefit had been floated, the Leader of the Opposition called it a betrayal. I cannot believe that the Conservative party, which used to talk about targeting, has changed its policy so cynically—it is outrageous and pathetic.

The Leader of the Opposition then claimed that we were on the brink of recession—that jobs were at risk because of an overvalued pound and high interest rates. However, the figures for February, which have only just been released, show that an extra 13,700 people are in jobs, and that unemployment is at 4.9 per cent., which is the lowest level for 18 years—since June 1980, in fact, very shortly after Labour were in office.

Mr. Woodward: Will the hon. Gentleman give way?

Mr. Davies: I shall take the hon. Gentleman's very predictable intervention.

Mr. Woodward: Can the hon. Gentleman say what the sterling-deutschmark exchange rate is this evening as a result of yesterday's Budget? Does he agree that the pound is overvalued?

Mr. Davies: At a guess, I think it is about DM3.2 to the pound. [HON. MEMBERS: "Wrong."] Anyway, it is in that area. I understand the rather simplistic point that the hon. Gentleman is trying to make. He is saying that sterling is too high—

Mr. Owen Paterson (North Shropshire): Will the hon. Gentleman give way?

Mr. Davies: I shall give way to the hon. Gentleman in a moment, as he is wearing a very nice tie.

The Leader of the Opposition said that Britain was on the brink of recession because of the exchange rate, but if the export market is in such a bad way, why do the 1997 figures show that Britain has a trade surplus for the first time since 1985? Moreover, that surplus is the largest since 1982—£4.5 billion for 1997, as opposed to £1.8 billion in 1996. That is hardly an export-driven recession.

Mr. David Ruffley (Bury St. Edmunds): Will the hon. Gentleman give way?

Mr. Davies: In a second. Please sit down. There is a big queue and I will take you one at a time, if you can contain yourselves in your seats—

Mr. Deputy Speaker: Order. I think that I may have to help the hon. Gentleman again. While I am on my feet, I appeal for rather less exuberance on the Opposition Benches.

Mr. Davies: In difficult trading conditions, with sterling high, goods have been holding their own and services have been expanding, owing to the quality and productivity improvements in the British economy.

The shadow Chancellor should realise that the exchange rate cannot be explained entirely in terms of relative interest rates. The pound is strong because there is international confidence in the British economy and, not least, in the British Chancellor and his Budget. That is unfortunate in some senses. Everyone realises what a good job we are doing.

There is also great uncertainty over the euro. Will there be a strong independent bank? Will there be political fudges? Did the fact that it was announced on the very day of the Budget that the drachma would be part of the euro have any impact? Of course it did, because some people feel that it might drag down the average value of the euro, increasing uncertainty and making sterling a refuge currency. We understand that.

[Mr. Davies]

There is uncertainty in Asia and a recession in Japan, and Europe—I am thinking of Germany in particular—has been depressed by having to fulfil the Maastricht criteria quickly. All that has contributed to the strength of the pound, alongside the fact that we are at the top of our economic cycle. The United States is in a similar situation to ours, and our exchange rate with the dollar has been steady for about 15 months.

The pound is holding up, as a function of the good job that we are doing; markets are up; pension values are up; and things are looking good.

Several hon. Members *rose—*

Mr. Davies: I shall give way to the chap with the pink tie.

Mr. Deputy Speaker: Order. We are not chaps. We are hon. Members in the House.

Mr. Paterson: I am touched by the gallant comments about my tie, but I am shocked that the hon. Gentleman should dismiss as simplistic a question about the exchange rate. Does not he realise that 20 per cent. of the British economy is based on manufacturing and that tens of thousands of people are worried stiff about the exchange rate, which, for his information, has gone to DM3.05?

Mr. Davies: I realise that there is concern, but it is worth looking at the trade figures and at how well we are doing under difficult conditions. The uncertainties that I described are temporary—they may take a year or so to get out of the system—but we are creating conditions, with long-term policies, in which we are doing well despite the strength of the pound. Employment and prosperity prospects will continue to improve.

Mr. Ruffley: What reasons can the hon. Gentleman give the House for the downgrading of the gross domestic product forecast for 1998, from 2 per cent. to 2.5 per cent.?

Mr. Davies: As I said—[HON. MEMBERS: "Resign."] Unfortunately, I have no job. There has been a modest reduction in growth prospects, and I do not deny that that is partly linked to the prevailing exchange rate, but that does not contradict anything that I have said.

The introduction of working families tax credit is greatly to be commended. As with almost every other measure, we still do not know whether the Opposition support it. The 10p tax rate has not yet been introduced, and Opposition Members may scoff, but we inherited a legacy of a £400 billion deficit, and at the right time we will introduce the lower rate.

The Leader of the Opposition and the shadow Chancellor suggested that everybody loses, but among those who gain are families; the unemployed; the low-paid; small, medium and large businesses; the environment; people in education; and people in health. Almost everybody gains. It is a brilliant Budget: a Budget for jobs and work. After 18 years of drift, uncertainty and U-turns, we have a framework for success. I am proud to be here to support it.

7.34 pm

Mr. Tim Loughton (East Worthing and Shoreham): It is always entertaining to follow the hon. Member for Croydon, Central (Mr. Davies), so I shall not take offence at the fact that he failed to comment on my tie, of which I am rather proud. I apologise to you, Mr. Deputy Speaker, for any over-exuberance among Opposition Members, but we have certainly had far better entertainment than anything that is on television this evening.

This is a Budget of prudence and stability. We know that because the Chancellor found it necessary to repeat it 17 times yesterday. It was mirrored in the green Budget and last year's ISA consultation paper, in which the Paymaster General constantly referred to the "prudent and sensible" savers from under whose feet he was so keen until yesterday to pull the rug. As William Blake said:

"Prudence is a rich, ugly, old maid courted by Incapacity."

The trouble is that we are never treated to any clue as to what prudence and stability in the Chancellor's economic dictionary actually amount to. What is a stable and prudent level for the ratio of public debt to national income, for example? What is a stable and prudent level for the public sector borrowing requirement at a time when yesterday's edition of *The Sun*—on the reverse of a rather fetching picture of Melinda Messenger—was briefed to say:

"The Iron Chancellor, Gordon Brown, will use today's Budget to raise a fortune in taxes to start paying off the £420 billion national debt"?

Of course, that did not happen. The complete failure of that to happen as *The Sun* had been briefed did not deter it from printing a picture of a dwarf Chancellor today under the headline,

"Hi-ho, Hi-ho, it's off to work we go".

Mr. Ruffley: Gordon Messenger.

Mr. Loughton: It could be Gordon Messenger. I do not know whether it is Dopey or Grumpy; it certainly is not Bashful. The article refers to

"a revolutionary Budget designed to get every jobless person in Britain back to work."

Perhaps it has something to do with the lapdog nature of certain elements of the press that they should be completely misled on one day and be perfectly happy to go along with what they are told the day after.

In not reducing the national debt, the Chancellor missed a golden opportunity to go into public sector surplus. Instead of any explanation, we were treated to additional alliterative variations on prudence, with the glorious phrase:

"prudence for a purpose: to meet the people's priorities."—[*Official Report*, 17 March 1998; Vol. 308, c. 1112.]

Despite the hype, the soundbite frenzy and the alliteration, the Budget will more accurately go down as the transvestite Budget, for it is not what it seems: it has undergone an unprecedented tarting up by the spin doctors.

Yesterday, we heard an implicit threat to tax child benefit. Child benefit has had a bit of a makeover: a little blusher here, a lot of lip gloss there, and it is known as modernisation of the welfare state, dependent on that old

favourite, the children's review, which we were promised yesterday, to add to the 150-odd reviews that are already in the pipeline.

The Budget was hailed originally as a triumph for businesses, but by the end of the day, when the foundation and mascara had started to crack and run, many burdens on business were revealed, not least the working families tax credit, the assessment and verification of which will be down to the companies themselves.

A major reason why that Conservative idea was dropped in 1985 concerned the additional burdens on small businesses, in particular. In addition, there are bad employers who will deliberately hold down wages now that they have a greater knowledge of their employees' entitlements.

Yesterday, we also had a variation on the nanny state—it has become the subsidised nanny state, quite literally, and the proposals for generous child care put far greater reliance on anyone other than the parents looking after children.

We also saw some tokenism on museum charges. I greatly welcome free admission to museums, but what were we treated to? Just £2 million, which is a drop in the ocean and, in any case, does not apply to all national museums. The National Art Collections Fund said that it is more like a stop gap than a long-term solution. It is a betrayal of another Labour election manifesto pledge, when only last week it was hyped that we would need at least £40 million to guarantee free admission to our national museums.

Of course, we had the prospect of the 10p starting rate of tax dangled alluringly in front of us yet again, but not today. Again, it is jam tomorrow, or in this case, jam tart.

I could go on, but I want to mention three main features of the Budget that are seriously flawed. The first is tax and in particular the changes to capital gains tax. The second is ISAs and the third is another example of the soundbite and presentation triumphing over reality and substance, in the form of the supposed environmental measures.

Mr. Geraint Davies: I know that hon. Members bring to this Chamber personal experiences, which they weave into their words. I wonder where the references to transvestites and tarts and so forth come from in the hon. Gentleman's past.

Mr. Deputy Speaker: Order. That is an unworthy comment, which the hon. Member would do better to withdraw.

Mr. Davies: In that case, I shall withdraw it.

Mr. Loughton: I should like to declare a rather relevant interest, Mr. Deputy Speaker, as I have worked in a merchant bank for the past 14 years, dealing in particular with personal equity plans and managing private clients' funds.

On CGT and tax, it was a watchword of successive Conservative Chancellors on tax to "keep it low, keep it simple". Indeed, when the noble Lord Lawson was Chancellor, he made a virtue out of abolishing a tax in every year that he delivered a Budget. The proposed changes to CGT represent a minefield of confusion and complication, which can be welcomed only by the accountancy profession and those engaged in producing new computer software for the finance industry.

By my calculations, before yesterday's Budget, we already faced the prospect of five different income tax rates: 20, 23 and 40 per cent. for most incomes, and 10 and 32.5 per cent. for dividends. If that were not complex enough, under yesterday's proposals for CGT tapering, there will be no fewer than 18 new different rates of CGT for private individuals, on non-business assets alone. That makes 23 different rates of tax for dividends and CGT alone—hardly, "keep it simple."

The indexation system may not have been perfect, but it was certainly straightforward and workable. Now it is to be replaced by a far more complicated system. As my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) said, it is a swiz. The freezing of indexation for the next 10 years will amount to much more than the reduction of 16 per cent. in CGT rates for higher rate taxpayers and 9.2 per cent. for basic rate taxpayers, for those who are prepared to lock away their equities in a cupboard for the next 10 years and leave them untouched.

The changes are a nightmare for fund managers, who already face the prospect of spending millions on new computer systems to deal with ISAs and will now have to adapt their computer systems for a far more complicated taxation system than I have ever experienced. They will have three weeks in which to do it before the proposal starts on 6 April. I know of no other country that has such a complicated system. I cannot believe that it will survive the full rigours of the Finance Bill Standing Committee—I certainly hope that it will not. It represents a major flaw in the Budget, and other implications stem from it.

Taxation considerations will now wag the tail of the dog of investment prudence. People will hang on to shares for all the wrong reasons. What is the problem with holding shares in one blue-chip pharmaceutical company, for example, or even a food producer—the hon. Member for Croydon, Central had great and detailed knowledge of that industry before he left its employ some while ago—for the space of two years? If the value has gone up a lot, one takes a profit and reinvests it and the capital in another United Kingdom blue-chip company, such as engineering. That is what managed fund managers do all the time, but under these proposals, people will be clobbered for the full extent of CGT, at the 40 per cent. rate.

I am also greatly concerned about the confusion that will be caused and the extra expense that will fall on shareholders, let alone the fund managers running their funds, with the ending of pooling. One would have to work out the exact date on which each stock, scrip dividend or whatever it might be was acquired and which level of the tapering CGT rate applied to it. That will be a field day for accountants.

Also, the proposal gives no incentive for badly performing companies to perform better if they know that shareholders are locked in, fearful of taking a higher capital gains tax rate. If there is no threat of selling, why need a managing director get his act together?

I am also concerned about the ending of bed and breakfasts. Bed and breakfasting has been legitimate for the ordinary investors of middle Britain, so that they can take advantage of an annual CGT allowance without

[Mr. Loughton]

having to dispose of decent blue-chip investments. The impact on smaller shareholders with pooled funds would be that, if they were investing in a good, performing blue-chip unit trust and they wanted to take advantage of their annual CGT allowance, they would not be able to bed-and-breakfast it and buy it back the following day, but would have to sell it and look for an alternative investment, regardless of how well the fund was performing and how much they would like to stay with that fund manager. Otherwise, they would risk facing a much bigger CGT bill when they sold a larger holding at a later date. All that was done yesterday with no warning, and the sum total of the proposals will be severely to limit people's ability to manage their assets.

On ISAs we saw the biggest U-turn of all. I cannot recall a time when so big a U-turn has been conceded by so few in the face of such a tremendously bad reception by so many discontented investors. Let us be charitable. We welcome the Damascene conversion in the wake of a concerted and professional campaign by the finance industry and Conservative Members. However, it is more than a touch ironic that the Government have caved in to the campaign by the City, or that self-regulatory trade body in the City to which the Chief Secretary referred just two weeks ago in regard to putting an end to the nonsense of self-regulation, which was too often more a matter of self-interest than of public interest.

Certainly the self-regulatory organisations have won the day over the Chief Secretary and the Paymaster General in this case. I hope that that sets a good precedent for listening to the professionals and climbing down accordingly in the future, on other highly flawed measures contained in the Budget. It will be good to see a repentant Paymaster General when he reveals himself from behind the Speaker's Chair later in the Budget proceedings.

What a climbdown it has been. Alongside ISAs, PEPs and TESSA holdings will keep their tax-free status, and in the light of their success, people will be able to add an extra £9,000 full contribution to them in the next tax year. There will be no lifetime limit, and the £6,000 general PEP contribution that we have been able to make in the past 11 years will simply be replaced by a £5,000 contribution into ISAs over the next 10 years, and one's capital will be fully accessible. ISAs will be free of CGT and income tax.

What I have just described is little different from the PEP regime, which still prevails under a different acronym and has done so well for the past 11 years. In other words, we could have avoided all this upheaval and all the costs of the consultation process—I shall be interested to learn how much the Government have had to spend on the farrago that it has turned out to be. We could have avoided all the uncertainty caused to investors, who, as my hon. Friends have said, have been a major factor in the drastic slippage in the savings ratio from 11 per cent. to the 9 per cent. forecast in the Red Book.

We could also have avoided all the hassle among PEP providers, who are faced with little time and a big bill to install new systems, and at the same time face competition in Germany, Luxembourg and Dublin, which has been hotting up and taking advantage of the vacuum in the savings market in this country. We could have avoided all that by amending and simplifying the current, successful PEP system. I would have liked modifications on merging single-company PEPs with general PEPs, and improving their attractions and accessibility to cash. It could have been done by a little adjustment without the cost, upheaval and hassle that we have had.

Not content with substituting acronyms—the term ISA was always a sign of hope for divine intervention, because it is the Muslim word for the prophet Jesus—the Paymaster General made the new system much more complicated. There are many unanswered details for the Standing Committee to consider. How will the separate elements that will comprise the ISA be regulated? How can people get the best advice in the hurly-burly of the Tesco queue while paying for their frozen peas and totting up their discount vouchers on this week's star yoghurt bargain buys?

Will uninvested equity cash in ISAs be liable for interest or will it not attract any, as promised in the consultation document? If the latter, does the interest go to the stockbroker, who obviously needs it? What best advice will be available for fledgling investors, to deter them from staking all on, for example, a Thailand single-country fund or an Australian uranium mine? That can happen now, and it may happen in future unless best advice is available at an affordable cost, particularly to new savers.

There is also the problem of benchmarking and kitemarking, which were flagged up by the Chief Secretary and have apparently been outlawed by the European Union because they represent pre-authorising financial products.

The Budget has left little time for providers to get new computer systems for ISAs up and running by April 1999. Most of the Investment Management Regulatory Organisation cases, and the fines that resulted from them, came about because of bad, inadequate administration. The proposals will be a bonanza for computer software manufacturers. I welcome that; it is a recommendation to buy shares in companies involved in that part of the market.

Only two weeks ago, the Government were arguing that the major problem with PEPs and TESSAs was the tax relief lost to the Treasury, which amounted to some £1.5 billion. As the Chief Secretary said, there is no point in continuing to give tax relief to people who can already afford to have significant sums locked up for long periods.

In several long-winded contributions, Labour Members have railed against the fat cats who had as much as £50,000 invested in their PEPs. What has changed in the past two weeks? The proposals now allow PEPs and TESSAs to continue and allow holders to take out ISAs as well. As well as attracting new ISA investors, that will result in a rather greater loss of tax relief to the Treasury. What is new? What has happened in the past two weeks? I do not understand it, but I welcome it. I am glad that the Government now admit that, if they are to achieve the necessary objective of deepening everyone's savings pot, they must forgo tax relief on savings, because that is the major incentive to save.

Even the new proposals are a major missed opportunity. There is still no real incentive to attract this elusive band of new savers. The Prime Minister said on 3 December:

"There will be 6 million extra savers as a result—6 million people who will be able to save but at present cannot."—[*Official Report*, 3 December 1997; Vol. 302, c. 349.]

That was not refuted in yesterday's Budget speech. I trust that it still holds good, but why? Who are the heaving horde of 6 million awaiting the Paymaster General's signal to throw their money at new Labour's new savings plan? Where are they? Are they too shy to show themselves? Perhaps they are the people who will inhabit the spurious 4.4 million new dwellings that are supposed to be needed.

Mr. Clifton-Brown: My hon. Friend makes a serious point. Does he agree that there are considerable dangers in the supermarket selling of ISAs? Customers will be encouraged to invest in ISAs by someone without any financial experience. They could be an unsuitable form of investment for them.

Mr. Loughton: My hon. Friend makes an apposite point. Even if the mechanism is more sophisticated than the potential investor struggling through the checkout queue, good advice may be available at the point of entry, but what guarantees that good advice will prevail thereafter? Who will give best advice, especially to new investors, when it is time to switch out of that supermarket's financial product into that of a rival? There is no guarantee of continuity of best advice. As people in the financial industry know, best advice costs. The proposals take no account of such costs.

I am keen to identify the elusive horde of 6 million. Are they the 6 million crowd that will queue up to explore the internal organs of the millennium dome's androgynous figure? It is a mystery greater than Loch Ness or anything on "The X Files".

For the less well-off, there is no attraction in replacing a capital gains tax allowance of £6,800 with an ISA with no CGT implications. Most such people get nowhere near capital gains like that. The income on a £5,000 portfolio of equities at a yield of 3.2 per cent.—an average market yield currently—would be £128 in net dividends plus a £14 tax credit for the next five years only. That is highly likely to be wiped out by charges alone. Instead, it is likely that most new savers will use ISAs as tax-free bank accounts, to transfer existing cash from non-tax-free bank accounts. They will use them as a short-term savings plan to save for Christmas or summer holidays, and thereby not add a penny of new money to savings—and especially not to long-term savings.

The absence of a bonus credit system or a link to the benefit system means that there are no incentives in the ISA proposals for new savers. It is a lost opportunity. The Paymaster General has failed, although he has considerably redeemed himself by not putting the PEPs and TESSAs system to the torch, as he had proposed. The whole exercise has been a shambles, a lesson in how not to rush into things dogmatically; if it ain't bust, don't fix it. The industry has been left with a more complicated system, and the consumer is left confused and disoriented without even the compensation of the thrill of the promised monthly prize draw, which has now, alas, been dropped.

I am a member of the Environmental Audit Select Committee. When it was set up, it was described by the Deputy Prime Minister as a terrier to snap at the heels of Government, but only last week it turned into a savage rottweiler, with the report that it issued. I am glad that the Financial Secretary is here, because she was dragged kicking and screaming to give evidence to us and has had to reverse her opinion of us. The Budget's environmental content, contrary to some of the spurious claims made in verbose terms by Labour Members earlier, is purely tinkering, and has already been given the thumbs down by the environmental groups. Their summary was that Brown is going green only at the edges.

The Budget is not what it seems. Of the £500 million extra of public transport money, at least £290 million will be gobbled up to patch up the London underground. The VAT reduction on energy-saving materials applies only to people claiming grants under existing Government efficiency schemes. Again, I am glad that the Financial Secretary is here because, ironically, she led the vote to try to get VAT exemption for all energy-efficiency products. Of course, the Government have not done it; it is not even a halfway house, but is a token measure.

The Financial Secretary to the Treasury (Dawn Primarolo): I shall return to the subject of energy-saving materials and the campaign against the Conservative Government later, but, as Conservative Members have commented on the fuel escalator, will the hon. Gentleman tell the House whether he supports the recommendation of the Environmental Audit Select Committee that the escalator should be set higher than the Government have set it?

Mr. Loughton: The Select Committee's report was a joint effort, when many of us made representations, but the report as a whole has been endorsed by all of us on the Committee. However, I am happy to speak on the subject of fuel. As the Royal Automobile Club has pointed out, the Budget has brought in £2.75 billion extra from motorists, which is 14 times the enhanced sum that is to be given to public transport. Motorists pay £30 billion a year in taxes, yet less than a third of that comes back to transport. The Budget was described by one environmental group as not much better than a smog alert.

Nothing in the Budget backs up in any way the speeches made by the Deputy Prime Minister, about the need to move to greater use of brown-field sites for housing development. Rhetoric is one thing, but nothing will happen unless it is backed up by tax incentives for developers to take advantage of that form of land for future house-building requirements. Nothing in yesterday's Budget advanced that policy at all. All that is a long way from the Select Committee's recommendation that environmental taxes should be recycled into incentivising environmental improvements. It is a con: the Government are unashamedly using the environmental concern tag to justify increasing taxes on general consumption.

The real test of the Budget will be the impact on the pound and on interest rates. The hon. Member for Croydon, Central failed to understand that the Budget has caused the continuation of the relentless rise in the value of sterling. It now stands at more than DM3.05, which is a nine-year high; and it is up against the euro and the dollar. The value of sterling is crucifying manufacturing exports: in the three months to November, exports to non-EU countries fell by 1.6 per cent. and imports rose by 3.8 per cent. If that trend continues, it will be absolutely disastrous for this country's manufacturing industry.

The Chancellor displays an attitude of, "Not me, guv—it's not my fault; it's all down to the Bank of England. It is responsible for the sterling rate and for interest

[Mr. Loughton]

rates—they are nothing to do with me." It is a disgraceful indictment of the Government that the Chancellor is prepared to stand by and do nothing as industry is squeezed by the pound. The Budget also makes interest rate rises far more likely, as several Labour Members mentioned. The gilt market fell heavily after hours last night and fell again this morning. Consumer spending is likely to rise by more than 4 per cent., as the Government's figures showed yesterday.

I started by saying that the Budget should go down as the transvestite Budget. I trust that, by the end of the Committee stage on the Finance Bill, the Chancellor will have allowed us to amend it, so that it is a more palatable bedfellow for those on both sides of the House and for all parts of the United Kingdom.

8.2 pm

Mr. David Prior (North Norfolk): No Chancellor since the war could have come to the Dispatch Box with a better economic background, consisting of the most successful economy in Europe, low inflation, falling unemployment and strong public finances. Judged by the Maastricht criteria, we probably have the only economy in Europe that could have passed without smoke and mirrors. As the Chancellor—perhaps we should now call him "the guardian of the people's money"—said, this is a "once in a generation" opportunity for radical change, and it is against that background that the Budget must be judged.

There are parts of the Budget that I welcome, but the macro-judgment will ultimately overwhelm the micro-parts. If the Chancellor has read the economy wrongly, the resulting recession will overwhelm his policies on trying to get people back to work. I fear that he has it wrong. He seems utterly unaware that manufacturing industry, which employs about 4 million people directly and 8 million indirectly, and which is responsible for two thirds of total exports, has been suffering for several months.

As Graham Mackenzie, the director general of the Engineering Employers Federation, said:

"The key issue for engineering and manufacturing remains the exchange rate."

There is a growing weight of evidence that UK manufacturing companies are now reviewing their investment plans. Jack Smith, the chairman of General Motors said only a week ago:

"sterling's strength has turned the UK into a high-cost economy for inward investments".

The same has recently been stated by Honda.

Many companies that have struggled to export over the past year and have taken lower margins on their exports so as to retain markets are now concluding that at DM3-plus to the pound, they will have to review their activities. We shall soon see companies such as British Steel making a final decision on capacity in the UK. British Steel's view is:

"The undue emphasis currently placed on UK interest rates to combat inflation is resulting in the UK manufacturing sector—and within it the UK steel industry—bearing the brunt of the anti-inflation medicine . . . yet the manufacturing sector is itself exhibiting few signs of inflationary pressures."

The problem of the high pound has been aggravated by two policy mistakes by the Government. The first is that interest rates, which have gone up five times since Labour came into office, are too high and the inflation target of 2.5 per cent. is too rigid, failing to take into account the fact that inflation is running at about 0.5 per cent. in the manufacturing sector, as compared with 4.5 per cent. in the service sector. The great risk that, in the process of trying to stamp out that 4.5 per cent., a large part of British industry will be condemned to death. That is exactly what happened in the early part of the 1980s, as Labour Members may remember.

Interest rates alone are not a satisfactory way of addressing the problem, and the Chancellor, by failing even to mention that during his Budget statement, has missed an opportunity to tackle it. It is widely accepted that Britain currently has a two-speed economy; why are the Government persisting with a policy that is unnecessarily damaging British manufacturing industry?

The second policy mistake was to tax pensions and savings heavily and put pressure on companies' cash flow through the abolition of ACT. The tax on pensions will cost about £5 billion per annum. Corporate cash flows will be hit to the tune of £20 billion over the lifetime of this Parliament despite the welcome reduction in corporation tax and some alleviation for small and medium companies.

My fear is that we are about to enter an unnecessary recession with rising unemployment, rising imports and falling exports and that, for all the Chancellor's exhortations about ending the stop-go cycle, he is contributing to it. We need a better balance between fiscal and monetary policy to allow a progressive reduction of UK interest rates, which would lead to a more competitive and realistic exchange rate. If we do not do that, export order intake will continue to weaken as it has for more than a year now. Imports will rise and unemployment will stop falling. All that will be compounded by the problems in south-east Asia and stagnant growth in Japan.

I shall now deal with some of the micro-aspects to the Budget. I have already said that I am concerned that unemployment will start to rise at the end of this year. Despite that, I welcome the Chancellor's attempts to remove the poverty trap and to make employment more attractive, but how does that square with the minimum wage and the adoption of the social chapter—two measures which will, over time, push up the cost of employment to employers and counteract the policies to remove the poverty trap?

I am also concerned that those measures—especially the increase in national insurance contributions over £81 a week—will work against skilled higher-paid people. Against a background of tuition fees and loans for student maintenance, it is vital that the labour market provides real incentives for the individual to learn skills through higher education.

I am disappointed that there is no change to business rates. Of all the taxes raised from small businesses, business rates are the most damaging, because they are a fixed charge unrelated to profitability. A reduction in business rates for small companies is long overdue, and I am sad that the Chancellor has not taken the opportunity to alter the rates in this Budget.

I am particularly concerned about rural transport as I represent a rural constituency. Many poor people in the country have no access to public transport and no

reasonable prospect of securing such access. They already find it extremely difficult to run a motor car. The increase in the tax on petrol of 4.4p per litre is a real blow to many of my constituents, who will not view the £50 million rural transport fund, spread over three years, as any solution to their problems. That fund is a triumph of presentation over substance—and it also says something about the Government's obsession with presentation.

The Budget does not mention the most unkind tax hike of all—the increase in council tax bills, especially in rural areas. Council tax has increased by an average of about 8.5 per cent. this year. In many rural areas, including my constituency, it has risen by more than 14 per cent. at a time when services—especially social services and education services—are being cut. The increase in the landfill tax from £7 to £10 per tonne will have another knock-on effect for local government.

What should I say to the pensioner in my constituency who wrote to me last week? He will now pay an extra 4.4p per litre for his petrol, higher council tax and more for a pint of beer. In April, he received an extra £1.96 on his basic pension. He told me not to take any political hogwash from this Government—although he supported them at the last election. After this Budget, it will be difficult to give an answer.

I support some aspects of the Budget. For example, I support the reduction in corporation tax rates and the Government's genuine efforts to reduce the poverty trap and to get people back to work. I am pleased that the Government have ended the retrospective tax on PEPs and TESSAs. However, judged against the economic background and the opportunities that the Government had in this Budget, it is disappointing and uninspiring.

The Budget does not begin to recognise what is happening in the real manufacturing economy of this country. It does not do enough for small businesses and it continues to discriminate against rural areas. Perhaps above all, the Government have missed an opportunity to take a real, radical look at the tax and benefit system.

8.12 pm

Mr. Shaun Woodward (Witney): Rarely has the House been subjected to a Budget that has been so highly trailed, so widely leaked and based on so much rhetoric and so little substance. As my right hon. Friend the Leader of the Opposition said yesterday, the Budget makes many claims but is ultimately a step-by-step betrayal both of the Labour party's election promises and of the British people.

The Government have produced a Budget that I believe will be viewed as an abdication of responsibility. It will go down as a Budget delivered by a Chancellor who ducked the real challenges of the British economy and confused opportunity with opportunism. It will go down as a Budget of which the magician Paul Daniels would have been proud.

Yesterday the Chancellor made much of the fact that this is a once-in-a-generation Budget. Yet, if we examine the Chancellor's claims, something appears to be missing—perhaps the Budget's centrepiece has been left out. One can only conclude that the right hon. Gentleman and the Prime Minister had conversations at Chequers last weekend that led to some distortions of the Budget statement.

The Chancellor told us yesterday that the Budget would end the unemployment and poverty traps—indeed, much has been made of the working families tax credit. However, it is difficult to see how, at a cost of just a few billion, it will be possible to wipe out poverty. That is a laudable aim with which all hon. Members agree, but it is difficult to see how it will be achieved with that sort of money. How will it be funded? Funding this year will be provided largely by the road fuel escalator. We must consider that many of those at whom the working families tax credit will be directed will also be hit hardest by the increase in fuel duty.

I know that that is the case in my constituency. I have received many letters today from constituents describing their real worries about how they will get around in rural areas. Those worries are not alleviated one jot by the promise of an extra £50 million spread over three years. I am afraid that that simply shows that the Labour Government do not understand the real needs of the countryside and the rural areas of our country.

This Budget has ducked the true challenges of our country. It has exercised opportunism at every turn. The Government could have taken many opportunities to help this country, but they did not do so—undoubtedly because the focus groups did not reveal to the Chancellor and the Prime Minister that the time was right.

I take the example of the proposed reforms to capital gains tax. The report entitled "Budget 98 Alert" produced by Ernst and Young and released this morning states:

"The taper does not encourage risk taking since it benefits success but offers no relief for losses. In fact, losses on investment become less valuable, as they reduce gains before tapering."

The devil is always in the detail, and I suspect that, as the details emerge, we shall identify many faults with this Budget—just as we did with the last Budget.

The Chancellor announced yesterday a cut in corporation tax—a move welcomed by all Conservative Members. Yet, as my right hon. Friend the Leader of the Opposition revealed this afternoon, if one looks closely at the figures, one can see that, while the Chancellor gives with one hand, he uses the hands of every Minister on the Treasury Bench to grab back. Business will lose as a consequence.

This Budget does nothing to address the imbalances built up in the economy as a result of the appreciation of sterling—imbalances that have worsened significantly since July. It appears that the Chancellor thinks that he has washed his hands of short-term macro-economic policy since last June. Ernst and Young describes that as "benign neglect". The Opposition will hold the Chancellor to account for that benign neglect because it is an abrogation of his responsibility as Chancellor.

Yesterday the Chancellor had nothing substantial to offer manufacturing. The figures for the fourth quarter of 1997 show that manufacturing grew last year by 0.9 per cent.—less than 1 per cent. Next year, it is estimated that output growth will be between zero and 0.5 per cent. Last November—just four months ago—the Treasury issued the optimistic projection that manufacturing output would grow by 1.5 per cent. to 1.75 per cent. There has been a pretty dramatic revision in just four months, and that is a serious problem for manufacturing in Britain. What hope did the Chancellor hold out in his Budget to those in manufacturing?

[Mr. Shaun Woodward]

The Prime Minister this afternoon made much of how business welcomed the Budget. Perhaps it would be better if he stopped reading the newspapers and went out of his bunker in Downing street and his anaesthetised road shows, and met some of the people whose incomes he is clobbering so hard. What would he see, if he went out? The hundreds of thousands of people who do not have subsidised jobs but real jobs, and who are facing the prospect of real unemployment.

Those are the kind of people throughout the country who know that sterling is overvalued. Labour Members were unable to tell us this evening what sterling closed at against the deutschmark, such is their disregard for the consequences of their Budget. Those people face the prospect of a life on the dole. It is all very well for the Government to invent wonderful schemes such as the welfare-to-work scheme, but at the same time they must guarantee the jobs of the people who are in work at present. The Budget will not do that.

If the Chancellor and the Prime Minister had taken the time to read the releases from the Engineering Employers Federation, they would see that it gives a cautious welcome for the cuts in corporation tax, but the real issue for the EEF is the exchange rate. Export orders have been severely declining over recent months and matters are expected to get worse over the coming year.

Last night, as Ministers were offering soundbites all over the media, the Chief Secretary was pressed repeatedly by Jeremy Paxman on "Newsnight" to say whether he believed that sterling was overvalued. Could he give an answer? No. Five times he was pressed for a simple yes or no, and five times we were subjected to paragraphs of verbose effusion but no simple answer.

If the Chief Secretary spent a little more time out of the television studio and travelling round the country, he would see the damage that the Government's terrible policy is doing to our country.

We do not have to take hon. Members' word for it. Numerous firms today produced their reports of the consequences of the Budget, and it is very bad news for manufacturing. Goldman Sachs expects at least two quarter point rises in the coming weeks. Charterhouse expects the same. The Hongkong and Shanghai Banking Corporation describes the Budget as a "considerable disappointment" in its approach to macro-economic policy. As KPMG say, unless the Budget is quickly followed by interest rate falls, the problems of manufacturing industry will remain and the prospects for economic activity this year and next may end up looking even more pessimistic than the Chancellor's own forecast.

That means that there is the prospect of recession. Manufacturing output is at record lows. Alongside that, we have the problems of managing a dual economy, with the service sector output up almost 4.5 per cent. last year.

Co-ordination of monetary and fiscal policy in the medium term is a matter for a Chancellor, yet yesterday we saw the Chancellor abdicate that responsibility because he believes that, since last June he no longer has responsibility. He gave it away. The problem is not for him now, but for those in manufacturing. The Chancellor had the opportunity, but he threw it away, leaving the prospect of a hard landing.

The Chancellor said that he wanted stability, but what sort of stability is there for those in manufacturing who face the prospect of a return to boom and bust—the stop-go policy that the Chancellor claimed yesterday he intended to eschew?

What sort of stability is it, when the Government revise their figures in just four months, from a growth of manufacturing at almost 2 per cent. to zero. Even on their own figures, a recession is in sight, but what did the Chancellor do?

We must look at other challenges, not least the challenge of controlling a consumer boom. It still exists in the high street, although the figures are marginally declining. The Chancellor again ducked the issue, because he wants to be the iron Chancellor, and he has his eye on the house next door. Consumer spending this year is forecast to grow between 3.75 per cent. and 4 per cent. That is higher than previous estimates, and the Budget has done nothing to restrain demand.

The combination of strong consumer demand and low industrial output is projected to lead to a deterioration in current account balance. After a surplus of £4.5 billion in 1997, the current account is now projected to fall to a deficit of £6.5 billion this year and £6.75 billion in 1999. The glossy book entitled "New Ambitions for Britain" will all too soon become for many people an ambition to survive in Britain. *[Interruption.]*

Hon. Members may laugh, but the laugh will be removed from their faces when they must answer the questions from those in manufacturing whose jobs they will have destroyed through the Budget. Betrayal is the hallmark of the Budget. Step by step the Government are betraying each of their promises. Step by step they betray the British people.

Labour Members make much of what the Government are doing with taxation. The hon. Member for Croydon, Central (Mr. Davies) was unable to understand from the Red Book that not only is the tax burden going up next year, 1998–99, but that it goes up in 1999–2000 and 2001. Unless I am wrong and the hon. Gentleman expects the quinquennial Act to be repealed, at the next election we will see that the figures have gone up and up. Under Labour, as sure as eggs is eggs, taxes go up. The tax burden of the United Kingdom will go up with this Government.

People were led to believe that there would be no new taxes under Labour and that the tax burden would fall, but the reality is quite different. Over the next few years, measures will be announced whereby the personal sector will be hit by tax increases of at least £4 billion in 1998-99, which is equivalent to 2p on the basic rate of tax. What kind of way is that to honour a pledge? The Government are putting taxes up and pretending to the public that they are doing nothing of the kind.

Despite the smoke and mirrors of the Budget, taxes are going up as a percentage of GDP. Even before the Chancellor stood up yesterday, taxes had gone up by £790 a year for the average family. It will not stop there. On 1 April, mortgage interest relief will be cut from 15 per cent. to 10 per cent.—another hit at middle Britain. Furthermore, there is the not too thinly veiled promise of child benefit being taxed in the future.

The British people should be warned that the Chancellor is after their money. He has only one ambition—to use his office to move to the house next

door. *[Interruption.]* Hon. Members want me to sit down. They do not like hearing the truth. They do not like hearing that yesterday they tried to persuade the country that they were being generous on the health service. What did you do on the health service? You promised—

Mr. Deputy Speaker: Order. The hon. Gentleman may have to join the same class in procedure as the hon. Member for Croydon, Central (Mr. Davies).

Mr. Woodward: I am grateful for the correction, Mr. Deputy Speaker.

Hon. Members may like to know that the £500 million that they were promised yesterday for the health service will do little to get near the annual increase of 3 per cent. that the health service received under the Conservative Government. What will happen to hospitals such as Burford and Witney community hospitals in my constituency? They will be closed. Hon. Members may not like to know that, under their Government, that is what will happen. The reality is that the community health trust budget in Oxfordshire has been cut by £1.5 million. The county has been told to find the savings, and community hospitals will be closed. The proposal is an attempt to hoodwink the public, as is the Government's paltry promise of £50 million to deal with rural transport.

It is sad that so many people in this country will be disappointed by the Budget. Many in this country will see that this step-by-step betrayal of the people will result in unemployment, hospital closures, and closures of more village schools. The Government have misled the people. Sooner or later, the people will reject the Government.

8.30 pm

Mr. Owen Paterson (North Shropshire): Thank you, Mr. Deputy Speaker, for calling me to speak in the debate on the Budget.

I speak as someone who, until 1 May, spent his whole career in manufacturing industry, travelling the world in a business that exports 95 per cent. of its production. I also speak for North Shropshire, which is a hard-working part of the country that depends on agriculture and small industry.

The Government do not bring credit on the House in their approach to the current economic situation. The people of this country are not stupid; they know perfectly well that it was Conservative policies that brought 23 consecutive quarters of growth, that created 1.4 million jobs and that halved the number of unemployed 18-to-24-year-old males—down to 40,000 in the last year. It is childish of the Government to make out that the great economic revolution has occurred since 1 May. Doing so does not bring credit on the House or the Government.

We are in our present position because hideously difficult decisions were taken from 1979 onwards by four Conservative Governments. Most of those decisions were taken in the teeth of the bitterest opposition from Labour Members—and from Liberal Democrats, represented at the moment by a solitary soul.

We heard a splendid speech this evening from the hon. Member for Nottingham, South (Mr. Simpson), which showed that the Novosibirsk tendency is still there. In my experience, a country prospers if it has fewer politicians, fewer bureaucrats, less Government interference and, ultimately, less taxation, but there are still some glorious old dinosaurs in the Labour party who would regard me as hell on wheels.

We have to recognise that the Government have made some of the right noises and that there are elements in the Budget that free-market capitalists such as me might welcome. One of the most interesting innovations is amalgamating the Contributions Agency with the Inland Revenue. As one who would like government reduced and costs reduced, I think that that may be an interesting, innovative measure. It will be desperately complicated for the Government to bring about, but if they do, well and good. If the Government want to be really radical, I suggest that they study the possibility of amalgamating national insurance contributions and income tax. As someone who has been in business, I know that the complication of filling in forms and serving Government takes an inordinate time.

I do not want to be churlish. There are elements in the Budget that show that the Government have learnt a little, but they still do not understand how a business and a capitalist economy work. Everything in the glorious Red Book may come to naught. Someone has gone to tremendous trouble to produce these figures, which, sadly, may all be absolute rubbish because of two desperate blunders made by the Government soon after they came to office. Handing over independence of the Bank of England to a small group of advisers has deprived the Chancellor of one of the vital tools in controlling the speed of the economy. Every week the Prime Minister gets in the phrase "boom and bust". It is a good phrase and it goes down well with the focus groups, but he has taken away one of the most crucial brakes on the economy—the ability to handle interest rates.

We also had the quite unnecessary Budget after the Government came to power which, according to the Confederation of British Industry, lobbed £22 billion-worth of extra taxation on the country, including the iniquitous £5 billion on pension funds. When consumer spending is running ahead, it was ludicrous to load the extra taxation on the productive sector—the savings sector—and not to try to reduce consumer activity. Those two blunders have come to a most dreadful head in the exchange rate.

It has been interesting to listen to Labour Members, particularly the hon. Member for Croydon, Central (Mr. Davies), who quite obviously do not understand the impact that the exchange rate is having. It is extraordinary that they did not know that the pound has today gone to DM3.05, the highest figure for nine years. To turn up to a Budget debate and dismiss as childish the intervention made by my hon. Friend the Member for Witney (Mr. Woodward) is bizarre. Manufacturing industry is on the brink of a serious recession. I hope that the Minister is listening carefully.

We heard eloquent speeches from my hon. Friends the Members for North Norfolk (Mr. Prior) and for Witney, with figures from the Engineering Employers Confederation. In my industry, plants are closing and jobs are being lost. The potteries in neighbouring constituencies are suffering badly. Orders are down as much as 40 per cent.

There is an extraordinarily naive passage in the Red Book that says, in effect, that the Government are not quite sure why orders have been holding up. That is not

[Mr. Owen Paterson]

surprising from a Government who have never been in business. There is a run-over. These are long-run contracts, but that period is coming to an end and the Government must understand the impact that the exchange rate is having on manufacturing industry.

Agriculture has hardly been mentioned. I represent a rural seat and am on the Welsh Affairs Committee. Every time I go to the market, farmers tell me that they are desperately worried about the exchange rate. That was when the pound was under DM3. There are now 3.05 deutschmarks to the pound. In agriculture, it is simply not possible to switch production when producing one product. There is no flexibility of production. Farmers are tied into a world market and are going bust.

There are knock-on costs and a multiplier effect. What about feed merchants? What about agricultural implement suppliers? I know some who have not sold a tractor or plough for six months. They are in desperate trouble, yet the hon. Member for Croydon, Central turns up to the Budget debate and does not understand the impact of exchange rates. It is disgraceful. That was the main topic of conversation in Oswestry market today. I rang the local National Farmers Union representative and I have talked to farmers. They are frantic because they believe that the Budget does nothing to lower the exchange rate.

On television last night, the Chief Secretary refused five times to say whether the pound is at the right level. That is pathetic and totally unacceptable. His boss, the Chancellor, when prodded by Mr. Humphrys on the "Today" programme, also refused to give an opinion on the exchange rate. The Red Book is worthless if the man in charge does not have control of or some influence over the exchange rate.

The Red Book presumes that manufacturing will continue to grow at a stable rate, but it casts a horrible shadow. Growth is forecast to go down from between 2 and 2.5 per cent. to between 1.75 and 2.25 per cent. next year. There is a huge question mark over the stability of manufacturing. I have no doubt that manufacturing will go into recession. According to the Red Book, inflation is still stubbornly high at 2.75 per cent. That will have a further impact and it will bite into the figures.

The minimum wage and the social chapter, both of which are inflationary, will have a huge impact on businesses. If employers are forced by the Government to pay people more to produce the same amount of product, that is inflation on wheels. If they are forced to make employees redundant, the state will have to pick up the tab, and that is inflationary.

The Red Book does not mention the sharply inflationary impact of the minimum wage and its impact on differentials and social spending. The horrific indication is that the Government, who planned to cut social spending, will increase it. That is clear in the Red Book, but we know full well that Labour Members, from the Prime Minister down, have not bothered to read it properly.

Other elements will also drive up social spending. The Budget introduced the flagship innovation of the working families tax credit. Similar schemes have been tried in Australia and Canada, have proved extremely expensive and have not worked. When the Conservative Government considering such a measure, the Minister for Welfare Reform and the Chancellor dismissed it out of hand. If the Minister were here tonight, it would be interesting to hear why they have now changed their mind.

I want less Government involvement in business. The working families tax credit will put a huge burden on the personnel and finance management of relatively small businesses. I rang up a business that employs about 100 people. The finance director was extremely concerned. He will be required to have detailed figures on the circumstances not just of his employees but of their spouses, other members of their household, or their partners. Do we really expect finance managers, who have budgets to meet, bank managers to deal, with, customers to talk to and suppliers to visit, to ring round and find out the circumstances of each new employee?

Dawn Primarolo: No.

Mr. Paterson: I am delighted that the Minister says no; I should be grateful if she would explain the measure. Labour Members were quick to criticise the Child Support Agency: hon. Members have daily received a flood of correspondence on the problems thrown up by the CSA. The Budget requires finance directors in small businesses to take on a burden similar to that of the CSA.

I come from a rural constituency where transport is a key provision. Nothing in the Budget will be good for North Shropshire. My constituency contains 98 villages. The car, the van and the lorry are basic to the functioning of the economy, and without them it does not work. It is inconceivable that a comprehensive scheme of public transport could be created in an area such as North Shropshire, where there is economic activity in every one of those 98 villages.

Lobbing a huge increase on fuel tax will not make North Shropshire businesses competitive. The Chancellor's humbug words about competitiveness come at a time when there has been a dramatic fall in the price of crude oil from $20 to $13 a barrel. It is ridiculous to impose increases to the tune of 23p a gallon: unleaded petrol is now £3.08 a gallon. We should talk in gallons, because litre is a weasel word and conceals any increase. The increase on diesel is 29p a gallon, which is even worse. Labour Members made polite reference to my tie. This tie was transported in a van burning diesel. All hon. Members are wearing goods that were carried by road. This ludicrous prejudice against motor transport is unacceptable to me as a representative of a rural constituency.

The Budget will jack up motorists' costs by £2.75 billion. To take £30 billion a year from motorists and claim that a pathetic £50 million for rural transport will help is childish. Each bus that may be aided by that little £50 million fund should bear a memorial sticker reading, "Funded thanks to the countryside march." This is clearly a panic measure introduced as a desperate attempt to obtain a press release in rural areas. It simply will not wash.

The other big issue in Oswestry market this morning was the cost of fuel. It is a crippling tax on farmers and small businesses in my constituency, and I strongly oppose it.

Finally, I want to say something about taxation. It was clear in Prime Minister's Question Time today—revealingly—that the Prime Minister has not read his own Red Book. I remind him of the words of Lord Dunrossil,

who said in the 1955 Budget debate, with admirable clarity, "all taxation is bad." We in North Shropshire have had to suffer a 13 per cent. hike in council tax because Labour Members voted for a Bill that has grossly switched funds from rural areas to northern and inner-city areas. I consider it iniquitous that Sedgefield received a 13 per cent. increase in standard spending assessment while Shropshire received only a 3 per cent. increase.

I know that others wish to speak but, before I finish my speech, I invite Labour Members who have not read it to turn to page 116 of the Red Book, which features the real bite in the Budget. There, tragically, we see taxation rising from 38.1 per cent. of gross domestic product to 40.1 per cent. in 2002–3.

In all my experience, I have never visited a country that has been over-governed, interfered with or taxed to prosperity. This is a thoroughly bad Budget for North Shropshire, and a thoroughly bad Budget for Great Britain.

8.46 pm

Mr. Andrew Lansley (South Cambridgeshire): I am grateful for the opportunity to speak towards the end of a debate in which forceful points have been made. I am pleased to follow my hon. Friend the Member for North Shropshire (Mr. Paterson), who has experience of the manufacturing industry—as has my hon. Friend the Member for North Norfolk (Mr. Prior).

There are Conservative Members with direct experience of manufacturing who speak with feeling and conviction about the circumstances in which industry is now being placed by the rise in interest rates, and, more particularly, the level of the exchange rate. I think that it would be wrong for us to debate the Budget without dwelling not only on the measures in it, but on the consequences for industry, particularly manufacturing industry.

Many of my hon. Friends have referred to the Chancellor's opening remarks. He said that Chancellors had a once-in-a-generation opportunity to reform tax law. The right hon. Gentleman might have referred to a once-in-a-cycle opportunity; once in a generation might be stating it a bit too strongly. This Budget, however, was characterised, both before and during its presentation, by what is colloquially known as hype—much of which was not subsequently found to be justified.

In so far as the Chancellor had a once-in-a-cycle opportunity to reform tax law, I fear that he did not take it. He took only part of the opportunity, in relation to welfare reform. I shall say more about that later. I feel, however, that, at this stage in the economic cycle—with the benefit of the dramatic increases in tax receipts that occurred both last year and this—he had a once-in-a-cycle opportunity to achieve a one-off downward shift in the proportion of gross domestic product taken in tax.

Alternatively, if it was to be taken in tax, it could have been used in a way that, in the longer term, would reduce the extent to which the public sector had to meet future obligations. Damagingly, however, there was no evidence of that—quite the reverse.

As my right hon. Friend the Member for Richmond, Yorks (Mr. Hague) forcefully mentioned at Prime Minister's Question Time, table 3.3 of the Red Book, on page 48, tells us that an increase of a quarter of a million in the number of families with high marginal deduction rates occurred as a consequence of the Budget. I know that the Prime Minister was told the best figure to offer, and talked about the marginal deduction rate of 70 per cent. or more, where two thirds of people have the effective marginal deduction rate reduced. None the less, paying 60 per cent. or more as an effective tax rate is a high figure for 1 million-plus families, an increase of 250,000 families. As a consequence of the Budget and of the withdrawal of benefit, they are brought into a situation, effectively, of welfare dependency and relatively high marginal tax rates.

Dawn Primarolo: Does the hon. Gentleman accept that he is missing the point, because all those families will be better off as a result of the working families tax credit and child care tax credit? He has not made any reference to that at all.

Mr. Lansley: The Financial Secretary is being uncharacteristically ungenerous to me, in that I had only started, and was certainly planning to come on to the working families tax credit.

I make no bones about it: it has to be proven whether the working families tax credit is an improvement on family credit, but, when one makes the comparison, one has to take into account the fact that the working families tax credit and the child care credit in particular, which goes alongside it, are going to consume—well, the Financial Secretary will know the numbers, I hope, better than me, as the Red Book is in her name. I will not do her the injustice of suggesting that she did not read it before she published it.

We are talking of £2.5 billion extra in total costs, including tax credits, going through this system. There is every possibility that, if £2.5 billion were expended even through the family credit system, it would have lifted many of those families out of some of the poverty trap consequences of the interaction between family credit and housing benefit. I do not dispute her point that those families will be better off. However, I hope that she will not dispute the fact that many of them will, as a consequence of the withdrawal threshold and the withdrawal of credit over £90, effectively pay quite a high marginal rate of tax as their earnings increase.

Dawn Primarolo: There have been many references by Conservative Members to the Institute for Fiscal Studies. Will the hon. Gentleman welcome the fact that the institute agrees with the Treasury, and that the Chancellor's Budget proposals have reduced the number of people who face very high marginal rates of tax—that is, above 70 per cent.—by over two thirds, reducing the worst effects of the poverty trap?

Mr. Lansley: I am sorry that I did not explain myself. I thought that I had made precisely that point. Far from missing that point, I had acknowledged that, as table 3.3 shows, the number of families affected by 70 per cent.-plus marginal rates of tax has been reduced by two thirds.

However, I also make the point, which is made in the same table—which the Financial Secretary published—that, at the 60 per cent. rate of withdrawal, the figure goes up from 750,000 to more than 1 million. Therefore, one has to take those two points together and balance them. It would not be reasonable to take one without the other.

[Mr. Lansley]

May I characterise the Budget overall? When I had an exchange with the right hon. Member for Bishop Auckland (Mr. Foster)—he will forgive me if I have got his constituency wrong—

Mr. Derek Foster *indicated dissent.*

Mr. Lansley: Good. I would not like to commit an indiscretion and get the constituency wrong.

When the right hon. Gentleman was speaking, he was kind enough to give way to me. The impression I gained from his answer was that he felt that the Budget had gone well.

When talking about the work of Finance Ministers, a French Finance Minister said that the art was to pluck the goose with the least amount of hissing. The impression I got from the right hon. Gentleman was that he felt that the Chancellor had got away with plucking the goose with relatively little hissing. I must remind him that all past evidence suggests that the goose does not hiss straight away; it can take time. The right hon. Gentleman ought to consider the Budget carefully and remember the old saying, which is a bit of a cliché, that the Budget that is cheered on the day is the Budget that people are sorry about some time later.

I shall trespass on the patience of the House further, if I may, and refer again to table B8 on page 116, which my hon. Friend the Member for North Shropshire (Mr. Paterson) also mentioned. It is significant that the tax burden will rise, and the table shows an increase from 38.1 per cent. of GDP to 40.1 per cent. by 2002–03.

Two other rather more significant political facts are also to be gleaned from that table. First, the bulk of the increase occurs between 1996–97 and 1998–99. We are now in the throes of a substantial increase, by more than 1.5 percentage points, in the amount of GDP taken in tax, at a time when total GDP has been growing relatively strongly—certainly in the early part of that period, although less so now.

That implies that the Budgets of last July and of yesterday are impacting in the short term to increase taxes substantially, yet there is no offsetting reduction in the tax burden that will come later. As successive Budgets come along, and the Chancellor feels that he has to assuage the demands, not least by Labour Members, for public expenditure, we shall find that the tax burden continues to rise beyond the figures in the table.

There is a second interesting point in the table. When we look at the disaggregation between different kinds of taxes, we see that the biggest increases are not in corporation tax. As we know, there have been changes in corporation tax and large cash flows out of industry in tax because of the consequences of changes in ACT, but also some offset through the reduction in the main rate.

The biggest increases as a proportion of GDP are in income tax, which increases from 9.5 per cent. at the beginning of the period to 11.1 per cent. at the end, and in excise duties, which rise from 4.1 per cent. to 4.8 per cent. That is pretty significant, because for the poor benighted goose—that is, in this context, the personal sector that pays taxes—it is through income tax and excise duties that the pain of taxation is felt.

Over the next two or three years, we shall find that it is in precisely those areas of personal taxation and excise duties that the public will begin to feel the costs beginning to flow through to them, and they will not be remotely sanguine about the Chancellor's Budgets.

The Chancellor has gone for a Budget designed in the main to make everybody feel good. It is a "feel-good Budget", because it would be difficult to object to help for families as the centrepiece of a Budget. However, over time, that feel-good factor will be translated, in the individual personal circumstances of families, into a judgment about whether they will lose in the long run, and whether they blame the Chancellor for the changes in their personal disposable income. Labour Members will learn painfully, as the Conservative party learned in government, that it is not the spin doctors who get one into or out of trouble, but performance, economic management and outturns.

At the heart of the Budget is the problem that such things will turn out badly for the Chancellor, not least in that people's net disposable income will not in future reach the levels they had hoped for.

The Chancellor talks of suppressing wage inflation and trying to hold down increases in wages. No doubt that will happen, as many people will be chasing fewer jobs when the jobs market is depressed by the recession in manufacturing, the impact of the national minimum wage and other factors. Moreover, the Chancellor will take a greater proportion of whatever money they earn.

It might be interesting to consider the Labour party manifesto, as Labour Members have so much to say about it. The manifesto states:

> "How and what governments tax sends clear signals about the economic activities they believe should be encouraged or discouraged."

The Chancellor's past two Budgets have sent us a very clear message: he wants to discourage profits. Profits will take the pain of the Budget, because of the disadvantages of the ACT change to cash flow, which will be hit hard. Presumably, because of his reduction in the married couples' allowance, the Chancellor wants also to discourage marriage. By his own admission, if he wants to tax something, he wants to discourage it.

Like many Opposition Members, I was worried that the Chancellor seemed to take it for granted that, in the long run, taxing child benefit for higher earners would be the right thing to do. A strong point was made earlier in the debate about the character of child benefit and the fact that it was introduced to replace a tax allowance. Therefore, by extension, the idea is illogical that child benefit received by higher-rate taxpayers should be taxed away, as the benefit was designed to replace a tax allowance that recognised, in the benefit system, the cost of looking after children. The benefit also reflected the value that all stratums of society place on bringing up children.

Undermining the universality of those benefits would be regrettable. There are few instances in which a single benefit can so readily and generally be targeted against those sections in society where costs fall, where poverty or financial hardship arise, and where, very often, child benefit plays a particularly valuable part in family incomes and in ensuring that sometimes relatively low-earning wives of high-earning husbands have an addition to their income that is expressly available to them, for spending on their children.

The shift from family credit to working families tax credit has already been dealt with in the debate, so I shall not dwell on it. However, if it is the centrepiece of the Budget and a key welfare-to-work policy, two questions arise.

First, how can the Government present a Budget containing such a major measure, but not present that measure within the context of the Government's overall welfare reforms? Why has not the Government's Green Paper on welfare reform been presented either before or with the Budget, so that we might understand whether—somewhere in the structure of their welfare reform—there are elements to off-set significantly increased welfare expenditure and extension of dependency to higher-earning families? If the measure falls within the context—as I should certainly hope that it does—of wider welfare reforms promoting self-provision and acting to stem otherwise longer-term growth in liabilities in the welfare budget, we were not told about it. That is a pity.

Secondly, how will the measure—particularly the child care tax credit—impact on demand for work? As has already been briefly mentioned in the debate, it is not at all obvious that the measure's consequence will be to enable many women to look for work who were previously unable to do so for financial reasons. There are several reasons for that consequence.

First, a substantial part of the measure's impact may be to persuade currently working mothers that it is better to take part-time rather than full-time employment because of the extent to which additional earnings will be clawed back with withdrawal of the credit.

Secondly, the measure may create circularity within communities, in which substantial benefit is derived from looking after one another's children rather than one's own children. Everyone registers as a child minder; everyone receives their £150; and everyone claims back their £105. We might create some rather closed circles of people taking in, as it were, each other's washing, but not create any net external benefit to the economy.

I do not dispute that families with children will derive financial benefits from the process by virtue of the taxpayer subsidy, but that does not mean that some of the claimed benefits for the wider economy will necessarily be achieved. Even if, as a consequence, a larger active population seeks work, it does not follow that the number of jobs available in the economy and the number of people entering work will increase.

Let us remember how the process works. If labour supply in the marketplace increases, demand is normally stimulated by a reduction in the price of labour. Yet we know that, by the time the measure is introduced, the Labour Government will have introduced a national minimum wage. Thus the price of labour will not be able to adjust downwards in order to encourage employers' demand for it. Employers may find that more people are seeking work, but that it is not necessarily in their economic interest to take those people into work. The net consequence will be rises in unemployment, not necessarily rises in employment.

I shall quote again from the Labour manifesto, just to see whether I can keep irritating the Labour party:

"An explicit objective of a Labour government will be to raise the trend rate of growth".

It struck me that, when the right hon. Member for Dunfermline, East (Mr. Brown) was responding to the Budget in the debate on 30 October 1996, he criticised the then recovery because it was not investment-led or manufacturing-led, but was too much consumption-led. Yet we have the same now. There is a failure in investment, and a failure to support manufacturing so that it can lead the recovery on the part of the Government.

The right hon. Member for Dunfermline, East has reduced his expectations for the trend rate of growth. I shall not bore the House with the figures—suffice it to say that the rate is predicted to go down to 2 per cent. or below in 1999, compared with well over 3 per cent. in the early part of 1997.

A whole page of the Red Book is devoted to an apologia for the Government not achieving the investment-led growth they were anticipating. Business investment is predicted to fall from a 7.75 per cent. increase in 1997 to 4.5 per cent. to 5 per cent. in 1998, to 3 per cent. to 3.5 per cent. in 1999 and to 2.5 per cent to 3 per cent. in 2000. Far from investment driving forward, it will not sustain the economic cycle. The Treasury is making its excuses for the trend rate of growth not being higher. It says that the level of investment in capital productivity is not sufficient to achieve it.

I conclude with two specific points. The first relates to health spending; it is something of a pedant's point. It is very strange that the Government have found that, towards the end of the financial year, principally as a result of demand-led expenditure not coming up to predictions, £1.5 billion will be left over.

The proper way for the Government to proceed would be to reduce public borrowing in this financial year by £1.5 billion. Then, if they wanted, they could raise public spending next year above the pre-existing control total by £1.5 billion. It is a bogus manoeuvre to carry forward the money from 1997-98 to 1998-99. All they are doing is pretending that there will be less public spending next year and more public borrowing this year—which they will be able to reduce next year. It is a device to massage the figures for the Government's benefit—a bogus device.

I am pleased to see an Education Minister on the Government Front Bench. Yesterday afternoon, not exactly under cover of darkness but under cover of the Budget, the Government pushed out an announcement on Oxford and Cambridge college fees. I have the honour to represent two Cambridge colleges. The Government's decision was regrettable. From 1999, it could take more than 8 per cent. of the value of the addition to college fees, year by year, from the additional grant.

The Government talk about excellence, and announce a university challenge based on research excellence, but they hit at part of the independence of colleges in Cambridge and Oxford that has been at the heart of the maintenance of standards and excellence in those two fine institutions. It is a disappointment to Cambridge university. It will also be a disappointment to many in the House and beyond. It is a pity that the Government chose so transparently to push the measure out at a time that suggested that they were ashamed of their plan.

The measure was in the character of the Budget, which is more redistributive and egalitarian than the Government would have people believe. Sometimes, the net result of egalitarianism is not to benefit those whom it is intended to make prosper, but to diminish us all—and to diminish our economic prospects.

[Mr. Lansley]

That brings me back to my goose. The Chancellor was able to call on many golden eggs that have been laid by the goose of economic prosperity created by the previous Conservative Administration. He has set about strangling that goose, after having gently plucked it.

9.11 pm

Mr. David Heath (Somerton and Frome): I recall an amusing book written by Jane Austen in her early days, called something along the lines of, "A Partial and Prejudiced History of England". The subtitle promises that the history will contain very few dates. I hope to make a partial—but, I hope, not prejudiced—speech on the Budget that will contain very few statistics. It is more important to concentrate on the outcomes of the Budget statement than to bandy about figures in the sterile way that is so often evident in such debates.

As we have already said, the Liberal Democrats applaud many of the measures in the Budget. Many of the policies are moving in the right direction, although some are not moving far enough and others are not quite in the right direction, but veering off to one side. However, there is much to recommend and many policies that we have advocated over many years. I hope that the moves on child care are as successful as the Government intend. The reforms to national insurance, the long-overdue support for carers, the also overdue change of heart on the ISA—on which many of us have argued with Treasury Ministers—and the help for the unemployed are welcome.

The outcomes are what counts. My constituency is a genuinely rural constituency—not green welly rural, but black welly with mud on rural. The Budget will not have all the effects that the Government desire in my constituency, simply because so much is not applicable to the area. To borrow a phrase from my hon. Friend the Member for Torbay (Mr. Sanders), the Budget seems to have bypassed Somerset in many ways.

There is nothing for pensioners. I have more pensioners in my constituency than the average. Nothing in the Budget commends itself to them or makes their lives easier. Instead, measures such as increases in petrol costs, which affect people on fixed incomes more than others, work in the opposite direction.

I see nothing in the Budget on housing. Housing in rural areas has been a problem for a long time. The right-to-buy policy denuded many of our villages of any social housing for ordinary people, and the housing stock tends to be older, in more exposed positions, and damp. We should have seen a Government initiative to change the structure of VAT on home insulation—not just for specific schemes, but on a wider basis—to make a real difference to the lives of many people.

Farming communities in my constituency have never had it so bad as they do now. The strong pound is a major influence on the difficulties that farmers face, yet the Budget has been judged in such a way that the pound has risen to a more unsupportable level than previously. That will make life more difficult, yet we have received no satisfaction from the Minister of Agriculture, on the specific help that he will give to the dairy or beef sectors in areas such as Somerset.

The Budget will not help the smallest businesses, although there was welcome help for smallish companies. It is hard to see where help is coming from, for the small companies in the non-incorporated sector. Some measures should not have formed part of the Budget, but should, of necessity, have formed part of the Government's overall programme—for example, the major reform of the uniform business rate, which is positively inimical to small business.

Mr. John M. Taylor (Solihull): The concept of a small business is one that we are all fond of, but it may have a plurality of definitions. What does the hon. Gentleman think is a small business?

Mr. Heath: The hon. Gentleman is right to say that there is a plurality of definitions. It depends on the context and the sector that we are talking about. I am talking about small, non-incorporated businesses, such as a lone trader, a partnership or a small retail business that has been crucified in recent years and to which the Budget is of little assistance.

I wish to refer to car tax. It is absolutely right that we should stress the difficulty in the Government's proposals. As is common knowledge, we have campaigned for a long time for a shift in taxation, so that we increase the proportion on fuel, and balance that by a substantial reduction in vehicle excise duty. That is not only environmentally friendly, but means that for many people in rural areas who depend on their cars as the principal means of transport, there is a neutrality or even a benefit because of the typical mileage done in a year.

Many households in isolated villages have to have more than one car to allow people to live a life at all. The cars tend to be older, and the people will not be helped by the speculative Government suggestion about changes in excise duty. Most important, they will not be helped by the fact that the Government have gone ahead with an increase on petrol duty immediately, but are not prepared to change vehicle excise duty for another two to three years, if at all. That is the crux of the proposals.

Mr. Adrian Sanders (Torbay): My hon. Friend mentioned farmers, small business men and the problem of increased petrol duty, which affects tourism. He has not mentioned pensioners, but I am sure he will. [HON. MEMBERS: "Yes, he has."] Does my hon. Friend agree that, from a west country perspective, this is not a good Budget for the south-west?

Mr. Heath: I agree. My hon. Friend may have missed the passage of my speech in which I mentioned pensioners, but Ministers on the Treasury Bench have noticed that I mentioned them once or twice. He is absolutely right, however, in saying that the Budget is not good for the south-west.

I commend the Government for at least making a start on the important issue of public transport. It is extraordinary to hear Conservative Members talk about the iniquity of providing only £50 million for rural transport. Rural transport is so atrocious because of deregulation, which the Conservative Government introduced, and because they starved local authorities of money for years, so that public transport could not receive the necessary support. Nevertheless, £50 million will not go far in providing adequate support to meet the needs of people in rural areas.

The additional expenditure on the health service is welcome but, again, it does not go far enough. I am worried that, because of their pledges, the Government

will concentrate on waiting lists to such an extent that there will be a reduction in primary health care and in the number of community hospitals in rural areas. Moreover, there seems to be nothing to improve policing in rural areas, which is another major issue.

My prime concern, however, is education, in which I have been involved for the past 12 years, as leader of a county council and chairman of a local education authority—it is something about which I care passionately. I welcome the extra money for education, but once the various elements—the effects of inflation and the adjustment to the deflator—have been taken into account, that money is whittled away and little benefit remains.

Setting aside the total amounts and the general picture, I must ask about the distribution of the money that will be made available. In this respect, I shall be openly parochial about Somerset. Recently, the Under-Secretary of State for Education and Employment, the hon. Member for Pontypridd (Dr. Howells), visited schools in my constituency—I hope that he liked what he saw—but those schools are working against a background of a starvation of funds that has continued year after year.

We hear the Government's rhetoric and their promises of additional money for education, but that money does not come to Somerset schools. Last year, the council tried to spend more on the education service, but it was capped—by a Labour Government applying Conservative policy. We looked to this year's local government settlement for extra expenditure, but we found a real-terms reduction. We applied for money that was released as a result of the scrapping of the assisted places scheme, but we were given nothing.

The effect is that teachers are being lost and class sizes are becoming larger. Children, including my own, in Somerset schools have seen no benefit from the change of Government; indeed, things have got worse. Until people start to notice a difference in our schools, why should they believe the Government's rhetoric?

People see that the local education authority is spending massively above its standard spending assessment—they do not doubt its commitment to education—but also that the expenditure per child is low. They also see that, on any register, the authority's efficiency is high—in Somerset, the number of vacant places is among the lowest in the country, and the administration costs per child are, by a long way, the lowest in the country. They ask why Somerset and the west country are not receiving the benefits that the Government have promised.

I make a plea to the Government. Things can only get better in Somerset. Because of the Government's commitment to Conservative spending limits, we have had 19 years of Conservative government. That is long enough, and we want a change. The Budget should have provided the opportunity to make that change—my regret is that it has failed that test.

9.23 pm

Mr. David Willetts (Havant): I begin by commiserating with the Financial Secretary, who seems to be rather light on support this evening. Three Labour Back Benchers have spoken in this debate, and two of them criticised the central macro-economic judgment of the Budget.

I have just had the pleasure of listening to five successive speeches by Conservative Members. I did not expect such a pleasure when we returned on 1 May in rather depleted numbers. There are enough Labour Members to go round, and they have just been told by the Chancellor that this is the biggest, most exciting and significant Budget for a generation, yet his performance seems to have emptied the stalls.

I cannot believe that that is because the Financial Secretary is in any way unpopular with her colleagues, so I can only conclude that it is because the Budget is unpopular with them. That is the only remaining explanation.

Mr. Blunkett: It is because they did not want to listen to you.

Mr. Willetts: The Secretary of State says rather discourteously that it is because they did not want to listen to me, but it is not as if they were in earlier and left when I arrived: they have not been around all day, and have not spoken up for the Budget.

The right hon. Member for Bishop Auckland (Mr. Foster) made it clear that he was worried about a Budget that had led to an expectation of interest rates having to rise further, leading in turn to upward pressure on the exchange rate and to a threat to manufacturing industry. That was also the central argument of the hon. Member for Nottingham, South (Mr. Simpson). Of the three Labour Back Benchers who have made speeches today, two criticised the Budget, which was meant to be a once-in-a-generation affair.

By contrast, my hon. Friends the Members for Cotswold (Mr. Clifton-Brown), for East Worthing and Shoreham (Mr. Loughton), for North Norfolk (Mr. Prior), for Witney (Mr. Woodward), for North Shropshire (Mr. Paterson) and for South Cambridgeshire (Mr. Lansley) all made effective contributions.

I want to ask the Financial Secretary about the Government's commitment to what they rather pompously call "best accountancy standards" in the presentation of financial information. I want to find out to what extent she will live up to that grandiose commitment and whether she can explain the Chancellor's rather baffling passages on national insurance contributions.

The Chancellor said:

"I am abolishing the perverse entry fee that every employee pays to be part of the national insurance system and, in doing so, I am cutting national insurance for every employee in the country."

We understand that, but he went on to say:

"Further reforms will also ensure that no one pays national insurance for the first £81 of their weekly earnings. All employees earning between £64 and £81 will have their right to benefits protected."

He then said:

"So, from next April, 20 million employees in Britain will benefit by paying £1.28 a week, or £66 a year, less in national insurance."—[*Official Report*, 17 March 1998; Vol. 308, c. 1106.]

Because of those remarks, many newspapers claimed today that the Budget involves the lower earning limit for employees' national insurance contributions being increased from £64 to £81, but I cannot find that anywhere in the Budget arithmetic. Indeed, the paragraph about the saving of £1.28 a week refers solely to the entry fee.

[Mr. Willetts]

The Financial Secretary has put her name to a Red Book that is supposed to be committed to high standards. Where will we find in it the costing of increasing the employee's lower earnings limit from £64 a week to £81 a week? If it is not there, how will it be included in future Budget arithmetic—if, indeed, the Chancellor intends to deliver the measure?

I have some questions about the working families tax credit. The other week, I had the pleasure of listening to the Financial Secretary giving a speech on that very subject to the Fawcett Society. Unfortunately, she was not able to stay to answer detailed questions. We understand that—she was in Budget purdah and could not be drawn further. It was a desperate attempt to show that the Treasury was not being run by the lads and that people were fighting the women's corner. Now that she has the Budget out of the way, she can tell us a bit more.

My first question concerns wallet versus purse. When I was a single male policy wonk in the policy unit—probably the sort of person who is the bane of the Financial Secretary's life—I was rather keen on the earned income tax credit. One of the reasons why it did not happen was wallet versus purse. If the money was paid to the man—it still normally is the man—through the pay packet, what would be the chances of women in certain circumstances receiving the money to spend on the children?

The Government claim to have solved that problem, but it is clear from statements in the "Financial Statement and Budget Report" and elsewhere that only if both partners in the marriage agree will the money be paid to the wife, whereas, under the current arrangement, it is specified in law that the wife is the claimant, and the family credit is therefore paid to the wife unless she specifies otherwise. That is a significant change, and it is not one that is good for family life.

Mr. Blunkett: The right hon. Gentleman has had several hours to think about the question that I put to the shadow Chancellor earlier: if the Conservative party invented joint and several liability, why are Conservative Members so exercised about finding a way forward under the working families tax credit scheme, which allows us to ensure that that situation is reversed, so that we have the mirror image of it?

Mr. Willetts: That is a complete diversion from the central issue. I was raising the problem raised by the present Minister of State, Department of Social Security. As the shadow Chancellor explained, when these measures were debated last time, the Minister of State said that of course, for most families this would not be an issue—I accept that, because for most families it is not—but

"we are concerned with that minority—it may or may not be substantial—of families in which money for the children is not paid over".

That is the point on which we have not had a clear response from the Government. It concerned the Minister of State 10 years ago, and it should concern the Financial Secretary now.

What about marginal rates and the notorious table 3.3 on page 48 of the FSBR, which shows that the number of families facing marginal deduction rates of 60 per cent. or more has increased from 760,000 to 1,010,000—an increase of about 250,000—under the Government's new proposals? The gain that the Government make under these proposals is that they will have got rid of the high marginal rates—those over 90 per cent.—which would largely disappear. However, the Minister must recognise that the Government are paying a high price for that.

Many families that have an income which means that they are beyond entitlement to family credit will now face withdrawal of working families tax credit combined with income tax and national insurance contributions that mean that their marginal rates will go up. Rather conveniently, the table stops at the 60 per cent. figure, when the working families tax credit taper is 55 per cent. It would be interesting if the Minister would add another line to the table and give the deduction rate at 50 per cent. or more, and give the figures both under the current and her proposed system. I fear that there will be a massive increase in the number of families facing the combined deduction rates of more than 50 per cent. That would have a serious impact on the labour market, and the Minister should deal with it in her reply.

Thirdly, on two-earner couples, family credit goes to two distinct family types at present. The first type is the married couple where the wife normally does not work; the second is the single parent. As a result of the big extension of working families tax credit, this type of assistance will for the first time go to two-earner couples. We know that working wives—it is normally the wives—are particularly sensitive to changes in marginal rates. We want some assurance from the Minister that the Government have considered seriously the implications for patterns of labour force participation of extending high marginal rates, particularly to a pattern of two-earner couples who previously did not experience such rates.

Finally, let us hear about the burdens on business—a point so ably put by my hon. Friend the Member for North Shropshire (Mr. Paterson)—because it is a very significant issue indeed. That is the other reason why the earned income tax credit was not implemented in 1986; it was partly the feminists worried about wallet versus purse and partly businesses worried about being unpaid benefit payers as well as tax collectors for the Government.

Some curious things will happen as a result of the tax credit. Those wives who succeed in getting the credit paid directly to them will find that great, bold innovation, an Inland Revenue order book. The Inland Revenue will pay cash direct to non-working wives. I will be interested to hear how that is supposed to be delivered in practice.

I have a few questions about the Budget's child care provisions. I recognise that the child care disregard in family credit has not had a high take-up. We might expect single parent take-up to be high, but I understand that only 25 per cent. of them have taken it up, and then only for a modest amount. The Minister could go on and on about the low rate of take-up of child care disregard for family credit, but will she try to explain why she thinks it is so low? It is easy to say that it is because of the way that the system has been constructed, but is that the whole story?

Is it perhaps that families might prefer informal arrangements for child care rather than formalised ones? Many families do not want the pattern of child care which is eligible for the disregard under family credit, and which will be eligible for assistance under the new child care credit. Many families prefer the neighbours, the

grandparents, the mothers-in-law or a network of people on the same estate. Either the Government will face continuing very low take-up rates or they will increase the financial pressures on such informal networks to be converted into institutional arrangements, which may not go with the grain of what many families want.

Another reason for the low take-up is that it is easy to focus on the demand side, to come to the House with ingenious ideas on vouchers, credits, benefits or tax credits that are supposed to help child care, but what about the supply side? It is difficult to set up a child care facility through a local authority planning system. What about the regulatory burden that some local authorities impose on people trying to set up such facilities? What about the way that VAT affects people who provide child care?

I will be interested to hear whether the Government have any proposals to make it easier to supply child care. If supply of child care remains restricted while demand for it is encouraged through these further incentives, the Minister will find only that the price goes up and that hefty profits are made by the small number of regulated providers who meet the requirements of her child care credit. The benefits will not go to families but will be passed on to the small number of people providing the services.

I do not want go on too long, but perhaps I can make one or two wider points. There is an old Treasury story, which I think is told of Lord Healey, although I cannot believe it is true of him.

Mr. Blunkett: It is bound to be true then.

Mr. Willetts: Who knows? Lord Healey was said to treat his speech writer rather badly. He delivered one of those speeches that we used to hear from Chancellors of the Exchequer in which he read out an account of how the British economy faced the most appalling problems and the rate of inflation, the balance of payments deficit and the public sector borrowing requirement were too high. He continued, "But this Government has a set of policies which will solve these problems." As he turned over the page, there was a note from the speech writer saying, "From now on, you are on your own".

The point is that this Government are now on their own, but it is the other way around. They have inherited a strong economy, with low unemployment and declining PSBR. They have, thank heavens, left my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) as Chancellor of the Exchequer for a while in control of public expenditure.

What do the Government get up to as soon as they are on their own? They get up to introducing expensive measures, which are carefully planned so as to avoid being counted as public expenditure. We heard how the entire new deal and welfare to work do not fall within the control total. We are told that people participating in the scheme will receive not a benefit, but an allowance equivalent to the benefit, which means that, helpfully, they do not count as unemployed for the purposes of the claimant count. Perhaps that is one of the reasons why the Government lost their nerve and decided not to change the definition of the claimant count after all.

When and if unemployment starts to rise, Ministers will discover one of the uncomfortable consequences of those expensive measures. That is what has blown apart similar schemes in Scandinavian countries where they have been tried before. When unemployment is low, it looks fine to spend large sums on a relatively small number of unemployed people and a number which, thank heavens, is falling—but wait until the cycle turns and the number of unemployed people starts to rise. Wait until the Government suddenly find that their commitments of thousands of pounds per person have to be delivered to rising numbers of unemployed people. Wait and see what the business sector will say when the corporation tax increases, which are so blatantly revealed on page 16 of the Red Book, start to bite—the transitional measures just happen to involve an extra £15 billion in corporation tax payment over the next four years.

If the economy slows down and the Government find their welfare-to-work measures costing even more and the corporate sector being squeezed between a high exchange rate and an increasing burden of corporate taxation, at that point the picture will look rather different. At that point, the Chancellor's mettle will really be tested.

9.41 pm

The Financial Secretary to the Treasury (Dawn Primarolo): I shall try to deal specifically with the questions asked by the hon. Member for Havant (Mr. Willetts) in the short time left in the debate.

Mr. Clifton-Brown: There are 20 minutes left.

Dawn Primarolo: I do not need prompting by Conservative Members.

Those questions involved, first, purse-to-wallet transfers; secondly, marginal rates; thirdly, what happens to two-earner couples; fourthly, the burden on business; and fifthly, take-up of child credit.

It is noticeable that, for all their concerns about the independence of women, no Conservative Member has mentioned the fact that it was a Conservative Government who introduced joint and several liability for the poll tax. Despite being repeatedly asked by my right hon. Friend—*[Interruption.]* I am happy to discuss at any time the poll tax and the £14 billion that the Conservatives wasted on it. I paid my poll tax and I am sure that Conservative Members pay all their taxes—at least, I sincerely hope they do.

However, to return to the debate, I shall try to answer the questions asked by the hon. Member for Havant. There will be no compulsory transfer from purse to wallet. That has been made clear. Partners will be able to choose who receives the payment and we shall adapt the family credit rules. I know that the hon. Gentleman is knowledgeable about family credit, so I shall not read out the fact that couples on family credit can already choose the person to whom it should be paid. We are already looking at the family credit rules to ensure that there is no compulsory transfer from purse to wallet.

Mr. Woodward: Will the Financial Secretary give way?

Dawn Primarolo: I shall answer the five questions asked by the hon. Member for Havant and then take interventions.

On the question of marginal rates, the hon. Gentleman fundamentally misunderstands—or chooses to misunderstand—that the working families tax credit and the child care tax credit will mean that more people will

[Dawn Primarolo]

gain and will be better off. That means that more people will have support from the child care credit, particularly women who do not currently receive such assistance. There was little reference during the debate to their experiences. The hon. Gentleman also asked what would happen to two-earner couples. Clearly, they can choose to whom the credit is paid.

The hon. Gentleman also asked about the burden on business. The Government are very good at consulting with business, as we have clearly shown in a number of areas—particularly regarding proposals in this Budget. We shall consult extensively with business, as we did in extending the pay-as-you-earn advice and support that business will receive from the Inland Revenue regarding the merger of the Contributions Agency into the Inland Revenue, which will reduce burdens on business.

As regards the take-up of child tax credit, the hon. Gentleman speculated about the child care strategies that families adopt. He should remember that the new deal allocates money to assist with the provision of 50,000 training places for child minders. My right hon. Friend the Secretary of State for Education and Employment will make announcements in the next few weeks about the national child care strategy on which his Department is working extremely hard. It will deliver on women's desires for a comprehensive child care strategy.

Let us look at the comments in support of the Budget. The Kids Club Network says that it is very pleased with the amount that the Chancellor has announced. It says:

"We think it is very realistic and very generous. He has listened to parents."

The Parents at Work organisation says:

"This is a major breakthrough. For the first time, the Government has recognised the high costs of child care and that they have been a real obstacle to the opportunities for women and will keep millions of children out of poverty."

The Government's proposals are widely supported and welcomed by millions of women in this country, yet no Opposition Member—with the exception of the hon. Member for South Cambridgeshire (Mr. Lansley)—commented on that. It speaks volumes about the lack of women on the Opposition Benches that the Opposition have failed to understand the importance of our contribution to women's lives.

Mr. Don Foster: The Minister will recall that I welcomed the Government's child care proposals—as did my hon. Friend the Member for Somerton and Frome (Mr. Heath).

The Minister referred to the Kids Club Network. Does she acknowledge that, in its remarks on the Budget, it also points out that, in order to meet the Government's aspirations, there must be an additional 90,000 qualified child minders or people in similar positions? How do the Government plan to ensure that training courses will be provided to meet that need? Under their current plans, it will take 36 years to find 90,000 additional child minders.

Dawn Primarolo: The Government are aware of the scale of the problem that we are facing as a result of the neglect by the previous Government in making any investment in child care. We clearly need a longer-term strategy. This is only one Budget, which simply lays the foundations for our policy. My right hon. Friend the Secretary of State for Education and Employment has made it clear that we must develop a five-year strategy. He will set out that strategy and how it will be achieved.

In spite of all their scoffing, Conservative Front-Bench Members when in government failed absolutely to put in place any training or provide any child care places. They did not give any support to women who were excluded from the work force because of the lack of available child care places—and now they laugh at us.

Mr. Willetts: I ask the Minister to clarify one point. She repeated one sentence from the Government's document on the working families tax credit and said that there will be no compulsory transfer of resources from women to men. The next sentence says that couples will have the right to elect to whom the credit is paid—the man or the woman. Is the Minister saying that the woman who is currently the claimant of family credit has the right of veto—yes or no?

Dawn Primarolo: I made it clear that couples can elect to do either. The payment can go to the woman. The transfer of the rules from family credit into the working families tax credit will need to be fine-tuned.

The Government have laid down the principles for the operation of the working families tax credit. I will take no lectures from Conservative Members about the benefits for women. For 18 years, they forced women back into the home unpaid, drove down their wages, created an insecure labour market, made no investment in child care and left women on their own struggling; yet they now claim to be the guardians of women. That will not wash, and that is why the reports in the press today welcome the Government's proposals.

Various other issues were raised in the debate. For all that Conservative Members have said, small business reaction to the Budget has been favourable.

Mr. Paterson *rose—*

Dawn Primarolo: I will give way in a moment.

Small businesses welcomed the Budget. They said:

"The Chancellor has delivered a Budget for both employers, employees and consumers. Small businesses with long-term investment will benefit. More people will be encouraged into the jobs market and at the same time consumers will have more money in their pocket."

Those were presumably not the small businesses in the hon. Gentleman's constituency to which he spoke on the telephone this morning. Perhaps he could tell us what his party's policies are to help business, if he does not support what the Government have done.

Mr. Paterson: I can inform the Minister that the Federation of Small Businesses, to which I spoke this morning, is extremely concerned about the cost and difficulty of administering the new scheme. Will she please give me an answer to my question, which was posed by the financial director I mentioned, who reckons that he will have to take on one extra person purely to administer all the extra paper required by the new scheme? From a sedentary position, the Minister said no. I should be grateful if she would answer in detail from a standing position, so that I can tell the financial director tomorrow morning.

Dawn Primarolo: The hon. Gentleman can tell the financial director tomorrow morning that the Government

will be consulting business on the administration of the working families tax credit, and that the Government's track record is to reduce the burdens on business, not to increase them.

I urge the hon. Gentleman to read the press release put out today by the Federation of Small Businesses. It welcomed the merger of the Contributions Agency and the Inland Revenue as a help to business. It welcomed the inheritance tax threshold being raised to £223,000, and the employers' start to national insurance contributions being raised to £81.

The Federation of Small Businesses welcomed the 40 per cent. first-year capital allowances; the Inland Revenue's new role to assist businesses in setting up payrolls for their employees; and the downward taper on charging capital gains tax. It welcomed the review of national insurance contributions paid by the self-employed; the review of industrial and commercial use of energy to gauge the method of taxation; and the £50 million venture capital fund to invest in small businesses.

Mr. Paterson *rose—*

Dawn Primarolo: While I am on the subject of what was welcomed—the hon. Gentleman can address himself to this, from a standing position—today the UK's bus and coach industry welcomed the Chancellor's decision to give an immediate cash injection of £50 million to rural transport. In a second press release entitled "Tax break joy for buses and coaches", the industry welcomed the Government's restoration of the bus fuel duty rebate. Perhaps the hon. Gentleman wishes to reply to that point.

Mr. Paterson: I am grateful to the Minister for giving way a second time. Will she please tell us who will analyse the status and the affairs of the relations of employees in small businesses?

Dawn Primarolo: I advise the hon. Gentleman to go and lie down in a dark room, rest for a little bit and then familiarise himself with the current family credit scheme. If he then re-reads the proposals in the Budget, he will be suitably embarrassed by the ridiculousness of his proposition. He would do well to take lessons from the shadow Chancellor, who, when asked to comment on why he would not be putting forward any alternatives to the Budget, particularly on employment creation, told *The Independent on Sunday* that that would be difficult at the moment because it

"would be bad for our party."

He said that it would divide them, and would only reopen discussions about what their policy should have been at the last election.

The Budget that my right hon. Friend put before the House yesterday cut taxes for all employees and helped families with business. It particularly assisted the 20 per cent. of the poorest families with children, who will gain on average £490 a year. Over the next two years, families with children will gain up to £1,500. No family earning less than £220 a week will pay income tax. Any family with a full-time worker is now guaranteed a take-home pay of at least £180 a week. Couples with two children, on an income below £17,000 a year, will receive 70 per cent. of their eligible child care costs. That is a first, and it will improve the opportunities for parents, particularly women, to return to the labour market, and ensure that people are lifted out of the poverty trap.

Mr. Lansley: Will the Financial Secretary now answer this question? The Chancellor of the Exchequer said yesterday:

"Further reforms will . . . ensure that no one pays national insurance for the first £81 of their weekly earnings."—[*Official Report*, 17 March 1998; Vol. 308, c. 1106.]

The Red Book, at paragraph 3.31, says:

"The lower earnings limit for employees will remain unchanged (at £64 in 1998–99)."

Which is accurate?

Dawn Primarolo: I have just covered that point. I am not sure that the hon. Gentleman was listening, so I shall repeat it. There is a tax cut for all employees who pay national insurance contributions—a gain of more than £65 a year.

The hon. Member for East Yorkshire (Mr. Townend) referred to smuggling. The Government announced a wide-ranging review in the Budget last July, to look at smuggling and fraud involving alcohol and tobacco. The Government take the effects of smuggling and fraud extremely seriously, which is why the review was set up. We continue to take action to crack down on smuggling and on the criminals who take part in this pernicious activity. We will not let up in our efforts to stop smuggling and smugglers, and our efforts are increasingly successful. The House can rest assured that we will act to make life even more uncomfortable for those who flout the law and defraud the honest taxpayer.

I am disappointed that the comments from the trade today appear to condone smuggling. Mr. David Swan of the Tobacco Manufacturers Association said:

"We estimate that more than a million smokers are already buying black market cigarettes and tobacco."

Gallaher said:

"This is a green light for bootleggers."

The Wine and Spirits Association said that this is a "crime-boosting Budget." The Brewers and Licensed Retailers Association said that the Budget

"sends a clear signal to criminals that crime really pays."

Those comments are irresponsible. There is no change in tobacco duty until 1 December, no change in alcohol duty until 1 January, and no change in spirit duty at all. It is unacceptable for those organisations to encourage people to believe that duty has already been increased.

This is a Budget for stability, for reform of the tax system and for a modern welfare state that lifts people out of poverty rather than trapping them in it. We want a modern economy, modern schools and modern hospitals in an environment where investment and reform go hand in hand. It is a Budget for enterprise, for families and for a safer environment. It is a Budget for the future, and casts off the doubts, insecurities and the poverty of the past that were created by the Conservative party in government.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Domestic Violence

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Robert Ainsworth.]*

10 pm

Dr. Vincent Cable (Twickenham): I am grateful for the opportunity of this Adjournment debate. At first sight, it has little or nothing in common with the Budget debate, but having listened for the best part of three hours to hon. Members discussing the conflict between the wallet and the purse and gender conflicts over finance, I realise that there is a direct link between the Budget debate and a discussion about what happens when families break down.

Like many Adjournment debates, this is prompted by a local constituency concern, although it has wider implications. My hon. Friend the Member for Richmond Park (Dr. Tonge) and I represent the borough of Richmond. Like many boroughs, it established 10 years ago a forum for domestic violence under the police-community consultative group. More recently, it established a women's information centre to deal with domestic violence. I have been increasingly involved in the centre's work, and as a result have been educated on some of these problems, and have drawn several conclusions.

I have been struck by the fact that the women's information centre is an extremely valuable and important part of the local community. It handles roughly 1,300 cases a year, and is vastly over-subscribed. The professions who work there have a hand-to-mouth existence. They devote an enormous amount of their time to fund raising and to fighting their way through the thickets of the different agencies that are responsible for women's welfare. The system for dealing with cases of domestic violence does not work.

Having become involved in the work of the forum and the women's centre, I have learnt at first hand the horrific statistics and facts about domestic violence, of which I suspect many people are unaware. It is now well established that about one in 10 women are victims of physical violence that leads to hospitalisation. Domestic violence is mostly against women: there is some violence against men, but it is a small problem. About one in three women experience some form of violence; about one in eight experience violence throughout their relationship; and about two in every five murders of women are the result of disputes involving domestic violence—roughly one every three days. Those are horrific statistics.

It is important to have this debate not only to highlight my constituency concern and the work and problems of the local women's groups, but to give the Government an opportunity to explain how they intend to approach this problem. I am well aware that this problem has a history: it did not suddenly arise.

For the best part of two decades, women's groups have established refuges, and public consciousness of this matter has gradually increased. In 1993, the Select Committee on Home Affairs produced a valuable report, which provided many of the recommendations on which current policy is based. The 1995 inter-agency report from the Home Office took the matter one stage further, as did the family law reform in 1996. We are dealing with an incremental process.

I thought it important—given that a new Government were in office, and given the possibility of a burst of energy and reforming zeal—that some outstanding points on the agenda would now be tackled. In the rest of the time left to me, I want to suggest—in an aggregate sense, and subsequently in more specific ways—some of the problems that I hope the Government will tackle. I am glad that both the key Ministers have taken the trouble to be here.

I feel that two key philosophical points need to be made. First, it should be recognised—I think that such recognition is now widespread, but the need for it should be reiterated—that we are dealing with a serious crime. Domestic violence is not just an accident or a faux pas; it is a crime. It has taken a long time for that to be accepted. It is rather like drunken driving or rape, in that it is a crime that needs to be punished. It needs to be dealt with appropriately by the courts, and by the judicial process generally.

The other point is more subtle, and perhaps less generally appreciated. It is much better to deal with matters such as this with preventive action than to deal with them subsequently. I have been staggered by the vast amount of public resources absorbed by problems of domestic violence that, with a little imagination, and perhaps better policy, could have been avoided.

A valuable study conducted in Hackney—I am sure that the Minister is aware of it—suggests that some £5 million a year is spent as a result of domestic violence being unchecked, the subsequent action by social services departments and the necessary process in the courts. It has been estimated that the aggregate cost in London is about £300 million. That expenditure is not necessary, and it could be avoided if policy were approached in a slightly different way. Let me suggest a few ways in which we could deal with the problem.

I want to concentrate on funding. Ministers may imagine that, as a Liberal Democrat, I will suggest a new tranche of public expenditure, but that is not my objective. I recognise that there is already quite a lot of public expenditure in this area; the issue is how to use that expenditure better within existing budgets.

As one who has come to the problem from outside, I am struck by the number of agencies that exist. There is the safer cities programme, to which some boroughs have access and some do not; there is the single regeneration budget; there is the national lottery, which is available to some parts of the country but not others.

The women's refuges—I have discussed the matter with them—are in the extraordinary position of having to deal with some 25 different revenue streams, potentially, in order to fund their activities. The Department of the Environment, Transport and the Regions provides quite a few; the Department of Health provides others. I do not know whether the Minister knows this, but I gather that one of the key services—the help line—is due to finish on 31 March as a result of the ending of the Department of Health grant.

The issue, however, is not simply one of money being available or not available. It is about the vast complexities of funding in the sector, and about ways of reducing those complexities. Let me make some specific suggestions.

First, the Home Office could simply keep track of all the expenditure, some of which is in the domestic violence budget and some of which is not. That would give us a comprehensive picture of how much was being spent, where it was going and why it was being allocated.

My second suggestion rather goes against the grain of my belief in the unshackling of local government. I think that, as long as we have capping and close central direction, some ring fencing of central Government money may be a helpful way of dealing with such matters. For example, specific allocation of social services training funds to domestic violence would be one way of ensuring that all boroughs had access to proper funding. Alternatively, money could be ring-fenced for special provision for looking after children in refuges. I know that that is another concern of the women's movement. Ring fencing could also apply more generally to refuges.

Those are all temporary fixes, however. My main recommendation in regard to funding is that it would be very desirable if the Government arranged for the Home Office to have a fund—a pot of money—for which different projects could compete in an open market and a transparent process.

That was the main concern of the groups in Twickenham. They are not asking for more money or for the Minister to take out his cheque book. They ask for a clear process in which they can compete on merit with other projects for a pot of Home Office money that is available to all parts of the country, and demonstrate the merit of their work. In that way, they could provide some sustainable long-term funding for their activities.

One of the key criteria in judging access to that pot of funding, which could be existing money that is put under a different heading, is that projects should be preventive, rather than dealing with problems after they have already occurred. I hope that the Minister will seriously consider that point.

The other sets of recommendations are not to do with money—I am sure that they have already been debated within Government. The first involves public awareness. Over the past few years, there has been a campaign, directed almost exclusively at women, under the heading, "Don't stand for it". One could argue that the audience should be men rather than women, but the campaign has raised awareness. Much has been done, but it is clear that much more could be done, in terms of good leadership from the Government and to increase public awareness.

Let me take a few examples. As I understand it, few hospital accident and emergency wards collect statistics on injuries sustained as a result of domestic violence. That information is vital to get a picture of how serious the problem is and the type of families that are most vulnerable. However, at no stage, as far as I am aware, has any effort been made to make the Department of Health conduct that sort of statistical collection.

It is clear to those of us who work closely with the police that, in recent years, their awareness of these problems has enormously improved. Just as with race relations, the police are among the more sophisticated agencies in dealing with these problems, but there is an enormous gap between the best police officers, who are, in many ways, probably the best agents, and the worst, where the canteen culture is still alive. A lot more needs to be done with the police.

The same is true of the judiciary. I am talking not about the crass judges who think that a good beating may be the best way of dealing with a domestic situation, but more sophisticated problems of how judges deal with the award of access to children in a situation of domestic violence. Those are the sort of issues that need to be discussed with the professionals and that I suspect have not been adequately dealt with.

Finally, a whole raft of legal initiatives could be taken forward by a Government who were determined to be innovative and to reform in this sector. They already have the Family Law Act 1996 to build on, but a whole set of other things seem highly relevant. It appears that a woman who is not on benefit would have to pay, for example, about £1,000 to get a court injunction to stop her partner committing violence. Access to the courts is extremely difficult.

Legal innovation is possible in another area. We could borrow from some of the experience in the United States. There is, I think, a well-known experiment in Duluth, Minnesota, where victimless prosecution is being launched. The woman is not required to go through the whole process of enacting her horrific experiences, but the police take a proactive role in prosecution.

Probably the key issue, and one that my constituents have raised with me directly, is the role of the Crown Prosecution Service. It is notorious that very serious offences, including grievous bodily harm, are downgraded to lower charges, so that they can be taken through lower courts, probably for genuinely intelligent reasons of trying to increase the chances of securing a conviction. However, that effectively undermines the seriousness of the crime. I hope that that is something else that the Government, in their review of legal processes, will consider carefully.

I thank the Government for taking a close interest in the debate. I hope that they will exercise some leadership. I particularly hope that they will reconsider funding, which is excessively complicated and creates serious barriers to some agencies at grass-roots level, such as those in my constituency that are trying to work in this sector. I hope that the Government will make a fresh attempt to examine some of the consciousness-raising and legal reform issues that are at the heart of this complex and tragic problem.

10.14 pm

The Minister of State, Home Office (Mr. Alun Michael): There is a tradition in the House of congratulating any hon. Member who is successful in obtaining an Adjournment debate. On this occasion, however, I would rather congratulate the hon. Member for Twickenham (Dr. Cable) on the use that he has made of the debate, and on his constructive and thoughtful contribution, to which I am delighted to be able to respond positively.

I am also pleased that the hon. Gentleman noticed that, as well as my being here to answer the debate, my hon. Friend the Member for Lewisham, Deptford (Ms Ruddock), the Under-Secretary of State for Social Security and Minister for Women, is also present. The existence of my hon. Friend's role, and the close co-operation that we are giving to the task of examining domestic violence and other violence against women, illustrate the Government's approach and the importance that we attach to the issue.

[Mr. Alun Michael]

The hon. Gentleman was right to describe the statistics as horrific, because domestic violence continues to be the single most common form of violence against women, accounting for 17 per cent. of all violent incidents recorded by the 1996 British crime survey.

Recent new research published by Crime Concern reports that, in some parts of Britain, one woman in nine are the victims of severe beatings by partners each year. That is slightly worse than the statistics that the hon. Gentleman cited. He was right to say that domestic violence must be regarded, and underlined, as a serious crime, rather than, as it was in the past, as less serious than other forms of violence.

The hon. Gentleman stressed the need for prevention, which touches on one, indeed two, of the Government's major themes in dealing with crime. One of our favourite themes is to prevent crime wherever possible, and we are considering all sorts of ways of creating partnerships to understand and deal with the problems of crime at local level. The second is the idea of dealing with problems quickly when they arise—to nip things in the bud rather than allowing them to drift on for a long time until they become so serious that nobody can ignore them.

The hon. Gentleman mentioned the value of voluntary organisations, many of which make a tremendous contribution to publicising the issues and in giving help, support and advice to people who find no help elsewhere. They also help in developing the forum activities that have helped with exchanges of views, with the education of the public, and with mutual education about how to tackle the problems.

I certainly agreed when the hon. Gentleman said that the process of growing awareness of the problem of domestic violence had been slow. That growth in awareness has been inexorable, but it has taken place over a long period. Awareness is far greater among the police than it was a few years ago, and most police forces now have carefully thought-out policies, and work much more closely with local welfare organisations and voluntary organisations representing women. None the less, they are aware that they still need to do more. That sensitivity, plus the will to continue to improve their standard of response, is the keynote for the future.

The hon. Gentleman showed great financial restraint, for a Liberal Democrat. He did not spend the same penny again and again, and tell us that we simply needed to re-order the money already available. He was right to say that there is a variety of sources, and that the availability of finance is complex, and it is difficult to find a way through. The trouble is that changing funding is complex, too, and if we are not careful we could accidentally shut off the sources of supply to some valuable organisations.

Some sources of funding, such as single regeneration budgets, already embed concern about issues of violence, including domestic violence, within a wider context. It is important to see domestic violence not as existing in a backwater but as part of the wider picture of society in terms of dealing with crime and with other social problems.

I underline a very clear theme in the Crime and Disorder Bill—which is currently wending its way through another place, and will soon reach this House—which is a local partnership approach in identifying local problems of crime. Such an approach must include identifying the local nature and profile of crimes of domestic violence, promoting the joint responsibility of police and local authorities to identify those problems in a crime and disorder audit, and considering not only statistics but people's experience—by working with voluntary organisations and those with direct experience—to get to grips with the reality of domestic violence and produce a strategy to deal locally with crimes and the causes of crime.

The hon. Member for Twickenham also mentioned the courts. There are many ways in which domestic violence issues are dealt with in the courts, and he was right to seek both simplification of that process and improved access to the courts. The Government believe strongly in such improvements. However, we are looking also for ways in which we might deal with the gaps in legislation.

For many years, we campaigned for legislation to deal with stalking. We were delighted to be able shortly after the general election to implement the Protection from Harassment Act 1997. Precisely in accordance with a belief in prevention rather than cure, the Act goes rather wider than its title might suggest, by allowing a variety of forms of harassment to be dealt with.

An order may be granted, for example, on the basis of evidence not only from the victim but from professional witnesses, thereby allowing certain activities to be forbidden. Serious criminal penalties may apply to the breach of an order. We are including similar provisions in the Crime and Disorder Bill, and are generally improving legislation to make our systems work well.

Downgrading cases is always a difficulty, and the matter requires much attention. One way of dealing with it is an improved relationship between police and the Crown Prosecution Service. My right hon. and learned Friend the Attorney–General is pushing through reforms on the matter as quickly as possible. The reforms will lead to an improvement generally in how crime is prosecuted, and will provide significant benefits in dealing with domestic violence and violence against women.

It is certainly true that violence against women remains a blot on society, and that tackling it must be a priority. We must not tolerate a culture in which it is accepted, or in which its victims are afraid to speak out. The hon. Member was right to say that, although things have improved, there is still acceptance of violence in some areas and in some cultures. I have been working with my hon. Friend the Minister for Women because of concerns about that situation. Moreover, my right hon. Friend the Secretary of State for Social Security and Minister for Women recently announced in the House a national strategy to tackle all forms of violence against women.

We are certainly determined that domestic violence will be dealt with effectively. To that end, Home Office Ministers are working with Ministers from other Departments to review all policies dealing with domestic violence. The hon. Member rightly said that men can be victims of domestic violence. Although that matter should not be overlooked, a person's sex is a significant factor in the likelihood of his or her being a victim or perpetrator of domestic violence, and in the seriousness and impact of domestic violence attacks. We must therefore concentrate on the experiences of women.

Tackling domestic violence—both causes and effects—is a huge task, and much of the work will have to fall to local agencies. However, Government have a part to play. We provide court funding to the Women's Aid Federation in England, Wales, Scotland and Northern Ireland, and revenue funding for women's refuge spaces. Through the special grants programme, we have made funds available to the Women's Aid Federation (England) to develop training opportunities, resources and facilities for local refuges. Other funding supports projects in Scotland and Wales. Local projects in England are funded through the single regeneration budget challenge fund.

Future funding issues are being examined in the context of the increased priority being given to the matter by the Government, and the interdepartmental strategies that are being developed to combat domestic violence through both prevention, and information and support for those who have already been victims. It is very important that the issue is dealt with across Government; it is not an issue just for one Department—not even the Home Office, with its responsibilities for crime or the Department of my hon. Friend the Under-Secretary of State, given her concern for women's issues.

All colleagues in all Departments need to recognise the relevance of health, education, local government and a variety of Government responsibilities to deal with the matter. We are at the moment looking very carefully at the best way of developing a new interdepartmental campaign of information and publicity to ensure coherence that aids understanding, so that people know how and where to get help.

I should mention—the hon. Member for Twickenham mentioned the domestic violence help line—that we have recently given the Women's Aid Federation (England) extra funding to enable it to continue to run the domestic violence help line. The federation will have financial difficulties in the coming year, as I was told when I met its representatives earlier in the week, but it is looking for ways to continue to run the operation. Very often, due to the patchwork of provision, people need somewhere nationally to go, if only to ask where they can get help and be given advice.

We said in opposition that care and concern for victims would be one of our priorities in government. That is absolutely right. There needs to be a switch in the attention that the criminal justice system, as well as the public service, gives to needs of victims. Within weeks of coming to office, my right hon. Friend the Prime Minister kept that promise by announcing an increase of £1 million a year for Victim Support, which will enable it to establish a national telephone help line for victims of crime, and to develop its court-based and local services.

On 1 October 1997, to help victims further, we brought into force the provisions of part IV of the Family Law Act 1996. That is a very important enactment, which provides strengthened powers of arrest where violence is used or threatened. It also amends the Children Act 1989, so that, when an emergency protection order or an interim care order is made for the protection of children, an exclusion order can be attached, permitting the removal from the home of the suspected abuser, rather than the removal of the child. Those provisions are important.

Partnership between agencies at a local level is extremely important. I have already referred to the partnership required between local authorities and the police in developing local crime prevention partnerships. We certainly expect the crime audit required under the Crime and Disorder Bill to identify the level of domestic violence in an area. Local partnerships will be required to develop a strategy for addressing it in the wider strategy for crime reduction needed in the area.

In June, we set up an interdepartmental review to identify ways of improving the situation of all vulnerable witnesses. That includes victims of domestic violence—although it includes a number of others as well. Sometimes people are affected by domestic violence but not in ways that are easily recognised. I am thinking of adults with learning difficulties, disabled people, and people who have speech difficulties or language problems. For that reason, the review is very wide-ranging, and will consider the whole process from the investigation to the trial and beyond. It looks at the role of many of the agencies and professionals involved.

There are many issues to be addressed. Many, if not all, are relevant to the needs of victims of domestic violence, among the ranks of vulnerable witnesses and defendants. Such people have a right not to be intimidated. Unfortunately, some of the weakest and most vulnerable in our society have found it most difficult to see a fair trial. We expect to receive the working group's report very shortly. We shall certainly want to respond to it as quickly and as positively as possible. It will make a considerable contribution to improving the standard of justice.

The hon. Member for Twickenham has opened a wide-ranging debate. Indeed, the subject would have justified a debate of hours rather than half an hour. I congratulate him on packing a great deal into his speech, and I hope that I have been able to give some indication of our approach.

Domestic violence is not an issue to be dismissed as though it were a natural part of a women's personal life. It is not an issue that has been exaggerated by a few extremist campaigners. It is a blot on our society that affects victims physically and emotionally, directly and indirectly, in the short and long term. It wrecks lives. We want it to be recognised for the crime it is, and we are determined that it will be tackled effectively.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Thursday 19 March 1998

The House met at half-past Two o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

The Minister was asked—

Flood Defences (Edgware)

1. **Mr. Dismore:** If he will make a statement on flood defences in the Edgware area. [33751]

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Elliot Morley): Although the Department has policy responsibility for flood defence, individual works are designed, constructed and maintained by the operating authorities for each area. The Environment Agency and local councils are jointly considering improvements to defences in the Edgware area.

Mr. Dismore: Is my hon. Friend aware that since the last extensive flooding many people feel that they are living on borrowed time and have sandbags piled high in their back gardens? The floods affected not just Edgware but Burnt Oak and Colindale, and caused substantial damage with consequent distress to my constituents. My constituents are concerned that recent changes to MAFF criteria for approval of schemes may adversely affect them. Before making any final decision on the expected report from the Environment Agency, will my hon. Friend agree to listen to further representations on that study?

Mr. Morley: My hon. Friend has pursued the threats to his constituents with diligence. The Environment Agency is considering a catchment plan for the Silk stream and its tributaries, which is probably the best way of approaching the problem. That proposal has not yet been put to MAFF, so we are not in a position to ascertain whether it meets the criteria. If it does not, stand-alone schemes may be considered to protect the interests of residents. We are always willing to receive representations.

BSE

2. **Mr. Campbell-Savours:** What recent developments there have been on the issue of BSE. [33752]

The Minister of Agriculture, Fisheries and Food (Dr. John Cunningham): On 16 March, the Agriculture Council agreed by a convincing majority to lift the beef export ban for certified herds in Northern Ireland. That is excellent news for our beef industry, and is the first crucial step towards lifting the ban for the United Kingdom as a whole.

Mr. Campbell-Savours: I congratulate my right hon. Friend on his success, but has he seen the most recent claims of Professor Lacey, who alleges that farmers are burying on their land BSE-infected fallen stock? I am having great difficulty understanding how that is possible, given that farmers are being paid between £540 and £680 for each animal that they notify as having BSE. What is actually happening?

Dr. Cunningham: I am grateful to my hon. Friend for his kind remarks about our success in Brussels this week. The United Kingdom Renderers Association wishes to make it clear that no official representative of the association has ever met or discussed any issue with Professor Lacey. My hon. Friend is right that BSE is a notifiable disease, and the burials to which the allegations refer would therefore be an offence. He is also right to point out that, from April this year, if a BSE case is confirmed by post mortem, the farmer will receive £531 and, if it is not confirmed, and the animal has been destroyed, the farmer will receive £663. Given the position of UK farming, I find it difficult to believe that farmers would voluntarily forgo £500 million to £600 million.

Mrs. Spelman: Will the Minister confirm that the Workington site chosen for the new British cattle movement centre had the highest set-up costs of the three sites considered?

Dr. Cunningham: I can confirm that a cost-benefit analysis showed that Workington was the best site for the taxpayer and the industry.

Judy Mallaber: Will my right hon. Friend join me in welcoming the opening of the inquiry into BSE and Creutzfeldt-Jakob syndrome? I attended last week with a bereaved family from my constituency, who were very impressed.

Does my right hon. Friend share my concern about some of the initial evidence given to the inquiry, concerning a supposed culture of secrecy in the Ministry over the period involved, and about the suggestion that at least one vet was asked to change some of his findings? Will he ensure that Ministry officials are encouraged to attend the inquiry, and to give full information about the tragedies surrounding BSE and CJD?

Dr. Cunningham: It would not be appropriate for me to comment on what is happening in the inquiry, but I can say that the culture of secrecy in the Ministry ended on 3 May 1997. I have made it clear to all Ministry officials that they are free to give the inquiry whatever evidence they think appropriate, and that there is no question of any action being taken against them subsequently.

Mr. Charles Kennedy: In view of the significant breakthrough that has been achieved in Northern Ireland—which we all hope will be followed as swiftly as possible by similar progress in respect of England, Wales and Scotland—will the Minister comment on reports leaked from his Department earlier today concerning the

selective cull scheme? Civil servants expressed concern about the effectiveness of traceability, and feared that such reports would send the wrong signal to our European Union counterparts. Can the Minister assure us that everything possible is being done in regard to the remaining 20 per cent. of animals, and that if further action is needed to maintain and build on the momentum at European level, no stone will be left unturned?

Dr. Cunningham: I can give the hon. Gentleman and the House a categorical assurance to that effect. The last Administration, however, were very slow: the selective cull did not begin until January 1997. Because of the delay, it is not surprising that not all the animals that we thought could be identified have been identified. However, because of the age of those animals and the operation of the over-30-months scheme, there have been no consequences to human health. If the animals were not killed, they would have been caught by the over-30-months scheme.

Mr. MacShane: Is my right hon. Friend aware that the borough of Rotherham is about 65 per cent. rural? It is one of the beef-eating and beef-producing centres of Yorkshire, so my constituents are delighted with the news that my right hon. Friend has brought back from Brussels. Does not that news, along with news of the reform of the common agricultural policy—the Commission is adopting a British agenda to force down food prices, which will benefit the British people—contrast with the isolationist, anti-European, xenophobic politics that caused such disaster in our farming communities when implemented by the Conservative Government?

Dr. Cunningham: As my hon. Friend and the hon. Member for Ross, Skye and Inverness, West (Mr. Kennedy) have pointed out, we must press on as quickly as possible with the date-based export scheme for beef producers in the rest of the United Kingdom. I assure the House that we are doing that.

My hon. Friend is also right to remind us that the stupid isolationism of the last Administration, and their obsession with the European Union, left Britain not only without friends in the Agriculture Council but often derided, and greatly damaged the interests of all our farmers.

Mr. Thompson: Does the Minister take pleasure in the fact that the farmers of Northern Ireland greatly appreciate all the work that he and his colleagues have done over the months since he took power to persuade the European market to lift the ban, especially in Northern Ireland?

Some of the provisions that have been agreed mean that there will be extra flagged herds in Northern Ireland. The only long-term solution to that is the date-based system. Will the Minister continue his efforts to ensure that it starts to operate as soon as possible?

Dr. Cunningham: I am grateful to the hon. Gentleman for his thanks and kind remarks. I recognise the significance of agriculture to Northern Ireland's economy and that beef producers in Northern Ireland have had a particularly difficult time. I know that they are delighted by this week's result in Brussels and the emphatic nature of the vote in the Council, which voted by qualified majority to accept the scheme. I accept, however, that it is imperative that we press ahead and try to achieve similar success for the dated-based export scheme because of the universal nature of that scheme.

Dr. Gibson: Does my right hon. Friend agree that there is still a great need to understand the scientific basis of this disease and its progression: the BSE prion and its mutational properties, its stability in blood and water, its cross-infectivity and the incubation time? Does he agree that scientific funding still needs to be found to understand the full properties of the prion?

Dr. Cunningham: I certainly agree that we need to know much more about BSE and new variant CJD, but I have recently authorised considerable additional expenditure for research of the sort to which my hon. Friend refers. That is an extensive research programme. We have probably the widest-ranging research programme into BSE and its consequences of any country. That programme will continue under this Administration.

Mr. Alasdair Morgan: Following on from his earlier replies, will the Minister give us a candid assessment of the difficulties that he will face in achieving acceptance of a date-based export scheme within the European Union?

Dr. Cunningham: I can foresee some of the difficulties because some of our colleagues in the Council have been reluctant to cast their votes on the basis of the scientific and veterinary advice, opinions and evidence. It is important that we should insist that decisions are taken on the basis of science, not of political or economic advantage. I have already made my views abundantly clear in Brussels and in capitals throughout Europe, and I shall go on doing so.

Sea Defences

3. **Mr. Tyrie:** If he will make a statement about resources made available for sea defences. [33753]

Mr. Morley: Allocations for MAFF grants and credit approvals to operating authorities for capital flood and coastal defence works in 1998–99 are at the same levels as plans proposed last year by the previous Government. For future years, the funding level will depend on the outcome of the comprehensive spending review.

Mr. Tyrie: Is the Minister aware that the cost of emergency repairs at Selsey in my constituency is approaching £500,000 and that that money is coming from the Environment Agency budget that was originally earmarked for making more permanent repairs? Is that not a Catch-22 situation, because the more money is spent on emergency repairs, the less is available for making the sea defences permanent? Will the Minister assure my constituents that the Government will make available the resources necessary to bring an end to that absurd situation?

Mr. Morley: I can confirm that, because of the particular problems on the Sussex coast, extra resources have been available in relation to the grant-earning ceiling. That has been raised from the original allocation of £3 million to £3.9 million, which takes into account

the points that the hon. Gentleman makes about the need for emergency repairs and the fact that the cost of permanent repairs has increased.

Beef Export Ban

4. **Mr. Grogan:** If he will make a statement on progress towards lifting the beef export ban. [33754]

Dr. John Cunningham: As I have just told the House, on Monday, we secured the first crucial step towards lifting the ban when the Agriculture Council approved the export certified herds scheme by a substantial majority.

Mr. Grogan: Does my right hon. Friend agree that there two lessons to be drawn from the successful meeting on Monday? First, as my hon. Friend the Member for Rotherham (Mr. MacShane)—whose constituency, even if it is 65 per cent. rural, is not as rural as Selby, which is is about 80 per cent. rural—said, if we are to have the ban lifted in England, Scotland and Wales, we need to maintain our constructive attitudes to Europe. Secondly, and more important, in the coming months we need to maintain the strongest possible public health measures.

Dr. Cunningham: My hon. Friend is right on both counts. It is because we have developed an open and constructive dialogue with all the institutions of the European Union—the Commission, the Council and the Parliament—that we have been able to make progress. The progress is due equally to the fact that we have taken stringent measures to safeguard the public and to ensure that our beef is safe to eat.

Mr. Jack: On behalf of Opposition Members, I welcome the announcement on the lifting of the Northern Ireland beef ban. It is a tribute to the foundation work put in place by previous Agriculture Ministers that this Minister has been able to achieve success in Brussels.

May I press the Minister a little further? A moment ago, he announced that he was confident that the date-based scheme offered the key that would unlock the door to the permanent lifting of the ban for the remainder of the United Kingdom. May I have his assurance that that remains the only barrier to lifting the ban? Will he be initiating a discussion at the next Agriculture Council to try to get on the record some form of indicative timetable for the lifting of the ban? Can he tell us when he expects the centre at Workington to be up and running?

Dr. Cunningham: The right hon. Gentleman asked a number of questions. First, I give the right hon. Gentleman at least nine out of 10 for brass neck. The previous Administration made no progress towards the lifting of the ban, which the right hon. Gentleman, the House, the country and, more particularly, our farmers know very well. The right hon. Gentleman is also out of touch with what is happening at the next Agriculture Council. The next Council will be a special Council which I have called to hold the opening discussion and debate on the Agenda 2000 proposals. There is no question of my tabling any indicative timetable at that time. The Council has the special and single purpose of discussing Agenda 2000. If the right hon. Gentleman spent more time and paid more attention to detail, we might get some sensible questions from him. Finally, we expect the centre at Workington to be operational later this year.

Farm Subsidies

5. **Mr. Eric Clarke:** When he last visited the north of England to discuss subsidies to farmers. [33755]

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. Jeff Rooker): I visited the region in February when I attended a meeting with the local National Farmers Union.

Mr. Clarke: I thank my hon. Friend for his reply. So much for the Conservatives being the party of the countryside. How can the Conservative party represent the countryside when it has no rural representatives—and no urban representatives, either, come to that—in Scotland or Wales? It is illogical. I assume that my hon. Friend will continue to meet farmers throughout the United Kingdom in order to discuss their problems.

Mr. Rooker: The answer to the question implied in my hon. Friend's comments is that we meet farmers regularly throughout the whole of the United Kingdom. Subsidies to farmers in Scotland—part of which my hon. Friend represents—were £480 million last year, which is an all-time high.

Mr. Jack: Farmers in the north of England will be interested in the recently published proposals for Agenda 2000—and particularly the way in which they affect the dairy sector. Can the Minister tell me whether, at the special Council which his right hon. Friend the Minister will be attending at the end of the month, he will be raising the fact that there is to be a 2 per cent. increase in milk quota, but that, as we have no mountain dairy producers or, at this stage, a newcomers' scheme, Britain will get no increase in milk quota, but will suffer a 15 per cent. reduction in the price of milk? Can the Minister give us an assurance that he will protect Britain's dairy farmers in those discussions?

Mr. Rooker: Yes, the issue will be raised.

Meat and Bonemeal (Disposal)

6. **Ms Drown:** What steps his Department is taking *(a)* to provide for the incineration of more meat and bonemeal and *(b)* to reduce the need for MBM storage. [33756]

Mr. Rooker: The Government are actively considering a number of major disposal options involving incineration for the meat and bonemeal derived from the over-30-months scheme. Our goal remains to find a disposal solution which takes full account of the need to protect human and environmental health, while keeping the cost to the taxpayer as low as possible.

Ms Drown: I thank the Minister for his reply. My constituents turned out in force last week at a council planning meeting and they were delighted that the council unanimously rejected a plan to store meat and bone meal at an inappropriate site in Wroughton in my constituency.

Will the Minister assure my constituents that MAFF, the intervention board and the Environment Agency will put no pressure on the applicant to appeal against the decision, so that my residents' wishes are respected?

Mr. Rooker: Yes; not only will MAFF not put any pressure on the applicant to make an appeal, but, if the applicant makes an appeal, we will put no pressure on the appellate authorities.

Farm Products

8. **Mr. Hoyle:** If he will launch a campaign to promote the safety and quality of British farm products. [33760]

Mr. Rooker: The safety and quality of British foods are second to none. My colleagues and I take every opportunity to publicise that fact, and to stimulate the effective marketing of our products. Promotional campaigns are really a matter for the trade, as they are far more expert at them than are the Government. However, we do what we can to support the various and many trade initiatives.

Mr. Hoyle: I am slightly disappointed by that answer—although it might help a bit if the Minister were to take on board the fact that the oldest agricultural show is staged in my constituency of Chorley. There are many agricultural shows across the country, at which MAFF has exhibitions. What better opportunity could there be to ensure and promote the safety and quality of our good British products? With a little imagination, which I know they have, the Government could raise the profile of safety and quality by promoting them at those shows. Such promotion is all the more important as some people, such as the French, continue to block British beef products but are not sorting out their own house.

Mr. Rooker: I understand and share my hon. Friend's concern. MAFF has travelling exhibitions which visit most of the shows and major exhibitions, such as the food fair that will soon be held in London. We have also sponsored a major British specialities exhibition at the food and drink expo—which I visited on Monday—at the national exhibition centre, in Birmingham. Although we shall continue our exhibitions, it is for the trade to push the matter. Ministers will give what support we can, and we shall visit as many shows as possible—especially targeting shows that Ministers have previously avoided.

Dr. Julian Lewis: How can the Minister justify the continuing ban on sales of beef on the bone in the light of the advice given by his own Ministry to the landlord of the Elm Tree pub in Swanwick that it is perfectly legal for him to cook beef on the bone if he strips it off the bone after it is cooked in the kitchen and before he serves it to his customers? How do the Minister and his colleagues, having introduced the legislation, feel to be the first Labour Ministers since Ramsay Macdonald—who earned the title from Winston Churchill, in 1931—to be boneless wonders?

Mr. Rooker: The hon. Gentleman and most of his colleagues have not quite got the message: the decisions that we took last December have enabled us to start to secure the beginning of the lifting of the beef ban. If what the hon. Gentleman said about the cooking of beef on the bone is accurate, it is contrary to the regulations. It is an offence to cook beef on the bone. As we have repeatedly made it clear, the danger will be in the juices—[HON. MEMBERS: "Ah!"] Oh, yes; and we will not be the first Government knowingly to put infectivity in the food chain. Fairly soon, Conservative Members will get that message.

Mr. Hanson: Does my hon. Friend accept that farmers and consumers in my constituency realise that one of the best ways of promoting the safety of British food is by establishing the Food Standards Agency? Will he perhaps tell the House how he will promote that agency, so that producers and consumers understand the importance of promoting and improving our food?

Mr. Rooker: Yes. The consultation round on the White Paper "A Force for Change" concluded on Monday, and more than 400 representations were made. We expect to produce draft legislation for the House to consider by the early summer, to produce a Bill for the next parliamentary Session, and to have the agency up and running in the second half of next year.

Mr. Swinney: Once the date-based scheme is secure, will the Minister and the Government consider launching a campaign based on the safety and quality of United Kingdom beef, to ensure that our farmers can reclaim some of the export markets that have undoubtedly been jeopardised by the beef ban of the past two years?

Mr. Rooker: Yes. It would be useful to the House. Recently, Professor Philip James, having been asked about the safety of British beef, said in evidence to the Agriculture Committee:

"From my analysis of the BSE issue, I am embarrassed to tell you that . . . not just myself, but many members of our steering committee"—

the European Commission's scientific steering committee—

"believe that meat and meat products from Britain are safer than in most other European countries."

Mr. Soames: Will the hon. Gentleman join me in applauding the work of Food From Britain, which does an extraordinarily good job of promoting British food abroad? Does he agree that farmers need to do more to sell food directly to the consumer? What plans does he have to encourage farmers' markets, which are such a success in the United States of America and could do so much to bring farmers closer to consumers, to the benefit of both?

Mr. Rooker: Question Time is not the time to go into great detail, but when I was at the expo on Monday, I saw the excellent way in which Welsh beef farmers have been marketing pink beef and veal. They never thought of or needed to do such marketing before and they have the full support of my Department.

Farm Incomes

9. **Mr. Garnier:** When he will visit Harborough to discuss stock farmers' incomes. [33761]

Dr. John Cunningham: I have no plans to visit Harborough in the near future. However I know that the hon. and learned Gentleman met my hon. Friend the Minister of State on 2 March to discuss farmers' incomes and other issues.

Mr. Garnier: May I begin by thanking the Minister of State for receiving that delegation? It was an extremely helpful and useful meeting. May I draw to his attention the case of one my neighbours, who is a beef farmer? The price of his beef bulls, which were selling at about £720 before March 1996, is now £530. He has not been able to sell any breeding heifers at all, his cull cows have gone down in value from £750 to £300 and the value of his herd, which has increased in number from 257 to 290, has been devalued by £50,000. Will the Minister bear that in mind in his further discussions with the European Commission?

Dr. Cunningham: First, I thank the hon. and learned Gentleman for his kind remarks about my hon. Friend the Minister of State; we are always willing to receive delegations consisting of right hon. and hon. Members and their constituents. I shall certainly bear in mind his example which, sadly, is typical of problems in the beef industry. That is why we are determined to press ahead to seek acceptance for the date-based export scheme to bring further support to the beef sector, in addition to the agrimonetary compensation and the other financial support that we have recently announced.

Mr. Paice: After two Labour Budgets, the average 300-acre family farm, in Harborough and elsewhere, will be £1,300 worse off—and that in a week when the Minister has announced that farm incomes have almost halved. As the Budget did nothing to dampen the strength of sterling, farmers now face the prospect of a further green pound revaluation. Yet the strength of sterling has helped save the Minister some money in his Department's budget. Will he go further than his welcome U-turn on the subject of meat hygiene and cattle passport payments and seek additional ways, within his departmental budget, of relieving the massive burden on British agriculture? He could do that without asking for any further increase in public expenditure, which I know perfectly well he would find it difficult to obtain.

Dr. Cunningham: Both Budgets under the present Government have benefited people in rural as well as urban areas. Only the Conservative party cannot find a single word of praise for my right hon. Friend the Chancellor of the Exchequer following his excellent Budget earlier this week. Like his right hon. Friend the Member for Fylde (Mr. Jack), the hon. Gentleman never lets an opportunity pass without demanding more public expenditure. They say that I should find money from within my existing budget. What do they suggest I should cut to provide that extra money?

Agriculture (West Country)

11. **Mr. David Heath:** If he will visit the Royal Bath and West show this year to discuss the current state of agriculture in the west country. [33763]

Mr. Rooker: I am unable to attend the show. I am aware of the current state of agriculture in the west country following a visit by my noble Friend Lord Donoughue to north Devon and Exmoor early in January.

Mr. Heath: I am disappointed that the hon. Gentleman cannot visit the Royal Bath and West. He may recall that the previous Minister was warmly received there. He would be equally warmly received in my constituency. Given the figures released by his Department last week, showing a 35 per cent. decrease in dairy farm incomes and a 65 per cent. decrease in lowland beef and sheep farm incomes, does he accept that his right hon. Friend the Minister was incorrect to tell me last year that there was no crisis in west country agriculture?

Mr. Rooker: I respect the hon. Gentleman's argument and that of his farmers, who have suffered along with others. The extra help that we announced in December and confirmed in February—the cheques will be arriving this month—is going to the upland and less favoured areas. By common consent, that is where the need is greatest.

Mr. Tom King: Agriculture in the west country is in a serious predicament. The most obvious immediate effect of the Budget has been a rapid increase in the value of the pound. What is the Minister's estimate of the likely impact of that on farm incomes in the coming year?

Mr. Rooker: It is too early to say at the moment.

Beef Export Ban

12. **Charlotte Atkins:** What progress he is making on lifting the ban on British beef. [33764]

13. **Mr. Love:** What progress has been made with the lifting of the beef export ban. [33766]

Mr. Rooker: As my right hon. Friend the Minister said earlier this afternoon, we have made a major breakthrough with the European Council's agreement to the export certified herds scheme. We will be working hard to secure agreement to our proposals for a date-based export scheme, which would apply throughout the UK.

Charlotte Atkins: May I add my congratulations to those of other hon. Members on that? Is it true that only two European countries voted against the partial lifting of the ban? Does that represent progress on the issue with our European neighbours?

Mr. Rooker: My hon. Friend is right—only two voted against. In the Veterinary Committee a few weeks before, four voted against and one abstained. All the recent movement has been towards the position of the British Government.

Mr. Love: Does my hon. Friend agree that, without the strictest possible anti-BSE measures, including a ban on

the sale of beef on the bone, there is no chance of the beef ban being lifted and that, unlike the Conservative party, he will act to protect public health?

Mr. Rooker: My hon. Friend is right. We cannot repeat often enough that without the most rigorous precautions on the safety of the beef food chain we shall not make any further progress and would not have made the progress that we have secured. Unlike the policy that we inherited, that approach seems to be working.

Mr. Ian Bruce: Does the Minister feel that the British Army's buying British beef and British lamb would give people on the continent confidence about accepting our meat? How is he progressing in the efforts that I know he is making with his colleagues in the Ministry of Defence to increase the proportion of British beef, lamb and other meat the Army uses?

Mr. Rooker: The hon. Gentleman makes a fair point. The knowledge that the Ministry of Defence is not sourcing from the United Kingdom raises questions among our competitors and others. We have had discussions with our colleagues in the Ministry of Defence. We expect more British beef to be purchased in future. There is a long-term contract for frozen lamb from New Zealand, which was based on best value for money. I do not know when the contract finishes. We are discussing the issue.

Mr. Bercow: Will the hon. Gentleman confirm that he has not conceded that computer traceability should be the precondition for the lifting of the beef export ban in other parts of the United Kingdom? Will he take this opportunity to confirm his view that there are manual records which are perfectly adequate for the satisfaction of that purpose?

Mr. Rooker: I am grateful for the hon. Gentleman's question. It must not get around that the lifting of the rest of the ban under the date-based scheme depends on a computerised system. The position was different in Northern Ireland for the certified herds scheme because the necessary records were available due to their computer system, which they have had for many years and which had nothing to do with BSE.

The date-based scheme will be secure for cattle born after 1 August 1996. We can guarantee that such cattle will not have been exposed to any contaminated feed. That scheme does not depend on the start of the computerised cattle traceability system, which is a wholly different operation. Although in future the traceability system will help, the lifting of the ban for the rest of the UK under a date-based scheme does not depend on it. If it did, we could not hope to make early progress because, by definition, the date of birth of cattle would be entered only from the summer, and we know that cattle born on 1 August 1996 will be 24 months old by then. We therefore expect early progress on the date-based scheme.

Mrs. Dunwoody: In view of what my hon. Friend has just said, will he say whether there is any hope for English producers who can demonstrate that their herds have been totally BSE-free for some considerable time? Usually because their cattle are pedigree animals, farmers are able to demonstrate that they have had no problems, but they are still unable to export. That seems unfair.

Mr. Rooker: My hon. Friend is right. It is not generally appreciated that the majority of cattle herds in this country have never had a case of BSE. Some 67 per cent. of the 120,000 herds have never had a case of BSE. For beef suckler herds, the situation is more extreme—84 per cent. have never had a case of BSE. That is why the majority of farmers are so angry; they have been affected by what happened to a minority of farmers. We can show that the majority of herds in this country have been BSE-free. Lifting the ban under a date-based scheme, or indeed a certified herd scheme, should be easier, but the myth gets around that every farmer has had loads of BSE cases. That is not true. The 171,000 cases of BSE have been identified on a minority of cattle farms.

Farm Incomes

14. **Mr. Letwin:** What estimate he has made of future trends in farm incomes in the United Kingdom. [33767]

Dr. John Cunningham: It is difficult to predict the trend in farm incomes because of the many factors involved. I am kept informed by officials on how specific market developments could impact on farm incomes.

Mr. Letwin: Is the Minister aware that, for many farmers in my constituency, that answer will seem very odd? They have performed their own calculations and believe that they will be out of business next year due to the present state of the pound and the Minister's steadfast refusal to apply for agrimonetary compensation at the level they require.

Dr. Cunningham: The hon. Gentleman is absolutely wrong on that final point. The announcement that I made in December, and confirmed earlier this year, was based on agrimonetary compensation.

Mr. Letwin: It was a small amount.

Dr. Cunningham: The hon. Gentleman clearly does not understand. He says that it was a small amount, but it was virtually all that was available in agrimonetary compensation for the beef sector at that point.

Mr. Bradshaw: Does my right hon. Friend agree that farming incomes are particularly vulnerable to currency fluctuations? Does he therefore welcome the support of the National Farmers Union for the single European currency? Does he agree that it is absolutely ludicrous for the Conservative party to claim to be the friend of the farmer when it is still viscerally opposed to the single European currency?

Dr. Cunningham: My hon. Friend puts it very succinctly, and I agree with him.

Common Agricultural Policy

15. **Mr. Wilkinson:** If he discussed the reform of the common agricultural policy with the Minister of Agriculture of Chile during his recent visit to the United Kingdom. [33768]

Dr. John Cunningham: My noble Friend Lord Donoughue met the Chilean Minister of Agriculture on Thursday 5 March. Reform of the common agricultural policy was one of the items that they discussed.

Mr. Wilkinson: I am not surprised at that answer inasmuch as it must seem extraordinarily perverse that the

United Kingdom allows itself to be part of a European Union agricultural policy that deliberately excludes some of the very best and cheapest agricultural produce in the world, such as that from Chile, Argentina, Uruguay and Paraguay. As the European Union's agricultural policy is up for review, could not only the consequences of enlargement but the paramount importance of satisfying the need for British consumers to get the best possible and most economic deal be taken into account?

Dr. Cunningham: I am delighted to agree with the hon. Gentleman; he is absolutely right. We should lose no opportunity to press for reform of the common agricultural policy, because of this country's support for successful enlargement of the Union, because of the impending next round of the World Trade Organisation talks on liberalisation and because, as the hon. Gentleman says, we want to give our consumers the best value for money and the best choice in the food that they buy.

Fishing Industry (Coastal Management Schemes)

16. **Mr. Quinn:** What consultations he has had recently with leaders of the fishing industry with regard to coastal management schemes. [33769]

Mr. Morley: I plan to meet leaders of the fishing industry shortly to discuss their recent paper on zonal and coastal state management.

Mr. Quinn: I thank my hon. Friend for that answer and suggest that it would be useful if he could visit fishing communities in Scarborough and Whitby and along the rest of the North Yorkshire coast to receive from them in person the thanks that they have expressed to me for the good start that the Government have made with fishing policy.

Mr. Morley: I am grateful for my hon. Friend's comments. I am always more than willing to meet people from the fishing industry in fishing ports to talk about issues of concern. It is true that we have brought stability to an industry that has lacked it for many years, by getting to grips with the issue of multi-annual guidance programmes III and IV after years of delay.

ATTORNEY-GENERAL

The Attorney-General was asked—

International Bribery

24. **Mr. Bayley:** What advice he has given the Government on the implementation of the EU and OECD conventions on international bribery. [33782]

The Attorney-General (Mr. John Morris): Officials in the departments for which I am responsible are involved in providing assistance in such matters, but my hon. Friend will know that, by convention, advice given by the Law Officers, and even the fact of its existence, is not disclosed outside Government.

Mr. Bayley: What action are the Government taking during the United Kingdom's presidency of the EU to combat corruption in the public and private sectors?

The Attorney-General: I know of my hon. Friend's strong interest in this matter. Indeed, he introduced a Bill on the subject in February. The Government have been a strong supporter of measures to penalise corruption. As president, the United Kingdom is taking forward a Luxembourg presidency initiative on corruption in the private sector, which will build on and complement existing EU legislation against corruption of officials. Furthermore, a detailed report being produced by the presidency and the Commission evaluates existing anti-corruption measures in both the first and third pillars.

Mr. Ian Bruce: Will the right hon. and learned Gentleman tell us more about what the Government are trying to do to ensure that our EU partners are not using bribery or other corrupt practices to obtain contracts in other parts of the world? During my visits to other countries, I have heard that Britain often loses out because companies, rightly, are not willing to engage in bribery and corruption with officials in countries such as the former Soviet Union, whereas some other notable large countries in the EU appear only too pleased to do so, to win contracts from Britain.

The Attorney-General: I am sure that my right hon. Friends who will be concerned with such matters in any discussions will seek to do what they can within the European Union to ensure that there is a level playing field. In our domestic law, we can deal only with offences committed within the jurisdiction.

Mr. Skinner: As we are told that Cyprus is trying to join the European Union and will thus be affected to some extent by the Organisation for Economic Co-operation and Development and all the other areas of influence, will my right hon. and learned Friend tell me whether, if discussions take place, the Government will tell the people of Cyprus that we shall bargain to ensure that Asil Nadir is brought back to this country as part of any deal so that he can tell us precisely when he handed the money over to the Tory party and what steps will be taken to give it back to the shareholders who were robbed of it in the first place?

The Attorney-General: I know of my hon. Friend's repeated concern and interest in this matter, which I suspect will not arise during the discussions. I shall take it up with my right hon. Friend the Foreign Secretary.

Crown Prosecution Service

25. **Sir Nicholas Lyell:** When he now expects to receive the report of the committee reviewing the work and organisation of the Crown Prosecution Service. [33784]

The Attorney-General: Sir Iain Glidewell has informed me that he will not now be able to finalise his report this month, as he had hoped. Both he and I understand how important it is to the staff of the CPS that it should be completed as quickly as possible. I am satisfied that the review team is proceeding as expeditiously as it can, consistent with thoroughness.

Sir Nicholas Lyell: Pending receipt of the report, will the right hon. and learned Gentleman cast his mind back to when he was in opposition and recall how critical he was of the CPS in relation to discontinuances? Has he noticed his own most recent figures, which show that,

during the months he has had responsibility, they seem to have gone up somewhat? What is more, those discontinued before the first hearing seem to have dropped. Can he given an explanation and assure the House that the CPS has all the backing it needs?

The Attorney-General: I can assure the right hon. and learned Gentleman that the CPS has the backing it needs. This matter comes under the terms of reference of the Glidewell report, and the House would be right to await the report before forming a view. Evidence is required, but the right hon. and learned Gentleman is quite right to draw attention to recent figures.

Mr. Barnes: In North-East Derbyshire, we cannot get the CPS to prosecute motorcyclists, or bodies organising them, who misuse designated bridleways and bridlepaths. Might the review provide some opportunity to allow the CPS to do its work, or might we need a change in the law?

The Attorney-General: I shall draw that matter to the attention of the Director, although these are substantially matters for the police in the first instance.

26. **Mr. Clifton-Brown:** If he will make a statement on the review of the Crown Prosecution Service. [33785]

The Attorney-General: I refer the hon. Gentleman to the answer I gave a few moments ago to the right hon. and learned Member for North-East Bedfordshire (Sir N. Lyell).

Mr. Clifton-Brown: Is the Attorney-General aware that the CPS's computer system, SCOPE, had to be abandoned, at a huge loss of public money, because it was unable to cope with the new teamworking practices introduced by the CPS? This means that the CPS is now without any computer system that allows its branches to communicate with each other, let alone with every police force in England and Wales. What will the Attorney-General do to ensure this unsatisfactory situation is resolved?

The Attorney-General: I am aware of the interest and the criticism of the hon. Gentleman, who raised this matter in a Select Committee. I am grateful to him for giving notice of his question. SCOPE is a basic tracking and management system and, where installed, performs those functions adequately. It has been overtaken as the CPS changed and greater demands were made of the system. The CPS is pursuing methods to meet those needs, including consideration of the private finance initiative. I attach importance to compatibility with the remainder of the criminal justice system and I know that the Glidewell review is considering the issue.

Mr. Campbell-Savours: In light of press reports on the Glidewell review, can my right hon. and learned Friend tell the House whether it is proposed to restructure the CPS to 30 or 42 separate areas?

The Attorney-General: I am glad my hon. Friend has raised this matter, because there has been a misconception about it during the past few weeks. We took office with a commitment to restructure the CPS to 42 areas so as to align CPS areas with police force areas. That was the object of the exercise and it remains the policy. Sir Iain Glidewell's terms of reference are clear and require that his recommendations are on the basis of the service being organised into 42 areas.

Mr. Soames: Will the right hon. and learned Gentleman join me in paying tribute to the work of the Crown Prosecution Service in West Sussex, in particular the division run from Horsham, which looks after the magistrates court in Haywards Heath? Does he agree that it does a remarkably good job, despite the fact that it is short staffed and under great pressure? The most important thing that the CPS needs to carry out its task to the best of its ability is a little more money.

The Attorney-General: I understand why the hon. Gentleman presses for more public expenditure, but he knows the remit under which we have decided to operate. I am glad that he has paid tribute to his local staff—a large number of very hard-working and hard-pressed men and women work in the CPS. The Glidewell report is considering the means to ensure that the resources that are available are used to the best advantage and that lawyers get on with prosecuting and managers get on with managing, so that there is not the current undue mix.

Mr. Bermingham: Will my right hon. and learned Friend confirm that the Glidewell report will thoroughly review the working relationships between the police and the Crown Prosecution Service?

The Attorney-General: Yes. My hon. Friend raises an important issue. Concern that the relationship was not as smooth as it could be was a big factor in our decision to set up the review and to align police and CPS areas. It is also a specific topic in the review's terms of reference. The House will be aware that a very experienced former chief constable and inspector of constabularies, Sir Geoffrey Dear, is one of the team of three, which includes, of course, Sir Iain as chairman.

Fraud Trials

27. **Mr. Lock:** What representations he has received on the use of juries in fraud trials. [33786]

The Attorney-General: Last month, my right hon. Friend the Home Secretary launched a consultation exercise seeking views on whether an alternative method of trial should be available in serious and complex fraud cases and on the viability of various options for change. I have not received any representations following the launch of the consultation exercise.

Mr. Lock: I am grateful to my right hon. and learned Friend for that answer. Does he share my surprise that those who present fraud trials in an extended and lucrative way have taken no steps to preserve the current system? Does he also agree that Britain's reputation as a place for international financial business depends on effective and thorough mechanisms to combat fraud? What further steps do the Government propose to take to combat financial fraud?

The Attorney-General: In his consultation exercise, my right hon. Friend the Home Secretary is examining

the effectiveness of current trial management procedures. Moreover, the Government intend to widen the gateways to allow for the flow of information between all relevant agencies in the fight against fraud. We are also considering a system of civil fines for behaviour that, although not criminal, nevertheless tarnishes the market's reputation. The Government also recognise that an effective system of regulation is necessary to complement the criminal justice system, so a new single financial regulator, the Financial Services Authority, has been set up to help secure the United Kingdom's place as a fair, safe and clean place in which to do financial services business.

Mr. Burnett: Does the Attorney-General agree that juries should set and decide on standards for honesty in fraud as well as other trials?

The Attorney-General: My right hon. Friend the Home Secretary has set out various options. The Government recognise that there are concerns that the current system for handling some major, complex fraud trials is not working satisfactorily and that there may be a case for considering some change to the system, but we have not yet reached a conclusion on whether the ending of jury trials in serious fraud cases is desirable in principle. Moreover, we have not yet formed an opinion on any particular option for change and will not do so until the consultation procedure is complete.

Mr. Blunt: Is the right hon. and learned Gentleman aware of any fundamental objection to a system of specialist jurors with financial qualifications, and who have time available to sit, as the solution to that problem?

The Attorney-General: I am sure that the hon. Gentleman will want to read the Home Secretary's White Paper and look at the options there canvassed. As I said in my first answer, I have not received any representations. That is one of the suggestions that could be canvassed; I invite the hon. Gentleman to make his representations to the Home Secretary.

AGRICULTURE, FISHERIES AND FOOD

The Minister was asked—

Red Meat

17. **Mr. Spring:** If he will make a statement on the impact on the livestock industry of the Committee on Medical Aspects of Food and Nutrition Policy's recommendations on red meat consumption. [33771]

Mr. Rooker: We have no way of measuring the exact impact on the livestock industry of recommendations made by the Committee on Medical Aspects of Food and Nutrition Policy in its recent report on the relationship between diet and cancer. For the avoidance of doubt, I remind the House that all the work on that report was completed before the Government came to power.

Mr. Spring: Does the hon. Gentleman realise how demoralising all this is for beef farmers and, indeed, how confusing it is for consumers? I do not want to make any party-political point, but does he accept that constant change in what is supposedly safe and what we can or cannot eat is very undermining and reduces significantly the credibility of Government spokesmen?

Mr. Rooker: The hon. Gentleman's remarks are based on many of the myths and press reports surrounding the publication of the report. The fact of the matter is that COMA's recommendations about reducing the consumption of red and processed meat apply only to above average consumers, especially those who consume very high quantities of red and processed meat. The recommendations do not apply to the vast generality of the British public who eat red meat.

Schools Funding

3.30 pm

The Secretary of State for Education and Employment (Mr. David Blunkett): With permission, Madam Speaker, I wish to make a statement. Tuesday's Budget has rightly been well received. It confirmed new Labour's reputation for economic competence. It was a Budget for enterprise, a Budget for work and a Budget for families and for education.

The Chancellor pledged an extra £250 million for schools and skills in the coming financial year. Let me remind the House that that increase is part of the £2.5 billion boost for education and skills that we have already earmarked in the 10 months since we were elected last May. We inherited a situation in which, between 1993 and 1996, the Conservative party had cut £110 in real terms from every secondary pupil in the country and £44 from every primary pupil. Already, we have made a substantial start to repair the damage of those Tory years of neglect, by providing an extra £110 for every pupil in the coming financial year. We have increased the standards fund to more than £500 million in 1998–99, which includes an extra £59 million to improve literacy standards.

Today, I want to detail the big difference that this week's Budget will make, in increasing the means available to improve our schools and their pupils, by outlining four further major steps that we intend to take. First, I can make this pledge. We will bring to an end the scandal whereby children in 600 of our schools, most of them primary, still have to go outside to use the toilet. Tens of thousands of children have to go outside to use facilities that often date back to the Victorian age. That is simply unacceptable in the last years of the 20th century. We are inviting the authorities affected to apply for a share of the extra £35 million that we are earmarking, so that they can provide the decent facilities that every modern school should have. By next year, we shall have ended the scandal of outside toilets for ever. That will take our schools from the Victorian age into the age of the new millennium.

Secondly, I am concerned at the number of schools that have inefficient boilers and heating systems, which often break down. They waste energy and leave thousands of children spending the winter days in cold and draughty classrooms. We shall provide an extra £15 million to allow up to 500 schools to replace or improve their inefficient heating systems.

That will make classrooms more comfortable and learning-friendly places, save a great deal of money and put a stop to the waste of energy and damage to the environment, with a reduction in carbon dioxide emissions. As many as 100,000 children will have, at long last, the working conditions that they should be able to take for granted in a civilised society.

Thirdly, we have already announced the first £22 million to provide the extra teachers to ensure that we make an immediate start on our class size pledge, so that by 2001 every five, six and seven-year-old will be in a class of 30 or fewer. That first tranche will mean that 100,000 infants will benefit from this September.

When we announced that funding, redirected from the phasing out of the assisted places scheme, we made it clear that there would be extra money to build extra classrooms where they were needed. Today, I can announce that an extra £40 million from the Budget will be targeted specifically on providing those extra facilities in 1998–99. That will help us to deliver our core pledge on class sizes, which will help us to meet our demanding literacy and numeracy targets.

Those three capital spending measures will be in addition to the £250 million from the new deal for schools to be allocated in 1998–99 and to the £800 million that local education authorities and schools are spending in the normal way on repairs and maintenance this year.

There is a fourth piece of good news on schools from the Budget. I can further confirm that we shall expand rapidly our education action zones programme. We shall fund a fivefold increase to establish 25 zones by January 1999. We have already had considerable interest from imaginative partnerships between schools, LEAs and business at local level.

The zones offer extra flexibility to help schools in challenging circumstances to meet demanding targets and to make significant improvements in standards and expectations. By making a substantial expansion in the coming year, I am confident that we shall be able to extend the programme yet further in this Parliament.

This is a coherent programme that will help the process of transforming schools for the future. It means no more children having to go outside to use the toilet; improvements in the heating of schools; substantial further progress towards meeting our class size pledge; and a big boost to our flagship programme of education action zones.

In the years ahead, we shall meet our manifesto commitment to increase the proportion of national income spent on education. We are making a substantial start in the year ahead. By doing so, we are transforming the life chances of millions of children. We are modernising the fabric of our schools and making real progress in raising standards for all our children.

This is a new Labour Budget; a Budget for a modern Britain in a new century; a Budget to turn ambition into achievement.

Mr. Stephen Dorrell (Charnwood): It would be churlish not to welcome extra money to be spent on education, and I am pleased to welcome the Chancellor's announcement of extra spending on schools—

Mr. Blunkett: But.

Mr. Dorrell: There is indeed a but. As the Chancellor went to considerable trouble on Tuesday to obscure precisely how much extra he intended should be spent on schools, can the Secretary of State confirm that the total of new money to be spent on schools in England that he has announced today is a £90 million capital programme, to be spent on the no doubt desirable objectives—certainly, they are desirable—of ending outside lavatories, modernising heating and building extra classrooms to accommodate the expansion required by the Government's class size pledge? Can the Secretary of State confirm that, when the Chancellor announced on

Tuesday £250 million for education, he was misleading the House and that the Secretary of State has set out this afternoon the reality—

Madam Speaker: Order. Did I hear the right hon. Member for Charnwood (Mr. Dorrell) accuse another right hon. Gentleman of misleading the House? I am sure that he will apologise.

Mr. Dorrell: Inadvertently misleading the House, Madam Speaker. Has not the Secretary of State made clear this afternoon that the quantum of the Government's commitment, following the Budget, is £90 million in new money for schools? That is my first question.

Secondly, will the Secretary of State clarify exactly the status of the new deal for schools? He said in his statement that the capital plans are in addition to the £250 million from the new deal for schools allocated for 1998–99. However, the Red Book from last year's July Budget says that, in 1998–99, the new deal for schools should be £300 million. Will the Secretary of State confirm whether the new deal for schools in 1998–99 is £300 million, as announced last July, or £250 million, as set out in his statement this afternoon?

Thirdly, will the Secretary of State confirm to the House that he is now acknowledging that the Government were always wrong in saying that they could meet the cost of their class size pledge from the savings arising from the abolition of the assisted places scheme? Nobody except Ministers believed that that was possible. The Secretary of State announced this afternoon that the cost of meeting the class size pledge next year will be £22 million—as the Minister for School Standards announced to the Standing Committee on the School Standards and Framework Bill earlier this year. I should be grateful if the Secretary of State confirmed that the Government now recognise that they cannot meet their class size pledge using the savings from the assisted places scheme.

Fourthly, I should like to ask the Secretary of State about education action zones. The Conservatives have, broadly speaking, welcomed those ideas as they have been discussed in Committee. Will the Secretary of State confirm that the purpose is to provide opportunities for private sector firms to offer an alternative to local education authority-managed schools? That is certainly what the Secretary of State's adviser, Professor Barber, announced to the north of England education conference earlier this year—indeed, he said that it made it possible for Procter and Gamble to run schools. Is that the Secretary of State's policy, or was it a bit of private enterprise on the part of Professor Barber? I shall be interested to hear the Secretary of State's response.

Finally, will the Secretary of State confirm that the £90 million in new money that he has set out to the House this afternoon represents roughly half a per cent. of school spending? Will he confirm that it makes no difference at all to the pressures being experienced in schools up and down the country? Reports are coming in, day by day, from Wiltshire, Oxfordshire, Somerset, Suffolk and many other counties about schools that are facing severe resource constraints.

Is it not the case that the Government will enter their second year in office with many schools facing cuts and many teachers worried about their jobs? Is not the substance of what the Secretary of State hails as a new Labour Budget that the Government's priorities are not, as the Prime Minister likes to claim, education, education, education but in fact presentation, presentation, presentation?

Mr. Blunkett: The right hon. Gentleman has confirmed more vividly than I could the importance of the extra £835 million allocation to our schools as a result of the July announcement. He confirmed how crucial it is that education in England will receive £250 million more in the coming year through the new deal and that we shall manage to provide 1,500 more teachers from this September in order to fulfil our class size pledge. Those measures are in addition to the miserable £182 million that the previous Government allocated for education in the coming year.

I shall certainly answer the right hon. Gentleman's questions. There is £250 million for education in skills, which is what I said in my statement to the House this afternoon. A proportion of that goes to England, Scotland and Wales, which answers the right hon. Gentleman's second question. Wales, Scotland and Ireland get a proportion of the £300 million for the new deal. I am making a statement, as is the usual convention in the House, about England, because that is where I have responsibility for education.

Let me spell it out. There will be £250 million for the new deal for the coming year, and an extra £250 million across the UK for education in skills in the coming year, £90 million of which I have announced today.

The right hon. Gentleman asked about the class size pledge. We made it clear that the phasing out of the assisted places scheme would slow down implementation of the class size pledge. My right hon. Friend the Chancellor has helpfully allocated an extra £40 million in the coming year to accelerate the implementation of the class size pledge—for preparing, planning and ensuring that the design of extra facilities, the expansion of a classroom or the alteration of a building can take place in the months ahead, so that we can do even better in 1999 than we originally envisaged.

I was not sure whether the right hon. Gentleman was welcoming or criticising the measure. Is he in favour of the class size pledge or against it? Does he want smaller classes, or is he against them? Is it just sheer disappointment that has provoked him this afternoon to make what sounded like a griping, critical statement about £40 million more for schools throughout the country? If one was generous, that could be described only as extremely churlish, and the right hon. Gentleman was very churlish.

In reply to the right hon. Gentleman's fourth question, schools manage schools and will continue to do so, LEAs will continue to give their support and others will give their enterprise and initiative where it is appropriate as part of a partnership. I hope that Conservatives will welcome, encourage and support the development of education action zones, which will bring new initiatives in areas that need them most.

There will not be an authority from inner London, Essex or Derbyshire, or from the south-west of England, which will not today rejoice that they will at last be able to do what they have yearned to do for years, and what parents and children have wanted, which is, after 18 years of Conservative government, to eliminate the

[Mr. Blunkett]

600 remaining outside toilets in Britain's schools, so that we can have a civilised nation in the build-up to a new century—the end of the 19th century as we move to the 21st century.

Mr. David Drew (Stroud): I roundly welcome my right hon. Friend's statement. It may be too early to put out the flags for the schools with outside toilets, but if he would like to come to my constituency and cut the ribbons when they have all gone inside, I am sure that the heads will be only too delighted to welcome him.

Mr. Blunkett: I should be delighted to come to Stroud to celebrate, and even to use the new facilities; to declare new Britain, new loos.

Mr. Phil Willis (Harrogate and Knaresborough): We are disappointed that the Secretary of State's statement was widely leaked to the media well before we heard it today. After the debacle of the Secretary of State for Health yesterday, we were assured that that would never occur again. Yet when we did the media rounds at lunchtime today, every media outlet had the full statement.

Mr. Tony McNulty (Harrow, East): Flush out the leakers.

Mr. Willis: We must flush out the leakers. That is a most appropriate comment.

Liberal Democrats welcome any new spending on education and, although £90 million is not as much as we would have liked, it is still extremely welcome. The £35 million to eliminate outside toilets is particularly welcome because, in this day and age, outside toilets raise the important issue of child safety. However, we are surprised at the speed at which the right hon. Gentleman has been able to move, because on 3 March my hon. Friend the Member for Bath (Mr. Foster) was told that the Secretary of State did not know how many schools had outside toilets. We also welcome the £15 million to be spent on heating. It is important that our children and our teachers have quality facilities in which to work. However, we are disappointed that, again, there is a bidding system for both those sums. It does not seem appropriate that we have a new, trusting arrangement with local education authorities only to bypass them and go into the schools the first time that money is available.

We welcome the extension of education action zones—we have always supported that proposal—but ask the Secretary of State to ensure that there are a number of rural action zones, and that the preponderance of education action zones is not concentrated on the inner cities.

We are hugely disappointed that the whole area of lifelong learning is neglected and that there are no additional resources to meet the pledge that the Secretary of State made in "The Learning Age", or the pledges that have been made in response to the Dearing and Kennedy reports. Sixty per cent. of further education colleges face deficits, and more will be technically insolvent this year. When will this Cinderella sector be given the resources that it needs, to tackle the bridgehead between schools and universities?

Mr. Blunkett: I look forward to the day when the Liberal Democrats whole-heartedly welcome anything, because lifting the morale and motivation of the teaching profession is all about not griping and being cynical about every move that is made. I reassure the House that the media did not have my statement at lunchtime; I was still revising it. Secondly, I took the trouble of not going on the "Today" programme, which is unheard of in terms of Government presentations—I say to the Leader of the House that I am only joking.

Let me deal with the last point head on. This is not a statement about lifelong learning. There are resources for skills and lifelong learning, which will be announced separately. We have already allocated £100 million to further education and £165 million to higher education over and above what was allocated by the previous Government. It is simply not true that resources are not available to implement the proposals in "The Learning Age". The comprehensive spending review will deal with that.

There will have to be a bidding process to ensure that we target the money at schools that are in greatest need: first, to replace outside toilets—and that means all outside toilets, wherever they are—and, secondly, to replace the heating systems that are in most need of immediate action. I can assure the hon. Gentleman that education action zones will be available in rural areas, and we look forward very much to evaluating the bids from counties that believe that this initiative will help them to raise standards.

Madam Speaker: After the intervention made by the hon. Member for Harrogate and Knaresborough (Mr. Willis), perhaps we can have questions.

Mr. Peter L. Pike (Burnley): I welcome my right hon. Friend's statement. Is not it a fact that, for 18 years, we had a Government who did nothing to tackle the problem of our decaying schools and often refused to recognise that poor school facilities, such as toilets, boilers and so on, have an effect on learning in schools? We now have a Government who are prepared to put money into those areas, and who will, over the next five years, show that we mean business as far as education, education, education is concerned.

Mr. Blunkett: I am grateful to my hon. Friend. The means to ensure a transformation in the life chances of youngsters who have had to put up with intolerable conditions in the past will bring great comfort to people in Burnley.

Mrs. Jacqui Lait (Beckenham): Will the right hon. Gentleman please tell me how many London boroughs surrounding the borough of Bromley will become education action zones; and when does he expect their standard of education to improve to the standard in Bromley? Bromley parents will then be able to use the places in their schools that are currently taken up by the 25 per cent. of out-of-borough pupils. Those pupils are very welcome, because they get a decent standard of education, but it should be provided in their own Labour-controlled borough.

Mr. Blunkett: On the first question, the bids for education action zones are completed and will be with the Department tomorrow. When we are able to evaluate them, we shall announce where the action zones will be placed.

On the second question, the hon. Lady has raised this issue before. I give her the same reply that I gave before. It is a scandal that children cannot get into Bromley schools because of the selective system, even though they may live just round the corner. It may be good for people in other areas to travel to take up places in Bromley schools, but it is no joke for those who have to travel miles from Bromley because they are pushed out by children coming in from elsewhere.

Kali Mountford (Colne Valley): I am flushed with pleasure at my right hon. Friend's statement. Before the election, Conservative Members did not think that class sizes mattered, but now they do. Is it not churlish of them not to welcome the statement whole-heartedly, given that children often lose days of education because of broken boilers? Is it not better that we invest in their classrooms rather than have them huddle together for warmth?

Mr. Blunkett: Yes, it certainly is. I welcome what my hon. Friend says, and echo what my right hon. Friend the Secretary of State for Health said yesterday: the money for the health service will ensure that we are prepared, even if we are hit by the meteorite. I am preparing children to be able to get somewhere quickly should they learn that the meteorite is coming.

Mr. Nick St. Aubyn (Guildford): With the cry, "New Labour, new loos", the Secretary of State confirmed our fear that the future of education will go down the drain under the Government. Is it not bound to be noticed that the most welcome improvements of facilities at the 600 schools that he mentioned will cost £35 million, which amounts to £60,000 per school? Why is the Secretary of State inviting local education authorities to spend the money, and not enabling schools directly to get their hands on it so that it could be spent more efficiently and more carefully?

Mr. Blunkett: That takes the biscuit. We shall be replacing toilets, putting boilers into schools and replacing heating systems through the most administratively efficient mechanism possible. When LEAs are responsible for capital investment for schools under their auspices, it is sensible that they carry out improvements. We shall not advertise across the country for schools to declare themselves; we must move swiftly. We want bids to be in by 30 April, so that we can ensure that the scandal of children going across the yard and around the corner in the wet to spend a penny does not continue into the winter months.

Ms Margaret Hodge (Barking): I congratulate my right hon. Friend on his statement. Does he not agree that the Opposition education spokesperson should not deliberately muddle, if not inadvertently mislead, the House by pretending that the money is not new? Would not it be better if the Opposition apologised for spending 18 years failing to address the basic issue of installing inside lavatories in our schools? Many good Labour-controlled local education authorities have spent the past 18 years trying to provide inside toilets, and they would welcome being given some of the resources to improve their heating systems. Will my right hon. Friend confirm that they will not be disadvantaged when he determines how the money will be spread?

Mr. Blunkett: We shall distribute the money on the basis of need. As with the new deal for schools, we shall ensure that it is applied to assist in overcoming the legacy that we have inherited, and to assist us with the standards fund. I welcome my hon. Friend's opening words: we are at the end of an era, and at the beginning of a new one. I had hoped that the Opposition would welcome that. With regard to the remarks of the shadow Secretary of State, we are working hard to get the numeracy schools off the ground as fast as we can.

Mr. Edward Leigh (Gainsborough): What is the increase in education funding for Lincolnshire in the first year of Labour government compared with those in the last two years of Conservative government? If, as I suspect, the difference is modest, would it not have been more honest if my Labour opponent at the general election, instead of saying, "Education, education, education" had said, "Same old problems, same old problems, same old problems; same old increase as the Tories every year, same old increase as the Tories every year, same old increase as the Tories every year"?

Mr. Blunkett: I do not think that schools in Lincolnshire that have £1,000 extra to spend on books before 31 March would say, "Same old expenditure, same old Government." When they are given their allocation from the new deal for schools programme next year, they will not say that it is the same old story. As I announced in my statement, schools will receive, on average, £110 more for each pupil next year than they would have received under the Tories.

Mr. Dennis Skinner (Bolsover): Is my right hon. Friend aware that the parents of the kids in those 600 schools, many of which are in rural and semi-rural areas, will not care whether it is old or new money? They will not get terribly excited about whether it is in the Red Book, the Blue Book or the Green Book. They will know that this is real money. Those 600 schools need sorting out: the Tories had 18 years in which to do it. This work will be done before the end of the century, and those parents and kids will be better off as a result of the action announced today.

Mr. Blunkett: If every hon. Member showed such spirit, we would make enormous progress in giving the children of this country the life chances that they deserve.

Mr. Edward Garnier (Harborough): May I draw to the Secretary of State's attention the case of Fairfield Road primary school in Market Harborough? It has already put in a bid under the new deal for schools. Will the boiler money that he has just announced be in addition? The school has three separate boilers and three different fuel systems, and it would obviously be sensible to have one boiler system and one fuel system.

Mr. Blunkett: I am aware that the hon. and learned Gentleman has written about that matter. The money that I have announced will be additional to the bids under the new deal for schools.

Fiona Mactaggart (Slough): I greatly welcome the Secretary of State's statement. Does he agree that 20 years of under-investment in education, of children peeing in disgusting lavatories, and of freezing classrooms often in huts that contain asbestos has given the message that

[Fiona Mactaggart]

education does not matter, which it did not under the previous Government? Will he consider following up this excellent scheme with a programme to get rid of the use of huts, many of which leak and contain asbestos? Will he also ensure that education action zone proposals can be made in future? This year, Slough is becoming a unitary authority and a local education authority for the first time. That is not an appropriate time to make a sensible proposal for the creation of an education action zone. Will he give me an assurance that the programme will be available to such authorities in the future?

Mr. Blunkett: Health and safety is one of our key priorities under the new deal. The replacement of asbestos and the removal of what are no longer temporary classrooms, because many of them are more than 40 years old, will be part of that programme. Moreover, I can give my hon. Friend the assurance that she seeks. Subject to the outcome of the comprehensive review, I hope to expand the education action zone programme during this Parliament.

Mr. Tony Baldry (Banbury): No doubt the right hon. Member for Oxford, East (Mr. Smith) will have explained to the Secretary of State that Oxfordshire this year faces a £3.5 million deficit on its education budget, which is leading to reductions in school budgets. Is the Secretary of State aware of the feeling in shire counties such as Oxfordshire that they are losing out on the standard spending assessment system, and that they will not benefit from initiatives such as the one that has been announced this afternoon, however welcome they may be? I do not expect the Secretary of State to answer now, but it would be helpful if he would write and explain how much money he thinks Oxfordshire will receive under this initiative, because I suspect that it will be very little.

Mr. Blunkett: I shall be happy to write to the hon. Gentleman and let him know how many outside toilets in Oxfordshire schools will be replaced and how much will be spent on the replacement of boilers and heating systems. I can assure him that the allocation of new deal resources will be made fairly and openly and will be based on need, as is the allocation from the Department of the Environment, Transport and the Regions. I am sure that he will agree that it will be done in precisely the same way as his right hon. and hon. Friends allocated resources before the general election.

Mr. Harry Barnes (North-East Derbyshire): The statement is exceptionally welcome for Derbyshire, which is in great difficulty in all the respects described by my right hon. Friend. It has had to exceed its capping level in order to maintain its expenditure, and its primary schools probably have larger classes than those in any other shire county. Schemes to tackle such problems are very welcome. If it all works in Derbyshire, it will work throughout the country.

Mr. Blunkett: I am grateful to my hon. Friend for what he has said, and for his commitment and enthusiasm. It is worth recalling that we have also allocated £1.1 million to Derbyshire county for the investment that will be needed in September to fulfil the pledge on class sizes, and a further £1 million for the city of Derby. We have made some progress, although much more remains to be done to overcome the legacy of 18 years from which Derbyshire is suffering.

Mr. David Chaytor (Bury, North): Parents and teachers in Bury will welcome the statement, as they welcomed the education statement in last year's Budget and the statement on the standards fund in February this year.

Does my right hon. Friend agree that one of the worst legacies of the past 18 years is the continued existence of enormous discrepancies between the per capita funding of children in primary and secondary schools across the country? My schools in Bury are in one of the small group of authorities with chronically low per capita funding. Consequently, they struggle to obtain basic materials, and, even with the help over class sizes, they will continue to struggle next year.

The solution can lie only in the reform of the current SSA system. Has my right hon. Friend any plans to start reforming it, so that education investment can be distributed more equitably?

Mr. Blunkett: My right hon. Friend the Deputy Prime Minister and my hon. Friend the Minister for Local Government and Housing are aware of the considerable pressure for rapid change exerted by, among others, those who previously supported the SSA system. I think we all know that there is improvement to be made, and the Department of the Environment, Transport and the Regions is working on that.

Bury makes excellent provision. It has an excellent local education authority with excellent schools, and it will have come as close as any authority in Britain to eliminating classes of 30 or more by September this year.

Mr. Hugh Bayley (City of York): Following today's performance, the next statement that we hear from Opposition spokesmen about education will have to feature this question to my right hon. Friend: "Apart from cutting school class sizes, getting rid of outside toilets, providing proper heating systems and improving education standards, what have a Labour Government ever done for the education of our children?"

Let me make a more serious point. Does my right hon. Friend agree that, to make capital go as far as possible, the Government need to consider private-public partnerships? Might it not be a good idea for the Department to scour the executive agencies under its umbrella for talented people with experience of such partnerships, and to try to establish a unit that would put their skills to use?

Mr. Blunkett: I cannot list all the items—including books and equipment—that we have provided in our first 10 months of government, and all the things that we have managed to do so far. Over the months ahead, however, I shall do my best to ensure that the outside world hears about them.

I am mindful of the important question that my hon. Friend has raised. There are people with great expertise whose present employment has enabled them to understand the development of capital programmes and the planning process, and we hope to be able to draw on their expertise in developing still further the substantial public-private partnership programmes that are about to take effect throughout the country.

Business of the House

4.8 pm

The President of the Council and Leader of the House of Commons (Mrs. Ann Taylor): With permission, Madam Speaker, I shall make a statement about the business for next week.

MONDAY 23 MARCH—Conclusion of the Budget debate.

TUESDAY 24 MARCH—Conclusion of remaining stages of the School Standards and Framework Bill.

WEDNESDAY 25 MARCH—Until 12.30 pm, debate on the second to fifth reports from the Select Committee on Health on children's health, followed by a debate on the third report from the Select Committee on Environment, Transport and Regional Affairs on the proposed strategic rail authority and railway regulation, followed by debates on the motion for the Adjournment of the House.

Progress on remaining stages of the Government of Wales Bill (First Day).

THURSDAY 26 MARCH—Conclusion of remaining stages of the Government of Wales Bill (Second Day).

FRIDAY 27 MARCH—Private Members' Bills.

The provisional business for the following week is as follows:

MONDAY 30 MARCH—Consideration in Committee of the Scotland Bill (Seventh Day).

TUESDAY 31 MARCH—Consideration in Committee of the Scotland Bill (Eighth Day).

WEDNESDAY 1 APRIL—Until 2 pm, there will be debates on the motion for the Adjournment of the House.

Remaining stages of the Regional Development Agencies Bill.

THURSDAY 2 APRIL—Opposition Day [10th Allotted Day] (first part).

Until 7 pm, there will be a debate on a motion in the name of the Liberal Democrats. Subject to be announced.

FRIDAY 3 APRIL—The House will not be sitting.

The House will also wish to know that on Wednesday 25 March there will be a debate on bananas in European Standing Committee A, and a debate on aid to shipbuilding in European Standing Committee B.

On Wednesday 1 April, there will be a debate on renewable sources of energy and the energy framework programme in European Standing Committee B.

Details of the relevant documents will be given in the *Official Report*.

[*Wednesday 25 March:*

European Standing Committee A—Relevant European Community documents: (a) 5357/98, Bananas; (b) 6150/98, Assistance for Traditional ACP Suppliers of Bananas. Relevant European Legislation Committee reports: (a) HC 155-xvi (1997–98); (b) HC 155-xxii (1997–98).

European Standing Committee B—Relevant European Community documents: 11165/97 and 11167/97, Aid to Shipbuilding. Relevant European Legislation Committee report: HC 155-ix (1997–98).

Wednesday 1 April:

European Standing Committee B—Relevant European Community documents: (a) 13035/97, Annexes I, IV and VI—Energy Framework Programme (1998–2002); (b) 13035/97, Annex V—Energy Framework Programme: Save II; (c) 5140/98, Renewable Sources of Energy; (d) Unnumbered, Renewable Sources of Energy: Council Resolution. Relevant European Legislation Committee reports: (a) HC 155-xxi (1997–98); (b) HC 155-xxii (1997–98); (c) Hc 155-xviii (1997–98); (d) HC 155-xxii (1997–98).]

The House will also wish to know that, subject to the progress of business, it will be proposed that the House should rise for the Easter recess on Wednesday 8 April until Monday 20 April.

Sir Patrick Cormack (South Staffordshire): I thank the right hon. Lady for giving us the business, and echo the words of my right hon. Friend the Member for South-West Norfolk (Mrs. Shephard) in thanking her for again giving us two weeks' business. I also thank her for clarifying the dates of the Easter recess and say how helpful it is to know those. Last week, she said that she hoped to say something at a fairly early date about any possible Whitsun recess. The sooner we can have that news, the better.

The right hon. Lady mentioned the Government of Wales Bill in next week's business. She will know that we have been extremely glad to co-operate in the programming experiment in respect of two major constitutional Bills. We want that experiment to succeed, as I know she does, but does she accept that, now that the Government have tabled several important new clauses, which we welcome, and well over 100 amendments, the two days that were initially agreed for Report are not adequate?

If the programming system is to work, it is terribly important that some flexibility should be built into it, so that if the Government do that to a major Bill at a late stage we can have some extra time.

Will the right hon. Lady also accept that it is essential for the House to have a sight of the registration of political parties Bill—in draft form at the very least—before we complete consideration of the Government of Wales Bill?

The right hon. Lady has worked hard as Chairman of the Modernisation Committee; both my right hon. Friend the Member for South–West Norfolk and I have paid tribute to her on several occasions for that. When are the Committee's two latest reports likely to be debated, bearing in mind the fact that, this week, the Leader of the House has written to hon. Members suggesting that, in some cases, there will be a need to change the Standing Orders of the House and perhaps even legislative changes will be called for? The sooner the reports themselves can be debated and approved in principle, the better.

On many occasions recently, my right hon. Friend the Member for South-West Norfolk has called for a debate on the national health service. Although we fully appreciate that the health service is relevant to the Budget debate, particularly in the light of yesterday's statement, may I point out that that was the eighth statement that we have had in recent times on the NHS, and that the substance of yesterday's statement was that it will take the Government two years to get back to where waiting lists were on 1 May? It is essential that we have a debate on that as soon as possible.

Is the right hon. Lady aware that there is a great crisis in the museums world, particularly for many of our great national museums and galleries? Will she accept that the Budget did not begin to address the seriousness of the problem? May we have a debate on the matter quite soon?

In view of the considerable uncertainty that the Prime Minister displayed yesterday over the Red Book, or, as my right hon. Friend the Leader of the Opposition called it, the unread book, perhaps the Government should organise a teach-in on that document and ensure that all Ministers attend.

In the light of today's revelations, may we have a further statement next week on the conditions and security in Northern Ireland prisons? Will the right hon. Lady accept that we should like to have a full debate on the issue in the near future?

This is the period of our presidency of the European Union, but we have not yet had a general debate on foreign affairs. The Foreign Secretary's love of racing and support for country sports endear him to many Opposition Members. We realise that he is trying to do his best and that he has not yet made the sort of bloomer that a predecessor is alleged to have made when he asked a cardinal archbishop to waltz during the national anthem. However, it seems to us that the right hon. Gentleman's finesse is perhaps not as accomplished as it might be, and we should like a debate on foreign affairs so that he can explain himself.

Mrs. Taylor: The hon. Gentleman asked a number of questions, and I will try to deal with all of them. He asked about the Whitsun recess. I am hoping that we can have a week at Whitsun, but it will depend on the progress of business. The hon. Gentleman will be aware of the pressures on time, and I cannot give a guarantee at this stage.

We were pleased that the official Opposition and the minority parties thought it right to make progress on the Government of Wales Bill through a programming motion, and, as the hon. Gentleman said, we wish to see that experiment succeed. When the timetable was originally drawn up, it was envisaged that there would be significant issues to be discussed on Report stage; hence the two days that have been allocated. As the hon. Gentleman said, the Opposition welcome some of the more significant changes that have been made, and many of the other amendments to which he referred are technical. It is for the Business Committee to consider whether any injury time might be required on either of those days should there be the prospect of statements. Overall, the experiment has been extremely useful, and I am grateful for the co-operation we have had from all parts of the House.

I appreciate what the hon. Gentleman said about the need to make progress on the Bill on the registration of political parties. He will know that there have been significant consultations on the matter to try to ensure that what we propose is satisfactory to everyone involved. I hope that we will be able to see the Bill before long.

The hon. Gentleman asked about a debate on the reports from the Modernisation Committee. I, too, would like to see a debate on those matters, not least because I think that the general reception throughout the House has been positive and because, as he said, we may wish to make specific changes to Standing Orders. I do not hold out any

prospect of such a debate before Easter, but I hope that we will be able to make some time available after that, so that the House can have an opportunity to express its views.

The hon. Gentleman asked about a debate on health. I am sure that my right hon. Friend the Secretary of State for Health would welcome an opportunity to talk about the extra money that he has been able to make available for the health service. As the right hon. Member for South-West Norfolk (Mrs. Shephard) has requested a debate on the health service previously, I checked up on the matter. When the Conservatives were in government between 1992 and 1997, they had only one general debate on the health service. I hope that we can do slightly better than that. It is always open to the Opposition to use Opposition days for that issue.

As for the impact of the Budget on museums, it is still open to hon. Members to participate in the on-going Budget debate. Hon. Members who have a specific interest in that matter still have two days in which to take part in the debate.

The hon. Gentleman mentioned the serious situation in prisons in Northern Ireland. He will be aware that, at the beginning of the week, there was a private notice question—which you, Madam Speaker, allowed—enabling the relevant Minister to explain the situation. The hon. Gentleman will be aware also that there are inquiries into events there. I am sure that the House will be kept informed of any developments.

As for the hon. Gentleman's comments on the presidency of the European Union and a general debate on foreign affairs, I cannot promise that we can have such a debate before Easter. However, we should like to have a debate on foreign affairs as soon as we can find some time in the parliamentary calendar to do so. I am sure that my right hon. Friend the Foreign Secretary will acquit himself well, as he always does.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): May I tell my right hon. Friend how grateful the Select Committees will be for the opportunity to debate their reports? I look forward to Wednesday morning's debate on the strategic rail authority. It will be a great asset if the Select Committee's work is recognised on the Floor.

However, having congratulated my right hon. Friend on that, may I ask her whether she will expedite the debate on modernisation of the House? Although there seems to be an astonishing amount of compliance between the two Front Benches—which always worries any sensible Back Bencher—some of the suggestions on timetabling, including timetabling in Committees, are not only extremely difficult to accept, but could be said to be anti-democratic. I hope that she will not run away with the idea that everyone in the House thinks that those reports are the best thing since sliced bread.

Mrs. Taylor: I am grateful for my hon. Friend's earlier comments on the Select Committee report. Some Select Committee reports should be debated on the Floor of the House, and she has been very fortunate to get a debate on a report in which I know she has a very specific interest.

My hon. Friend mentioned Committee timetabling and procedure. I should remind her that those matters were the subject of previous reports of the Modernisation Committee, and that those reports were endorsed by the House, which approved them with nobody voting against. However, opinions are divided on some of the matters, and the two Front-Bench teams are not in agreement against everyone else. The Modernisation Committee's reports have had the support not only of Front Benchers but of Back Benchers on both sides of the House, and of experienced Members and new Members alike. That is another reason why everyone should be able to participate in the debate.

Mr. Andrew Stunell (Hazel Grove): Will the Leader of the House take very seriously the point made by the hon. Member for South Staffordshire (Sir P. Cormack) on the Government of Wales Bill, to which the Secretary of State for Wales has tabled 117 amendments? I take the right hon. Lady's point that we will have to work constructively, and it would be very helpful if there could be further discussions on that matter.

Will the Leader of the House speak to the Chancellor of the Exchequer and to the Deputy Prime Minister and ask them jointly to publish a Green Book, which was originally promised to accompany the Red Book and would outline the Budget's environmental impact? Some pages in the Red Book cover some of the Budget's impacts, but they give a very partial and incomplete picture of the environmental impact of the overall Budget strategy.

Will the Leader of the House also ask the Secretary of State for the Environment, Transport and the Regions to make a statement to the House on radioactive discharges from Sellafield that have entered the North sea? They are now the cause of international complaint and are affecting fisheries in Scandinavia.

May I also reinforce the point made by the hon. Member for Crewe and Nantwich (Mrs. Dunwoody) on the Modernisation Committee? It would be a sad thing indeed if all the Modernisation Committee's proposals were greeted with utter unanimity. I would welcome—as I know that the House would welcome—an opportunity to debate the proposals, with the agenda moving forward even more strongly.

Mrs. Taylor: The hon. Gentleman asked me about the environmental impact of the Budget. As he acknowledged, some pages of the Red Book deal with that. If he has further points to make, I repeat what I said earlier—there are two days left of the Budget debate and he may be fortunate enough to catch your eye, Madam Speaker.

I understand that the hon. Gentleman has a particular interest in radioactive waste in the North sea. He will be aware that a change in the authorisation in 1994 resulted in increased radioactive discharge limits. The Environment Agency has just completed public consultation on draft new authorisations which will reduce discharge limits. I hope that that will reassure him that the Government share his concern and are keen to take action in an attempt to minimise the problems.

The hon. Gentleman is right in his comments about the Modernisation Committee. We cannot expect unanimity, but, so far, the responses that we have received to our proposals have, by and large, been positive. However, it remains to be seen whether there will be such a level of agreement when we discuss such issues as electronic voting or even the timing of sittings of the House.

Mr. David Winnick (Walsall, North): In view of the way in which Tory Members have done their very best to

[Mr. David Winnick]

destroy the Bill introduced by my hon. Friend the Member for Worcester (Mr. Foster) to ban hunting with dogs, is my right hon. Friend aware that there is very strong feeling among Labour Members that the measure should be discussed in Government time? Even if the Government cannot rescue the Bill—although one wishes that they would—may we have a statement that, at least in the lifetime of this Parliament, the issue will be debated in Government time so that that barbaric sport can be stopped for ever? That is what Labour Members want. Undoubtedly, a large majority in the country want the House of Commons and Parliament to take the necessary action to stop hunting with dogs.

Mrs. Taylor: I am glad that my hon. Friend makes it clear that if the Bill fails, it will be due to the actions of Conservative Members and not the Government. The Government have always made it clear that there is no question of making Government time available for any private Member's Bill during this Session, and it would be wrong to treat the Bill to which he refers differently from any other. We have said on a number of occasions that we intend to keep the issue under review; that remains our position.

Mr. John Wilkinson (Ruislip-Northwood): May I remind the right hon. Lady of the Government's clear commitment to produce a White Paper on the future of London's government in the week beginning 23 March? Therefore, may we expect next week the White Paper and a statement from the Deputy Prime Minister, together with another statement on the future of London Transport underground finance? Is it not the case that the modernisation of Britain is going ahead only in rhetorical terms, and that, in practical terms, commuters using London Transport underground have had no improvement in service and only an escalation in fares?

Mrs. Taylor: I believe that my right hon. Friend the Deputy Prime Minister will be in a position to make a statement about the government of London next week, as promised. I am pleased that the hon. Gentleman gives me the opportunity to mention that. As for London underground—unusually, but because of the importance of the issue—my right hon. Friend will be in a position to make a statement tomorrow.

Mr. Harry Barnes (North-East Derbyshire): On 24 February, my right hon. Friend the Prime Minister made a statement on Iraq during which I asked what the Government intended to do to advance democracy, peace and economic and social progress there. My right hon. Friend said twice that we will do what we can. May we have a debate on how the Iraqi people can be assisted in their plight, as the problem has not gone away?

Mrs. Taylor: Both the Prime Minister and the Foreign Secretary have mentioned the need for follow-up action along those lines. My hon. Friend will not be surprised that I cannot promise another debate on Iraq in the near future. However, he will be aware, as he has participated in such debates on previous occasions, that we always have an open three-hour debate on the Adjournment before each recess; he may be able to raise that topic then.

Mrs. Margaret Ewing (Moray): I am sure that the Leader of the House is aware that the Highlands and Islands Convention is meeting on 3 April. Could she arrange for a statement from the Department of Trade and Industry or a full debate in Government time on European Union structural funds—an issue which is important not just to the highlands and islands, but to many others who want to know the Government's approach to negotiation in the next few months?

Mrs. Taylor: I am aware of that meeting. We have tried to arrange business in the House to accommodate it. My right hon. Friend the President of the Board of Trade has made our position on EU structural funds very clear. Although there have been some concessions, there is still a good deal of negotiation ahead of us. We are willing to contribute to the costs of enlargement, but that must be done on a fair basis, taking account of all the factors. There may be more information available by the time of the meeting to which the hon. Lady refers.

Judy Mallaber (Amber Valley): Will my right hon. Friend find time for an early debate on the consultation processes on applications for opencast mining, in view of events in my constituency earlier this week, when a parish council met to consider the threefold extension of the Trinity opencast site? I am concerned that there may be similar problems elsewhere. The parish council chairman, who owns part of the site, allowed in only 16 members of the public, was not heard to declare his interest, allowed a vote to be taken in secret, and vacated the chair only just before the vote was taken. We should consider whether there are similar problems throughout the country.

Mrs. Taylor: My hon. Friend raises a series of unusual circumstances relating to one application. I shall pass her concerns on to the relevant Ministers. She will know that the consultation period has now been completed and that Ministers are entering further discussions on the issue. I shall make sure that my hon. Friends make further inquiries about the procedures followed in the case that she has raised.

Mr. William Thompson (West Tyrone): I note what the Leader of the House has said about the scandalous situation in the Maze. She said that the matter was dealt with in the private notice question at the beginning of the week, and she mentioned that an inquiry is going on. I understand that it has been completed and the report is now with Ministers in the Northern Ireland Office. Will she review her decision? When that report becomes public, can we have a debate? The situation is serious—indeed, it is a laughing stock in the press and other media, as well as among the ordinary people in the street in the United Kingdom. We should have time to discuss such a scandalous state of affairs in a part of the United Kingdom.

Mrs. Taylor: It would be wrong to anticipate the conclusions of any report by promising a debate or saying that one was needed. I shall bear in mind the hon. Gentleman's request.

Mr. Steve McCabe (Birmingham, Hall Green): Is my right hon. Friend aware of the welcome news today that the Korean car giant Daewoo has invested £160 million in Britain? I understand that the joint investment with Birmingham-based LDV will secure 1,500 jobs and create

2,000 new ones. LDV is a van manufacturing company which almost went out of business because of the neglect of manufacturing under the previous Government. Will my right hon. Friend consider making Government time available for a debate on the Government's approach to investment in vehicle manufacturing?

Mrs. Taylor: I am sure that my hon. Friend will be more than delighted with the announcement and the security of jobs in his area. It is a good news story, but, as I have said to other colleagues on other occasions, it is not always possible to find time even to debate good news.

Mr. Nicholas Soames (Mid-Sussex): Will the right hon. Lady ensure—even given her often expressed views on the difficulty of finding time for a further foreign affairs debate, which I perfectly understand—that the Foreign Secretary has an opportunity to make a statement on how he had to cope with the shockingly petulant and bad-mannered reaction of the Israeli Government to his visit to Israel? Does she agree that the middle east peace process, and the role of Europe and the United Kingdom in it, is of substantial importance to this country's interests and that, at the very least, the Foreign Secretary should have the opportunity of making a statement to the House?

Mrs. Taylor: I know that the hon. Gentleman has a long-term interest in this matter. Indeed, he was one of those who were very keen to ensure that the Foreign Secretary was active in this regard. The Foreign Secretary makes statements to the House whenever there is anything specific to report. The hon. Gentleman is right to say that it is important for this country that progress should be made in the middle east peace process. I hope that, during the summer, we will find time for a full debate on foreign affairs. When there is anything specific that is important enough to warrant a statement on the Floor of the House, my right hon. Friend the Foreign Secretary will keep the House informed of it.

Mr. Edward Garnier (Harborough): Did I hear the right hon. Lady correctly when she said that the Deputy Prime Minister would make a statement tomorrow on London matters? If that is so, will she use her offices to ensure that all London Members are told about it, because many may not have been present to hear what she said?

Madam Speaker: That is their problem.

Mr. Garnier: It may well be their problem, but if the Leader of the House could assist them, I am sure that they would be most grateful. I always like to be as helpful to the Labour party as possible.

When will the Human Rights Bill be in Committee on the Floor of the House?

Mrs. Taylor: On the first point, I can confirm that I said that there would be a statement tomorrow. The official Opposition and minority parties have been informed of that, and I shall leave it to them to inform their own London Members.

Madam Speaker: Hear, hear.

Mrs. Taylor: On the second point, I have announced business up to the week before the Easter recess. I do not anticipate the Human Rights Bill coming back to the House this side of Easter.

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [17 March].

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting a supply, acquisition or importation;

(b) for refunding an amount of tax;

(c) for varying any rate at which that tax is at any time chargeable; or

(d) for any relief, other than a relief which—

(i) so far as it is applicable to goods, applies to goods of every description, and

(ii) so far as it is applicable to services, applies to services of every description.—[*Mr. Gordon Brown.*]

Question again proposed.

Budget Resolutions and Economic Situation

[*Relevant documents: The Third Report of Session 1997–98 from the Social Security Committee, on Tax and Benefits: Pre-Budget Report (HC 423), and the First Report of Session 1997–98 from the Environmental Audit Committee, on the Pre-Budget Report (HC 547).*]

Mr. Deputy Speaker (Sir Alan Haselhurst): Before I call the Secretary of State for Social Security and Minister for Women, I must announce Madam Speaker's decision that the 10-minutes rule will apply to Back-Bench speeches throughout the debate.

4.37 pm

The Secretary of State for Social Security and Minister for Women (Ms Harriet Harman): Welfare reform is at the heart of the Budget that my right hon. Friend the Chancellor unveiled to the House on Tuesday. Welfare reform is central to building a better and more successful Britain.

Under the previous Government, the welfare state was allowed to fall into disrepair, so that it acted as a brake on economic success and a lever for widening social division. The system prevented people from getting into work—writing off millions of people who wanted to work to a dead-end life of poverty and dependence on benefits. It discouraged people who were in work from getting on in their work, by imposing effective tax rates of 80 per cent. or more on people with low incomes who were trying to increase their earnings. The system imposed a cap on their aspirations. Everyone was left to foot the spiralling social security bill, which grew by £45 billion in real terms over 18 years, until it cost more than health and education put together.

[Ms Harriet Harman]

None of us can ignore the results of that failure when one in five working-age households has no one in work and nearly 4 million children are being brought up in poverty. Faced with that legacy, it is our duty to reform the welfare state. We are determined to make welfare work for Britain, to create a modern welfare state to help rebuild a cohesive society and a strong economy.

The Budget, delivered after just 10 months in government, is an important step along that road. It marks an entirely new relationship between tax and benefits, and between the Treasury and the Department of Social Security.

Options for streamlining the tax and benefits systems have been explored by every Government in the past 30 years, but all previous attempts have failed. This Budget marks a turning point, because we are a modern Government determined to break down barriers between Departments, and not to let turf wars get in the way of achieving our objectives.

We have a clear and modern view of how to reform welfare and tackle poverty. Next week's Green Paper on welfare reform, from my right hon. Friend the Minister for Welfare Reform, will set that out in more detail.

Welfare reform is a long-term business. It has to deliver a system that is fit for the 21st century, and will last. Although the principles from which we start are 50 years old, they are just as relevant today as they were when Beveridge first set them down: society has a responsibility to help people in genuine need who are unable to look after themselves; individuals have a responsibility to help provide for themselves when they can do so; and work is the best route out of poverty for those who can help themselves.

The principles remain the same, but the social and economic context has been transformed. The nature of work has changed, with a shift away from full-time manual work towards part-time service sector employment, and a widening pay gap between those at the top and those at the bottom.

The distribution of work has changed. Despite the fact that the proportion of people in work has remained broadly the same, there has been a growing divide between work-rich and work-poor households. The structure of families has changed. One in three marriages end in divorce, and women's lives have changed dramatically.

Fifty years ago, when William Beveridge set out his principles for the welfare state, he was applying them to a world in which most women gave up "gainful occupation" when they got married and undertook instead to perform "vital unpaid service".

"In the next thirty years,"

he said,

"housewives and mothers have vital work to do in ensuring the adequate continuance of the British race."

That is not so in the 1990s. Women today are more likely to be mothers and workers than mothers and housewives.

Nowadays, two thirds of all married mothers go out to work, and whether they work full time or part time, their work is vital to the family income. The days are gone when women were as rare a sight in the workplace as men often are in the kitchen. Britain now depends on women's work as well as men's.

The welfare system failed to adapt to those changes, and so has become increasingly outdated. The previous Government's critical mistake—one that the Opposition are no doubt still making to this day—was to fail to recognise that the world had changed and women were changing their lives. Women do not want the Government to tell them not to; they want the Government to back them in the choices that they are making—and that is what we are doing.

Kali Mountford (Colne Valley): I congratulate my right hon. Friend—[HON. MEMBERS: "Give her a job."] That seems to surprise the Opposition. My right hon. Friend has often been a lone voice in the House in her support for child care strategies. Is it not a good thing that at last we have a comprehensive child care strategy that will enable women who want to work to do so?

Ms Harman: I thank my hon. Friend warmly for her comments. She points out the fact that the Government are changing the agenda in a way that women want—something which the previous Government failed to do.

We are modernising the system so that it goes with the grain of change—putting Beveridge's principles into practice, but in a modern setting. We are making sure that welfare works for women as well as for men, because women head the poorest families and are the lowest paid, and are also the most likely to have caring responsibilities.

We are constructing the building blocks for economic success through employment and opportunity for all, by helping people to move into work, by ensuring that work pays, and by providing help to those who cannot work.

Last year's Budget launched the biggest ever assault on worklessness and poverty, through the new deals for the young and the long-term unemployed, for lone parents and for sick and disabled people who want to work. This year's Budget goes further in helping those who want to move into work to do so, by giving more active support, by taking obstacles to work out of the system, and by making work pay.

What active support are we giving? We know that in the modern economy skills and qualifications are the key both to getting a job and to getting on in that job. That is why we are investing heavily in helping young unemployed people to improve their skills and education, through the new deal for 18 to 24-year-olds.

For lone mothers, the problem of lack of skills is even greater. Whereas the number of young unemployed people who do not have qualifications is one in five—that is serious enough—half of lone mothers have no qualifications. So today I am building on the work begun by the Select Committee on Education and Employment, for whose work I place my gratitude on the record, by announcing a new initiative to help lone parents to improve their skills and qualifications through in-work training—backed, in its original pilot phase, which will start in eight pilot areas in October, by a £10 million investment made by my right hon. Friend the Chancellor.

We are also investing a further £25 million that is needed to enable us to respond to the demands of lone parents with children under five who, although they have

not been invited in to the new deal for lone parents, are coming forward and asking to use our services. The extra investment is being made to meet that demand.

Mr. Nick Gibb (Bognor Regis and Littlehampton): Does the right hon. Lady believe that the pilot schemes for the new deal for lone parents have been a success, with only a 6 per cent. return-to-work rate?

Ms Harman: I think that I would put that question back to the hon. Gentleman, and ask whether he really thinks that we could ever go back to a time when the policy for lone parents was simply to say, "Stay on benefit until your youngest child is 16, and be written off into a life of dependence."

The pilot schemes have started, and the progress that they are making is encouraging. They are being welcomed by lone parents, and the personal advisers are responding brilliantly to the new challenge. Employers are beginning to change their shift patterns so that they can employ lone parents.

The full evaluation of the additional work gained by lone parents will be published in due course, but I must remind the hon. Gentleman that, under the Tory Government, the number of lone mothers on income support reached more than 1 million, and those mothers were bringing up more than 2 million children on income support.

As a result of the present Government's approach, and the measures that we are introducing, the number of lone mothers bringing up their children entirely dependent on benefit will start to fall—and I hope that at that stage the hon. Gentleman will have the grace to recognise that ours is a pioneering and long overdue programme.

Mr. Gibb *rose—*

Ms Harman: I shall not give way again, because I must make progress.

It is a measure of the success of the new deal for lone parents that it is now inconceivable that anyone would seriously say to lone mothers that they should stay on income support until their youngest child is 16. After just 10 months of Labour in Government, that approach is gone for ever.

It was not only lone mothers whose aspirations to work were ignored by the previous Government; so, too, were the aspirations and capacities of people with health problems or a disability.

Mr. Steve Webb (Northavon): Before the Secretary of State moves on from lone parents, may I ask her a question? I welcome the additional cash for child benefit, which lone parents will receive, but does the right hon. Lady accept that there is now an anomaly, in that this year lone parents on income support will get a fiver in family premium, and in 1999 they will get the £2.50 premium on child benefit, but in 1998–99, new lone parents will get neither? Should she not now reverse the cut for one more year, and protect people who become lone parents next year?

Ms Harman: No, because we are persisting with the principle that we have established—that it is not family formation but household income that should dictate the amount of benefit received. We are going forward on the basis that the amount of benefit paid for children in workless households will depend on their age, not on whether there are one or two parents in the household. Lone parents and married women with children in workless households will move forward together as they get the benefit of our new investment in the children of the poorest families.

Mr. Phil Hope (Corby): As a result of all the tax and benefit changes in the Budget, will not the poorest 20 per cent. be £500 a year better off?

Ms Harman: My hon. Friend is right. This Budget is investing more in opportunities while improving the circumstances of the poorest families with children.

It was not long ago that the aspirations of lone mothers were written off, as were the aspirations of the long-term sick and disabled. Some people have such serious disabilities or health problems that they will never work, and the Government will always support those people in a life of dignity and independence. However, 2 million people with disabilities do work, and over 1 million more say that they would like to work but are not working.

That is why we are investing £195 million to identify the best ways of helping disabled people who want to work to find work. We are piloting a new personal adviser service from October, and we will be working with the voluntary and private sectors to test a range of other innovative schemes. That has never been done before. Previously, such people were written off.

To make sure that welfare works for women as well as men, we are investing £60 million from the windfall tax to enable women whose partners are unemployed to gain access to employment programmes themselves for the first time, so that they can receive the help that they need to get back to work. For the under 25s, childless women who have unemployed partners will no longer be written off. They will be treated in exactly the same way as their spouses.

It is unbelievable that, in this day and age, these women—under 25 and with no children—should be treated as unemployable by virtue of the fact that they are married to an unemployed man. Women do not view themselves just as dependants of their partners, and this modernising Government will not treat them as such. Women with children whose husbands or partners are unemployed can also choose to join the welfare-to-work programme, but for them—as for lone mothers—the programme will be entirely voluntary.

In addition, we are helping people to move into work by taking benefit obstacles out of the system. New rules to link periods of benefit entitlement will mean that sick and disabled people and lone parents who want to work will no longer have to worry about any financial risk involved in taking a job which may not work out. Lone parents in receipt of income support before April 1998 will be able to take a job knowing that they will return to the same rate of benefit if it does not work out within three months. People who leave incapacity benefit to take a job will be able to return to benefit at whatever rate they were previously being paid if the job falls through within a year, avoiding the risk of possibly losing as much as £40 a week in benefit.

We will help disabled people to play a fuller role in their communities and to take a step towards paid work by abolishing the rule limiting voluntary work to 16 hours

[Ms Harman]

a week for those on incapacity benefits. As from October, disabled people who want to make a contribution to the community will no longer lose any benefit, however many hours they work on a voluntary basis.

Dr. Stephen Ladyman (South Thanet): I very much welcome that statement from my right hon. Friend. Many of the disabled people who have come to see me have expressed the need to be able to return to benefit in the way that she has described. One of the barriers preventing the disabled from working is the fact that sometimes they cannot work within the normal patterns that the rest of us can cope with. Will these innovative programmes consider the possibility that disabled people might be able to make a contribution, but in a different way from able-bodied people?

Ms Harman: My hon. Friend makes a very important point. We must recognise that there must be more flexible benefit patterns for people whose health condition might fluctuate, and more flexible working patterns must be available from employers. We mean business about this—we are serious. We are not happy that 1 million people are simply excluded from the jobs they might want to do because they have health problems or a disability. We must be able to respond to their capacities and abilities and not simply preside over a system which continues to pay them but writes them off.

The next part of our strategy is to make sure that work pays. This Budget helps us take a further major step forward. The introduction of the new working families tax credit—I pay tribute to the work of the Select Committee on Social Security on the issue—together with the national minimum wage, will not only make sure work pays, but will bring greater rewards for work by helping lower and middle-income families with children to keep more of what they earn.

The system will guarantee a minimum income of at least £180 a week for all families where someone works full time. It will guarantee that no working family pays any income tax at all on earnings below £220 a week. It will put a stop to the penal rates of marginal tax which have meant that some low-paid employees have had to pay back more than a pound for every extra pound earned.

Mr. Quentin Davies (Grantham and Stamford): Is the working families tax credit available to the self-employed? If not, why not? Is that not an irrational and invidious discrimination?

Ms Harman: The working families tax credit is available for people in employment, and the hon. Gentleman is right to place on the agenda further proposals to help people prosper through work, whether they are employed or self-employed. It is a major step forward, but further developments will have to be considered.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I am happy to acknowledge that the Government have responded positively to most of the ideas of the Select Committee in terms of the working families tax credit. However, the biggest barrier to work identified by the Government's research is the difficulty with housing benefit. Responsibility for housing benefit is split with the Department of the Environment, Transport and the Regions, but it would help if the Secretary of State could say a word about the Government's plans for dealing with it in the future.

Ms Harman: We are concerned about the way in which housing benefit is operating, as we do not believe it is contributing to housing policy in the way it should. One of its problems is that it does not fit with our commitment to ensure that every part of the benefits system contains no disincentives to work—and, indeed, provides incentives. Together with the Department of the Environment, Transport and the Regions, we are reviewing the interaction of housing policy and housing benefit, and we will bring forward proposals for consultation shortly. We are well aware of the evidence to the Select Committee—and the Committee's report—which suggests that this matter needs further action.

The new disabled persons tax credit will bring greater rewards from work for people whose earnings are limited by long-term sickness or disability. Their new tax credit will be more generous than the disability working allowance that it replaces, with a lower taper and higher earnings thresholds. We are modernising the system to take account of the aspirations of disabled people in the workplace.

As part of modernising the system to take account of women's role in the workplace and their responsibilities in the home, the Budget takes a major step forward towards a national child care strategy for Britain—the key elements of which are quality, accessibility and affordability. For the first time, the Budget makes high-quality child care affordable for all families. We are providing low-income families with the cash they need to meet the costs of registered child care through the new child care tax credit. Parents will receive up to £70 a week towards the cost of their child care for one child, and up to £105 a week for two or more.

All families below an upper earnings cut-off will receive at least 70 per cent. of their child care costs, and changes to benefit rules will ensure that the lowest earners get even more. It will not just be the lowest earners who benefit—although they will benefit the most. A lone parent with two children under 11 may still be eligible for some child care tax credit even if her income reaches £30,000 a year, and a typical lone parent with one child and an income of up to £15,000 a year is still likely to be paid a full 70 per cent. of her child care costs.

Those changes, together with the announced £300 million investment in out-of-school child care, mark substantial progress in our national child care strategy for Britain. A Green Paper setting out that strategy in full will be published after Easter. I am truly proud of the progress that my right hon. Friends the Chancellor and the Secretary of State for Education and Employment and I have been able to make in delivering that manifesto promise in such a short time. We shall support parents by offering them choice backed up with opportunities, and opportunities backed up with real investment.

That is important for children, for their parents and for the economy. It is important for children because good child care can give them a head start, offering them educational and social opportunities before they start school, regardless of whether their mother works. It is

important for parents because it is what they want—the waiting lists for nurseries, after-school clubs and child minders are endless—as child care helps them to support their families by working, so that they can bring up their children on income from work, not benefits, and thereby break the cycle of joblessness and social exclusion. Child care is important because Britain's economy depends on women's work—as does the welfare of their families.

What happens in the workplace is also crucial if we are to ensure that people have opportunities to work—change in the workplace must be part of welfare to work. That means ensuring greater access for disabled people and tackling discrimination through our disability rights commission. For lone mothers—indeed, all mothers—it means that we must ensure that employment is family friendly, so that women can balance their responsibilities at home and at work.

Our changes to the tax and benefit systems—supported by the changes to the national insurance system that were announced by my right hon. Friend the Chancellor on Tuesday—will increase the rewards from work for millions of working people. We shall abolish the entry fee for both employers' and employees' national insurance, cut the cost of employing lower-paid workers by raising to £81 a week the earnings level at which employers start to pay national insurance contributions for their employees, and replace the distorting step rises in national insurance rates with a new unified rate of 12.2 per cent.

Together, all those changes are crucial in ensuring that the practice of the social security and tax systems meets the real needs of men, women and children today. The principles remain true to those of Beveridge—first, that work is the best route out of poverty for people who are able to work and, secondly, that individuals have a responsibility to help to provide for themselves when they can do so.

Beveridge's third principle—that society has a responsibility to help people in genuine need who are unable to look after themselves—also remains central. By helping people to provide for themselves when they can, and by minimising and rooting out fraud and abuse, we can better help those in genuine need. We are putting that principle into practice too, which is why we acted to help all pensioners to keep warm during the winter, and provided extra help for the poorest pensioners.

Mr. Simon Burns (West Chelmsford): As the right hon. Lady will remember, 40,821 duff cheques were sent out. Is she aware of the problem that is now becoming apparent—that pensioner married couples who are not on income support are receiving two cheques for £20? What will her Department do to rectify that loss to the public purse?

Ms Harman: The hon. Gentleman points out an error of some 40,000 payments in a programme that involved the better part of 10 million payments. The exercise was unprecedented, as the previous Government's approach to winter fuel was to tax it—not merely at 8 per cent., but at 17.5 per cent. We expect to make better progress next year—when we shall again make winter fuel payments—than we were able to do this year. I have acknowledged that there have been problems, but we shall iron them out. What is important is that, for the first time, we gave £20 to all pensioner households and £50 to the poorest pensioner households, in which the pensioners were on income support.

Mr. Burns: Will the right hon. Lady now deal with the second point of my question? I asked her about the new problem whereby pensioners who are married couples and who are not in receipt of income support are being sent two cheques and twice the amount of money, and not the single cheque of £20? What will her Department do to correct that problem? Many pensioners are not sure whether they should cash the cheques or return one, and they are not receiving clear advice when they ring up the Benefits Agency.

Ms Harman: Two pensioners who live together should receive two cheques at £10; a pensioner who lives on his or her own should receive £20. Administrative errors are inevitable when payments to 8 million pensioners are made. That is one of the reasons why we invested in a public information campaign, backed by television and newspaper advertising, which the hon. Gentleman has gone to great lengths to criticise. We want people to have the information about their entitlements.

Mr. Burns: What is the right hon. Lady going to do about the mistake?

Ms Harman: I have answered the hon. Gentleman's question. He is merely nit-picking. We are making unprecedented payments, which is a big change from the behaviour of the previous Government, who put tax on fuel. He has not decided whether we are paying too little or too much—he is still trying to find his role, and I look forward to the time when he has sorted himself out.

Last week, I announced nine new pilot schemes to find the best ways in which to get more automatic help to the 1 million pensioners who do not claim the income support to which they are entitled.

In the Budget, we are making an extra £1.2 billion a year available to give more support to children and to direct extra resources to the poorest children. All parents—both in work and out of work—have to bear extra costs and responsibilities in bringing up their children. Child benefit remains the fairest, most efficient and most cost-effective way in which to recognise those costs and responsibilities.

That is why, from April 1999, the Government will increase the amount of child benefit for the eldest child by £2.50 to around £14 a week. The same increase will be made to the family premium in income support, jobseeker's allowance, housing benefit and council tax benefit to ensure that low-income families also gain from the change.

As the Chancellor said on Tuesday, we can and should do even more on child benefit. If child benefit is increased in future, there is a case for higher-rate taxpayers to pay tax on it—that must be right in principle. We shall bring forward detailed recommendations for reform.

Some families need more help than others, and the case for additional support for children in poorer families is strong. However, that support needs to be provided on the basis not of family structure—whether there are one or two parents—but of the needs of the children. It is important that we provide better help when families need

[Ms Harman]

it most, which, as research has shown, is in the children's early years. I pay tribute to the research work carried out by the Joseph Rowntree foundation, which showed that the adequacy of benefits was a particular problem in relation to children aged up to 11, rather than to those aged 11 to 16.

That is why we are targeting extra help to the poorest families with younger children—we shall increase the allowance by £2.50 a week for children under the age of 11 in all the income-related benefits. That means that a family on income support with two children under 11 will be £7.50 a week better off.

The Budget shows that welfare reform is already happening in practice. We have set the direction, by building on principles that claim a direct lineage from the original chief architect of the welfare state. We have set the method, by applying those principles to a modern setting and by working with the grain of change in the wider society. We are making sound progress, delivering the results.

Next week, we shall publish our welfare reform Green Paper, to take forward the national debate on welfare reform for the 21st century.

This week's Budget and next week's Green Paper show that we now have a modern Government with a third way to tackle poverty and social exclusion, rejecting the right's view that one can tackle poverty simply by freeing up markets and relying on wealth to trickle down, and rejecting, too, the old left's view that one can tackle poverty simply by raising benefits. Instead, our approach, which is taken forward in the Budget, is to help people who can work to get work, so that they can look after themselves, and to free resources to invest in health and education and get better help to those who cannot work. This Budget has helped with work for those who can and security for those who cannot.

5.9 pm

Mr. Iain Duncan Smith (Chingford and Woodford Green): First, I must thank the Secretary of State for her courtesy in sending me a letter to outline some of the changes in the Budget. I appreciate that and I shall look at it in the next few days as those changes are implemented.

Like all Budgets, Tuesday's Budget will take time to bed down. Much of the previous Budget was welcomed at the time, but now, 10 months afterwards, a great deal of it is being rejected by many of those same pundits who welcomed it. This Budget is no different.

My right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) made clear in yesterday's debate that Tuesday's Budget amounted to a series of broken pledges. It seemed to have been conducted by a system of smoke and mirrors; there was little detail as the Chancellor glided over some of the more complex changes, preferring to say little and suggest a great deal.

As the Chancellor kept repeating, everyone supports the idea of getting people off benefit and into work. Every hon. Member is bound to accept that as a key criterion for any Government in reforming welfare. The real question that we must ask is to what extent the Budget and the changes that we have seen so far will produce that effect.

For obvious reasons, I shall say nothing about the welfare reforms that are likely to come in the Green Paper—they are likely to be produced next week and we will wait to discuss them—but I find it strange that Tuesday's Budget contains a major change in the tax system, which affects social security, but we have to wait until the Green Paper is published, after the Budget, to find out to what degree those reforms have affected the Chancellor's thinking. No doubt the Minister of State will tell us all when the time comes.

The real question for the Secretary of State and her right hon. Friends is to what extent they expect unemployment to fall—she suggested that it would. Will the right hon. Lady now commit herself to a figure, a proportion or a percentage by which she envisages unemployment falling as a direct result of all the changes that she is implementing in the new deal? So far, we have had little commitment on that and if the right hon. Lady wants to give me a figure, I am happy to give way and allow her to do so.

We intend to monitor closely the pilot programmes designed to encourage disabled people back into work. There is much detail to be considered there. I shall wait to find out how that scheme progresses before deciding whether it is successful. Anything that assists disabled people to get back to work or to get more meaningful employment has to be welcomed; the question is to what degree the scheme will work and how it will be targeted. We will wait and see how it develops.

I shall deal with three or four of the major changes that have taken place.

Mr. Hope: I am grateful to the hon. Gentleman for giving way and I welcome the hon. Member for West Chelmsford (Mr. Burns), who has decided to take his seat on the Opposition Front Bench this afternoon—he is obviously back in favour. If the Conservative party ever reached Government again, would they repeal the working families tax credit now that a Labour Government have introduced it to help the poorest families?

Mr. Duncan Smith: The hon. Gentleman is back on his usual form. He has been passed information from someone on the Government Front Bench and been told, "It's your turn to intervene." The only serious question that he has been able to come up with is, "What will you do when you get back into government in five years' time?" I cannot understand why Labour Members, who have been in power only for some 11 months, are so petrified about the Conservatives getting back into power. I shall answer the hon. Gentleman's question when the Government answer how they will explain to the British public that they have reneged on every pledge that they made before the election. When we get into government next time round we will do what is necessary to put the mess right, but let us get back to national insurance reforms, which are in the Budget, rather than the nonsense in which the hon. Gentleman is engaged.

The purpose of the change is to reduce the cost of employing low-paid workers. To some degree, the changes will undermine the Government's claim to be encouraging a high-skill economy in which people have high levels of training and there are opportunities for all—the claim covers not only the low paid but those on

average and just above average incomes. The Chancellor announced that employers would not pay national insurance contributions on the first £81 of an employee's weekly earnings and above that would pay a single rate of 12.2 per cent. on every pound up to £440.

The new Labour Government claim as another of their top priorities that they will turn Britain into a high-skill economy. There is a problem here—I hope that the Paymaster General, who I welcome to his position, will deal with it in his reply—as to some degree the change will clash with the pledge.

Surely by also increasing the national insurance rate, the Chancellor has directly increased the cost of employing workers who have the higher skill levels and those who would move to higher pay with on-the-job training. That could put a question mark over their employment. That fact has been recognised in the past 24 hours by a number of companies, including J. Walter Thompson, which represents an industry that is close to the heart of new Labour—it is a case of spinners in a spin—and which has said that the national insurance

"changes are going to be a major cost for professional services companies."

I hope that the Paymaster General will deal with that when he replies.

That problem is compounded if we take into account the impact of the national minimum wage on the Budget changes. That wage will reduce the number of people earning between £60 and £80 a week by artificially inflating weekly take-home pay. As the Deputy Prime Minister noticed many years ago, that will force more employees up into the 12.2 per cent. band, as the differentials shuffle upwards. It will represent an extra cost to employers and create another barrier to work. I hope that the Paymaster General will give us some figures and some idea of what the Government calculate will be the impact of that change, given the others implemented in the Budget.

Employers are likely to respond to the change by hiring more part-time workers so that hours worked are restricted and the new earnings totals do not breach the earnings limit. Coopers and Lybrand has predicted that the present bunching of employment at just below £64 a week will shift to £81 a week. Again, perhaps the Paymaster General could tell us what calculations he made when considering that matter and how the Government intend to alleviate that effect.

Apparently, according to old new Labour, that sort of move would have been regressive in the run-up to the election. In the past 10 months, it has been attacked endlessly, yet implemented, and I would therefore be grateful if the Paymaster General could clear the matter up.

Ms Ruth Kelly (Bolton, West): Is the hon. Gentleman seriously suggesting that the previous national insurance system, which meant an entry fee for both employer and employee, was a better system than that proposed by the Government? Would he revert to that system if, by the strangest chance, the country re-elected the Conservatives?

Mr. Duncan Smith: The hon. Lady said "the strangest chance"; perhaps she is a little less concerned than the hon. Member for Corby (Mr. Hope). I am not trying to persuade anyone to revert to the previous position. I am simply pointing out—[Hon. Members: "Ah!"] No, I am legitimately pointing out that a reform that continues what my noble Friend Lord Lawson started as early as 1988, and is seen as natural continuance, has knock-ons. It will have a major knock-on not because of what a Conservative Government would have done but because the major commitment that the Labour Government have made to the national minimum wage makes the whole thing different. The hon. Lady and her hon. Friends have to answer that question. It is not a question of the simple change, but of the shuffle-up that will take place as a result of the national minimum wage.

The working families tax credit is the Budget's flagship proposal. The Chancellor's proposal is not new: it has been around since the 1960s and does not necessarily lie along party lines. The idea of integrating tax and benefits has been adopted and opposed at different times by both main parties. Each time it has been proposed, it has been rejected, often with the assistance of Labour Members—and particularly the Secretary of State for Social Security.

One of why the reasons why the Secretary of State would have rejected the idea in the past is the old issue of wallet versus purse. She may have changed her view, but she was adamant about it before. The argument is well known among Labour Members, some of whom will no doubt rehearse it. When family credit was being debated, the arguments of the Minister for Welfare Reform were largely responsible for the change from a tax credit system to a benefit system.

The Chancellor says that he has solved the problem by allowing couples to make the decision after discussion and to tick the box. That is surely not a solution, as it simply adds complication, not only in bureaucracy but in the matter of who is to carry the main weight of decision. Perhaps the Secretary of State can tell us who will decide, in the case of a dispute between husband and wife, whose position will be pre-eminent.

Will the state take the view that the main breadwinner matters most, or that the wife should prevail? The Government will be in the position of arbiter between the two, perhaps even sitting at the breakfast table to decide who is right. Perhaps the Secretary of State can answer that point. Who will be pre-eminent? I invite her to intervene. There is no answer.

I hope that my hon. Friends will take note: the Government have launched a supposed solution, but are unwilling to answer a direct question on the main point.

Kali Mountford: I am somewhat bemused by the hon. Gentleman's assumptions about families. Does he at least agree that one of the problems with family credit is poor take-up? Many families suffer poverty unnecessarily. Does not this solution bring people out of poverty without the stigma of benefits, supported for so many years by the Conservative party?

Mr. Duncan Smith: There is no stigma. No evidence has been produced for that. In fact, when Martin Taylor was asked directly by the Social Security Committee what stigma there was, he had to admit that there was no evidence. I think that the Chairman of that Committee, the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), is nodding. It is no good trying to build up a straw man as the reason for the change: the supposed problem does not exist. The take-up is more than 80 per cent. in financial terms and 70 per cent. in numbers.

[Mr. Duncan Smith]

Studies conducted for the Department of Social Security show that it is difficult to identify, among the 30 per cent. who do not take up family credit, whether stigma is the reason. In fact, the 30 per cent. contained many people who should not really have been identified as qualifying for the benefit. If the working families tax credit is predicated on the supposition of stigma, it is wrongly based.

The Secretary of State has not mentioned the experience of Canada and America. Canada has a benefits system that is in many ways close to ours. The WIS—working income supplement—system in Canada has failed and a benefit-based system is being reintroduced. What studies did the Government conduct on that? Perhaps the Paymaster General can answer.

Interestingly, the Government were even advised by Mr. Mendelson, who wrote the document for Rowntree, that for every $100 spent, only $6 went in the end to the objective of increasing employment. That was one reason why the scheme was abandoned. There was also a huge increase in fraud, and overall costs spiralled.

If the Government intend that the working families tax credit should shrink the benefits bill, they are clearly listening to the wrong argument, because it is much more likely to increase it. Even by their own admission in the Red Book, it will increase dependency by putting many more people on a 60 per cent. marginal rate. The Government's figures suggest that that will happen to an extra 250,000 people.

If, as the Minister for Welfare Reform said,

"Means-tested Benefits, which are progressively withdrawn as income rises, act as a penalty on work and on effort"

and are to be rejected, someone should explain why. The administrative cost to business will be increased and employers will be supplied with hitherto confidential information about household incomes. As was found in the Canadian experience, employers will know who is being cut in on the subsidy, and that leads to fraud.

If anything, stigma is increased, because more people know who is receiving the benefit. The experience in Canada and America was that that deterred people from taking it up. The Department's own figures show that the idea of stigma does not hold up. It would be nice to hear from the Paymaster General why all that evidence was chucked out.

The married couples allowance is perhaps the most devastating of the fault lines. There is a clear shift in Government policy on aspects of the family and the relationship between family and children. In further reducing the married couples allowance, the Government are sending a signal that marriage is not important to them and that they are in essence indifferent to the structure within which children are nurtured and cared for.

The hon. Member for Leicester, West (Ms Hewitt), who often features in these debates, and certainly in the Social Security Committee, claimed that marriage "doesn't fit any more" in today's society. It is revealing that she should have said that: it shows that new Labour thinks that marriage is in essence an outdated institution. The Budget confirms that and puts into practice what has heretofore been simply a theory. Ruth Lister, a former member of Labour's Commission on Social Justice, congratulated the Government because the Budget

"moves away from supporting marriage to supporting children and rightly so".

There is a debate to be had about that.

The previous policy, of reducing married couples allowance, was mistaken. By the time of the general election, it was changed. The previous Government decided that the policy was wrong and that the best way forward was to have transferable tax allowances to rectify the growing burden of the change in cost to families. We set a clear direction for ourselves.

The new Government have opened the gap and said that the concept of a married couple bringing up children in a family is no longer any more than a life style choice. The Government also plan to underwrite up to 70 per cent. of child care costs, up to a limit of £100 of eligible costs for families with one child, and £150 for families with two or more children.

The Chancellor claimed that he was being prudent with a purpose. I believe that the child care scheme is anything but prudent. The Government are attempting to regulate child care. Informal networks currently provide support for children and those informal arrangements will, by necessity, change following this proposal. The state will distort the existing patterns by promoting new ones. Following the change to the married couples allowance, that sends a further stark message to parents. The Chancellor is not just indifferent: he is saying to families where parents choose to stay at home, "You should put your child into care and go out to work—and here is an inducement." In essence, the Chancellor has become a persuader for child care: he is trying to persuade all parents, regardless of their position, to go out to work.

Financially, the Chancellor has failed to address the implications of the high take-up rate. When state subsidies are offered, experience dictates that they will be taken—and taken with a will. In other words, the Government are offering subsidies for child care and, in so doing, will be both meeting and creating demand. As the Institute for Fiscal Studies said yesterday:

"We might see prices going up very rapidly, with the government simply finding itself subsidising profits and prices".

It begins to look very much like the issue of housing benefit and the way that that tends to force up prices. I dare say that the Government will deploy the same arguments against it in their review in two years' time in an attempt to introduce a cap.

In Britain, we have a heady mix of the highest proportion of lone parents on benefit and the highest child care costs in Europe. According to the Daycare Trust, British families pay the highest child care bills in Europe. It follows that the Government are in danger of running up a substantial bill for child care.

Mr. Hope: Will the hon. Gentleman give way?

Mr. Duncan Smith: I shall give way in a minute.

That bill will inevitably be passed on to taxpayers—although the Government do not want to tell them at this stage. The taxpayer will foot the bill. That reasoning is

reflected by calculations from the IFS, which claims that the cost will rise as high as £4 billion—not the £1 billion that the Government have allowed for in the Budget.

The Government's calculations do not add up. Even taking only the current number of children who are likely to take up provision, the cost will rise way past the £1 billion mark. So the IFS's £4 billion figure begins to look very reasonable. In those circumstances, taxpayers would incur the equivalent of an extra 3p in the pound on the basic rate of tax. That is yet another little broken pledge that the Government have quietly hidden away while seeking to increase the burden on the taxpayer.

Mr. Hope *rose—*

Mr. Duncan Smith: I have already given way and I shall do so again in a minute.

The details of how this credit will operate have yet to be fully spelled out. If the Government rely on a scheme in which the costs are reclaimed, the bureaucracy involved will be enormous. Such a system would have to be monitored closely to avoid fraudulent high claims.

When children are involved, it is not simply a question of life style choices; it is a question of the structure within which children are brought up. It is wrong to view children in competition with marriage in this context. It is wrong to fund a higher level of child benefit by cutting another element in the tax system: the married couples allowance.

Family structure is very important. That fact is confirmed endlessly by research both here and across the Atlantic. A little publicised British project, the national child development study, showed how the "quite remarkable" difference in family situations of children who had done well by age 23, particularly educationally, despite the worst backgrounds in terms of income and housing, was associated with the fact that almost all had stayed with two original parents. American studies have shown the same thing.

The study is not a condemnation of the fact that some children are brought up, for whatever reason, in single-parent families, but it is an observation that, where possible, the two-parent family—and, in this case, the family with married parents—provides extra balance and structure that defines a child's upbringing. In this Budget, the Government are moving in the opposite direction: they have said that there is no difference and that therefore it is simply a life style choice.

Kali Mountford: The hon. Gentleman began by talking about the choices that families may make. What choices did families have under the previous Government, given that their child care record was the worst in Europe?

Mr. Duncan Smith: I must inform the hon. Lady that this is her Budget and this is her Government. If she does not want to discuss the Budget, that is fine—but I wish she would tell the Chancellor not to bother to produce a Budget every year. The hon. Lady must understand what is in the Budget. In my view, and in the view of many commentators, this is a retrograde step that will produce greater difficulties and lower the quality of child care. It is absurd to suggest that the state should encourage parents to put their children into child care regardless of the family position, but that is what is in this Budget.

Mr. Hope *rose—*

Mr. Duncan Smith: I have just given way, so I shall move on.

A leading liberal academic in the United States, Sarah McLanahan—who is in this country at present and has been feted by new Democrats and by new Labour—has reached exactly the same conclusion. She has spoken at length about the link between the demise in marriage and the demise in civil attitudes. In the United Kingdom, Melanie Philips has written about exactly the same concerns. The point is that the Government have chosen to move in the opposite direction. That is their position, so they must defend it and not pretend that it does not exist.

This Budget fails to redress the balance and, as a result, the situation will worsen. As my right hon. Friend the Leader of the Opposition said yesterday in response to the Budget, the Government had a chance to redress the situation. He offered the Government the opportunity to make the tax allowances transferable, but the Government have thrown that away. Therefore, the tax structure still bears down disproportionately on two-parent families, and particularly on married couples bringing up children.

In Britain, the income tax threshold for a married man with two young children fell from 101.2 per cent. of average male manual earnings to 34.9 per cent. between 1950 and 1993-94. To that extent, the burden has increased on married couples bringing up children and this Budget does nothing to rectify that situation—although it needed attention more than other measures that are in the Budget.

Mr. Malcolm Wicks (Croydon, North): The hon. Gentleman raises some interesting ideas about the relationship between the state and marriage. Has he reflected on why marriage rates in this country have declined significantly in the past 18 years—arguably partly because of joblessness among young men? Has he also reflected on why, in the same period, the divorce rate in Britain has increased to the point where 40 per cent. of marriages now end in divorce? By the end of the Conservative years, Britain had the distinction—if that is the word that I am seeking, which it is not—of topping the European divorce league.

Mr. Duncan Smith: The hon. Gentleman always makes an interesting point. The number of marriages producing children has fallen from 81 per cent. to just under 70 per cent., so three quarters of all children will still be brought up by married parents. That is an important factor, although the number has fallen. The hon. Gentleman has supported my argument. I had hoped that this Government would do something about the problem of divorce rates. The experience is by no means unique to Britain—it is even worse in the United States. The problem is not quite so bad in parts of Europe, but that is changing. It is time for Government to act. The point is that the Government should have addressed that issue in the Budget, but they have moved in the opposite direction and are likely to exacerbate rather than ameliorate the problem.

[Mr. Duncan Smith]

Families have funded benefits and the expansion of the welfare state through higher tax. The Chancellor has reduced the married couples allowance partly to buy off his Back-Bench critics and partly to redress the changes to lone parent benefit for which he voted in December. It is worth addressing that point. The Prime Minister denied that that would take place. He told the House that the leaked stories that appeared in *The Guardian* were "wrong", but the stories about child care credit turned out to be very accurate. The articles about redressing the lone parent benefit changes also reflect the final package that appeared in the Budget.

According to the IFS, the Budget changes do not just redress the balance politically but go some way towards redressing it financially. It claims:

"many existing single parents with children under the age of 11 will be more than compensated for the cuts in lone parent benefits".

The measures have a political element that has gone unmentioned. The child benefit increases amount to a cynical move fuelled by political pressure and they are not necessarily part of a rational package of welfare reforms.

On Tuesday, the Chancellor proclaimed that he had found a new faith in the increases in child benefit. Notwithstanding his desire to tax or means test them, suddenly he discovered this great element. New Labour has never publicly expressed faith in such rises. However, under fierce criticism, the Chancellor suddenly claimed:

. "Child benefit remains the fairest and most efficient and cost-effective way of recognising the extra costs and responsibilities borne by all parents. Raising it allows us to do more for mothers who choose to be at home, working at home bringing up children."—[*Official Report*, 17 March 1998; Vol. 308, c. 1107.]

If this is such a valuable benefit and raising it at the suggested rate is vital to creating a fairer society, why did the Chancellor fail to mention whether the increase will now be index linked and made annually throughout the Parliament?

Will the Secretary of State guarantee that no further cuts will be made to the married couples allowance, that no cynical device will be used in future and that it will be held at least at its present level?

New Labour says one thing and does another. This is a spin doctors' Budget. They have enjoyed it from start to finish. They have done their level best to spin and they continue. Labour claims that we should take it at its word, but we can do that only if we look at its words and reverse their meaning. The soundbite and sentence become the weather vane in the opposite.

New Labour came to power claiming that the tax burden on middle England was too high and that it had no plans to increase taxes. New Labour also claimed that it would encourage savings and security in retirement. How many of my right hon. and hon. Friends remember those words that were thrown at them during the election? New Labour has broken every one of those pledges.

Both objectives have been undermined by new Labour's economic policy. The Government's own figures in the Red Book reveal that taxes are set to rise and savings are set to fall. That does not reflect the fears and aspirations of working men and women throughout Britain. Instead, it reflects the step-by-step betrayal of the golden economic legacy left to Labour by the previous Government. It is breaking trust with the British people.

Mr. Hope: Will the hon. Gentleman give way?

Mr. Duncan Smith: No.

New Labour had an opportunity to redress the severe tax that it imposed on thrift when it taxed pension funds last July. That was a missed opportunity, because no such action was taken. It was warned at the time by the actuaries that that action was likely to lead to greater difficulties in pension funds, but it took no action at all.

All those opportunities have been thrown out. The Government chose the wrong tax to redress and so highlighted their true instincts—and will now stand condemned. They did not even offer charities a reprieve from the abolition of the ACT dividend tax credit, as had been asked for.

We can take new Labour at its word only if we reverse its words. Throughout the Budget runs the fault line of sleight of hand—do not trust what we say, trust only what happens after we say it. Labour's motto is: we cannot be trusted.

Labour failed to cut welfare bills: welfare bills, which it pledged to cut before the election are now set to rise and rise again. It has increased tax when it said that it would cut tax. It has devalued pensions and threatened pension funds in a way not seen for many years. It has lowered investment levels in Britain.

At the beginning of its term in office, Labour is already breaking promises. I wonder what it will be like when it comes to leave government in four years' time.

5.42 pm

Mr. Jim Cunningham (Coventry, South): I shall try to be brief because I am aware that many of my hon. Friends wish to speak.

The Budget is based on the long-term decision making that is necessary if we are to prevent a return to the boom and bust years witnessed under the Tory spending spree in the late 1980s. As a result of that, inflation almost doubled in two years, peaking at more than 10 per cent. in 1990. Interest rates also rose to 15 per cent., fuelling large-scale repossessions and homelessness. That spending spree led to the longest recession in the post-war era and unemployment of more than 3 million for the second time in a decade.

The Government are committed to ensuring that Britain enjoys the kind of economic success capable of delivering long-term prosperity not just for the wealthy, but for the long-term unemployed, young people and lone parents, all of whom were forgotten throughout the 18 years of failed Tory government.

The Conservatives' golden economic legacy is more a legacy of debt and failure on a massive scale. After 18 years of Conservative government, Britain had the lowest investment among Organisation for Economic Co-operation and Development countries, the lowest job creation and one in five households without a wage earner. Every Tory Budget failed to answer those problems.

Social security now consumes more than £100 billion, about a seventh of the nation's wealth, yet under the Tories there was a massive rise in social exclusion and crime.

The Government inherited a national debt of more than £400 billion, its having doubled in the six years between 1990 and 1996. The public sector borrowing requirement was £23 billion in 1996, yet during the 1980s the Tory Government received billions through the privatisation programme. Oil and gas revenues alone totalled £80 billion, and that at a time when tax revenues rose by 43 per cent.

That debt equates to more than £26 billion a year in interest payments, or 10p on the basic rate of income tax. The Tories spent more servicing the national debt than they did on education. Under the Conservative Government, the average taxpayer contributed more than £1,000 a year to meet that legacy of debt.

The Government's commitment to sustainable and sound public finances can be seen in numerous measures undertaken since last May. The tough five-year deficit reduction plan is based on the need to encourage long-term investment, and the granting of operational independence to the Bank of England, which will provide a clear and accountable monetary framework, has already reduced long-term borrowing costs by one third of 1 per cent., which will save taxpayers around £6 billion a year.

Since the May election, the Government have twice had the opportunity to reduce corporation tax and, on both occasions, they have seized it. First, they reduced it from 33 to 31 per cent., then to 30 per cent., the lowest main rate among any of our major competitors. They also pledged not to raise that level during the remainder of this Parliament. The small business rate has also fallen, from 23 per cent. last May to 20 per cent. The changes to corporation tax will help nearly 2,800 businesses in Coventry, South alone.

The Tories failed the British people on tax, and that is why they lost so heavily at the election. They had had an 18-year history of deceiving the electorate on taxes. The tax take as a proportion of gross domestic product went up from just over 34 per cent. in 1979 to just under 36 per cent. in 1996. From 1979, the tax burden under the Tory Government was higher in every year bar one.

Under the Conservatives, so-called tax cuts were nothing more than an underhand shift from direct to indirect tax, from progressive to regressive tax, from taxing the rich to taxing the poor. The changes made by successive Conservative Governments resulted in a shift in the tax burden that penalised the poor. Between 1979 and 1997, the tax burden rose for everyone except those earning more than £64,000 a year.

The Conservative Government repeatedly broke election pledges on VAT. In 1979, they claimed that they would not increase VAT, but, after the election, in the first Parliament, VAT almost doubled from 8 to 15 per cent. In 1992, they again promised no more increases in VAT. The then Chancellor claimed that there would be no need to increase the scope or rate of VAT, but, by 1993, the Government had extended its scope to include domestic fuel. That was a particularly cruel move, which hit most severely the elderly and the poor, who spend a greater proportion of their income on gas and electricity than do the well-off.

The Tories were returned to power in 1992 with a commitment to maintain existing tax levels, but they introduced 22 new taxes. The typical family paid an extra £2,000 a year in 1997 compared with 1992. The Tories may criticise the Chancellor's changes to the married couples tax allowance as a hidden tax rise, but, after 1992, the Tories themselves reduced the married couple's allowance, costing the average family £500 a year.

The Tories criticise the change to mortgage interest relief at source as a hidden tax, but their reductions in mortgage interest tax relief from 25 to 15 per cent. after 1992 cost an extra £600 per year.

The Tories criticise the increase in road fuel duty as harmful to rural communities, where people are dependent on cars, but it was the Tories who introduced bus deregulation, which greatly reduced rural services, and it was they who raised duties year on year.

The Tories in opposition still display a hypocritical approach to taxation. The Labour party in government has upheld its commitment to create a tax system that is not only fair but seen to be fair. The poorest 20 per cent. of families with children will gain an average of £500 a year.

VAT on domestic fuel will be reduced to 5 per cent.—the lowest level possible. In opposition, it was Labour Members who prevented the Tories from increasing it to 17.5 per cent.

The working families tax credit is an attempt to tackle the unemployment and poverty trap that flourished under the Tories. The tax credit will guarantee that working families earning less than £220 per week will be taken out of income tax liability altogether. It will particularly benefit the 4 million children in Britain who live in households below the poverty line, as will the pledge to increase child benefit by up to £2.50.

Through the implementation of the windfall tax on the privatised utilities, £3.5 billion was taken from the huge profits that went into lining the pockets of Tory fat cats. That will fund the new deal to tackle social exclusion among the young, long-term unemployed, lone parents and people with disabilities. It will also provide funds for the much needed investment in our schools following the maintenance backlogs that grew under the Tories. The Government have provided a total of £2.3 billion in extra funding for education since the election on 1 May.

Changes to national insurance will make British workers more competitive, especially low and middle-income earners. The change in national insurance will make thousands of people in Coventry, South better off.

This is a step on the long road not only to modernise Britain for the years beyond 2000 but to create a fairer and more equitable society.

5.51 pm

Mr. David Rendel (Newbury): The Liberal Democrats believe that the Chancellor has, in general, moved in the right direction in his Budget this year. The problem is that he has not moved far.

During the debate, other hon. Members have had—and will have—an opportunity to comment on the Budget more broadly, but I shall confine my remarks mainly to my spokesmanship area, which is social security. I shall make just one exception on a constituency matter.

On the social security proposals, we welcome the Government's efforts to give some of the poorest in our society the opportunity to find paid employment. We have always welcomed that, and welcome the changes in the Budget that will help it. We welcome the Chancellor's attempts to make work pay. We welcome the fact that take-up of working families tax credit is expected to be higher than the take-up of family credit.

[Mr. David Rendel]

However, the holes in the Government's proposals are unwelcome. As my right hon. Friend the Member for Yeovil (Mr. Ashdown) said on Budget day:

"there is still a suspicion that some of the detail is being shaped by political gimmickry rather than by practical good sense."—[*Official Report*, 17 March 1998; Vol. 308, c. 1124.]

In my speech, I hope to highlight the areas where the Liberal Democrats are pleased that the Government have acted, as well as the dangers that we see in the continuing power of soundbite over policy, for the Budget does all too little for the groups of people who cannot work, or who through individual choice do not work.

I particularly welcome two aspects of the Budget. The first is the long-overdue changes to national insurance contributions. It is undoubtedly helpful, especially to businesses, that the allowances for employee and employer national insurance contributions should be aligned with the allowances for income tax. That is something for which the Liberal Democrats have pressed for some years, and it is all the more welcome for that.

The second change that I particularly welcome will affect many fewer people, and will not be worth all that much to those whom it does affect. Nevertheless, because it embodies an important principle, it is worth highlighting today. The Chancellor has extended the additional personal allowance to women whose husbands are incapacitated. There is no reason why, in the modern world, husbands who care for their disabled wives should receive such an allowance, while wives with disabled husbands do not.

The idea that women suffer no personal financial loss by caring for a disabled husband should have been confined to the 19th century rather than to the 20th and 21st. It would be interesting to know whether the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) agrees with us on this issue. I may have missed something, but so far all I have heard from the Conservatives on that change is a deafening silence. If the hon. Gentleman wishes to intervene to tell me whether he supports the Government and the Liberal Democrats on that change, I shall give way, as I am interested to know. *[Interruption.]* I suspect that he has not yet made up his mind, as he now says from a sedentary position that he will write to me later about it.

It has taken a long time for the Labour party to accept the Liberal Democrat position. After all, the change was proposed as an amendment in Standing Committee during consideration of the Finance Bill in 1996. On that occasion, the hon. Member for North Warwickshire (Mr. O'Brien), speaking for the Labour party in opposition, refused to support an amendment tabled by my hon. Friend the Member for Gordon (Mr. Bruce)—despite the support that we now appear to have from the Government—which would have had the same effect as the Chancellor's announcement on Tuesday. The hon. Gentleman said that Labour

"would be giving out the wrong signals if we introduced changes in the Finance Bill that assisted spouses of disabled people."—[*Official Report, Standing Committee E*, 13 February 1996; c. 279-80.]

Assisting the spouses of disabled people would send "the wrong signals". That is not the way to speak or think of some of the most disadvantaged people in our society. I am glad to see from the reaction of hon. Members on the Government Benches that they tend to agree with us, and not with their spokesman on that occasion. We on the Liberal Democrat Benches are delighted that the Labour party has at last seen the error of its ways.

In contrast, however, there is one other aspect of the Budget on which the Government have, conspicuously, not seen the error of their ways. The abolition of lone parent benefit, due to come into effect in April this year, will mean that payments to current claimants will be frozen, and new claimants will face an immediate cut. What will happen to those who do not want to take paid jobs but who want instead to stay at home to look after their children? Will they face poverty, hunger, no opportunity and no hope? The Liberal Democrats have opposed the cuts in lone parent premium, for we realise that some lone parents want to stay at home to look after their children, but under this Budget, some lone parents do not do paid work, so do not get anything.

How totally illogical to break the bounds of Conservative tax policy and introduce an entirely new allowance for mothers married to an incapacitated husband, while cutting lone parent benefits purely on the excuse that there was a rigid and unbreakable pledge to stick to Conservative policy. There is no logic behind that. There is no excuse.

What about pensioners? I may be mistaken, but I do not think I heard the word pass the Chancellor's lips even once during his Budget speech. Labour sings sweet tunes when talking of the need to tackle poverty, but what of the over-80s, who are some of the poorest in our country? Have they been forgotten? Are they unimportant? Are they to be treated merely as having ended their working life? The Liberal Democrats have proposed a £5 premium for the over-80s. It is a targeted policy, well aimed, to help the poorest, including many who are eligible for income support but who, for one reason or another, do not claim it. Pensioners do not work, so in the Budget pensioners do not get anything.

The stress on welfare in work does, however, have welcome advantages for those fortunate enough to be covered by the Chancellor's plans. First, there will be a £1.4 billion cash injection into the working families tax credit. That is welcome. Secondly, the working families tax credit will have a much reduced taper compared with the present system of family credit. That is welcome, too. Thirdly, there will be a welcome tax credit for child care. On that, I am opposed to the view held by the hon. Member for Chingford and Woodford Green. That is one of the few Budget measures for which the Chancellor deserves unreserved praise. However, none of these welcome changes is dependent on the introduction of the working families tax credit; on the contrary, the changes could have been combined with the current system of family credit.

The one advantage that is specific to the working families tax credit is that it is likely to promote a higher take-up among those who qualify than did family credit. In general, a stigma surrounds benefits: people are thought to be failures if they rely on welfare handouts. Liberal Democrats believe that family credit was successful in combating poverty, but acknowledge that some people who may need it have suffered and gone without it because of that stigma.

We hope that working families tax credit will break that stigma by rewarding work and by assisting those who want to stay in employment, but several disadvantages

should be recognised. The devil will be in the detail and in the design of the system. The Chancellor says that couples will have the option of receiving the tax credit through the pay packet or through the Post Office, but we remain unconvinced that that will stop a transfer of resources from the purse to the wallet.

Family credit is paid direct to the mother; working families tax credit will give couples a choice. There will be little difficulty in a family if the man and the woman have a good relationship, and share and understand each other's needs. Whichever partner is chosen to receive the tax credit, the money will be passed to the partner who will spend it on behalf of the family. However, there is a danger that selfish husbands or fathers who do not want to share or to give the tax credit to their wives will refuse to do so. They will say, "Why give my wife the tax credit? She's received family credit for years." They will think that it is time for them to keep hold of the money through their pay packets, so that they have more to spend down at the pub.

Sadly, in the families in which it is most important that the non-working partner receives the money to spend on the family's needs, it is least likely that the non-working partner will have a say in the matter. The opportunity for choice, on which the Chancellor is relying, may be more apparent than real where it is most necessary. Nothing could be more damaging to children.

Mr. Duncan Smith: I am listening carefully to the hon. Gentleman. Is he assuming that if the main breadwinner does not agree, the tax credit will stay in the wage packet instead of going to the non-breadwinner, or does he wish, like me, that the Government would explain the matter?

Mr. Rendel: I was tending to assume that that may happen. I should be delighted if the Government assured us that a detailed mechanism will be introduced to overcome the problem, although it seems clear from the remarks of the Secretary of State that, so far, they have not found such a mechanism. That worries me.

There are other anxieties about the working families tax credit. The Chancellor must ensure that this country does not suffer from the high number of frauds that have occurred in the United States, with employees and employers colluding over the amount of working families tax credit that is due. It would be wise for the Government to study carefully the Canadian Government's experiences with working families tax credit before introducing one. I understand that the Canadian scheme has been withdrawn, mainly because it was a disincentive to work for more people than the ones for whom it was an incentive.

The Institute for Fiscal Studies report, published yesterday, takes the Budget as a whole and shows that, although 1.1 million people will have an increased incentive to work despite still suffering from an average marginal tax rate of 71 per cent., 2.8 million people—more than twice as many—will suffer from a decreased incentive to work. The policy has advantages, so that may not be a reason for not going ahead with the policy, but it must be considered, and the Government have not properly dealt with it. If the figures are accurate and the Government do nothing to address the problem, the working families tax credit, which was intended to boost their new deal programme, could become the main cause of its failure. Liberal Democrat Members hope that those disadvantages will disappear as further details emerge. We wait with interest.

I must add a further warning about the Budget. The Government are right to introduce a tax credit for child care, but the quality of the child care provided must not be compromised. There should be a recognised standard, such as a kite mark, and such provision should be registered by the Government. The future of our nation's children is too important to allow child care provision to be driven by nothing other than market forces.

On behalf of my Newbury constituents, I want to mention the need for rural public transport to be high on the agenda. The £50 million that the Government have promised is a start, but that is all it is. The Government must ensure that the money is not the end of the matter, and not merely an attempt to appease the countryside marchers; it must be the beginning of much more investment in the infrastructure of rural Britain. I warn the appeasers, if that is what they are, that an appeaser is one who feeds the tiger hoping that it will eat him last.

My hon. Friend the Member for Somerton and Frome (Mr. Heath), whom I am pleased to see in the Chamber, said yesterday that the Budget had bypassed Somerset. We in Newbury know all about bypasses, and some are welcome. But the £50 million for rural transport will be spread thinly if that is all that it receives. I hope that I shall not have to echo my hon. Friend's remarks when the money is allocated, and say that the Budget has also bypassed Newbury—that would not be a welcome bypass.

There are good things in the Budget. Much of it heads in the right direction; indeed, it picks up ideas that have long been part of Liberal Democrat thinking. We welcome that, but where the Chancellor needed to be bold, he was timid, tentative and grudging. Let us hope that the Budget is merely a small first step, and that he will accelerate down that road next year.

6.6 pm

Mr. Terry Rooney (Bradford, North): The hon. Member for Newbury (Mr. Rendel) mentioned bypasses; my hon. Friend the Member for Shipley (Mr. Leslie) would not forgive me if I failed to say that the Bingley bypass should be included in the roads programme next month.

Before I was elected to the House, I spent 10 years as a welfare rights advice worker. The job gave a great deal of satisfaction, but brought me face to face with an awful lot of misery and pain. Between 1980 and 1986, my case load went through the roof, because I was dealing with the casualties of the previous Government's economic policies: all that they faced was a lifetime on benefit.

In 1986, that started to change. For the next three or four years, I spent my time telling people that they would be worse off if they worked, which was a tragedy for me, for them and for the nation. That is not sound economic policy.

Mr. Gibb: Was that the advice that the hon. Gentleman gave?

Mr. Rooney: If the hon. Gentleman wants to intervene, I shall gladly give way. He does not want to intervene, because, as usual, he does not know what he is talking about.

[Mr. Rooney]

The Social Security Act 1988, which introduced family credit and changed many rules, compounded the problems. For example, the children of people on family income supplement were entitled to free school meals, but that entitlement was removed under the new family credit. Before the hon. Member for West Chelmsford (Mr. Burns) gets excited, I point out that, yes, there was a notional adjustment in the value of the benefit, but it went out of the window the week after the benefit was introduced, because no account was taken of it. That was a major cost to people on low incomes who moved from unemployment into work. As a result of the way in which local government finances were handled in the 1980s and early 1990s, the price of school meals went up far in excess of inflation year on year. People also face the cost of child care, especially in school holidays. Lone parents with two or three children have enormous costs during the six-week summer holiday and have no assistance whatever.

In 1996–97—the last year of the Conservative Government—725,000 people claimed family credit. That was only 70 per cent. of those entitled. For whatever reason, 30 per cent. of the relatively poor families who are entitled to family credit did not claim it: £400 million was not claimed. It is the children who suffer as a consequence. The beauty of the working families tax credit is that there will be a 100 per cent. take-up, because it will be paid automatically. There may be no stigma attached to family credit, but 300,000 people who were entitled to it did not claim it.

The 725,000 people who received family credit in 1996–97 were getting an average of £57.04 a week. The tragedy is that their average gross wage was £112.81 a week. That is an indictment of the low-wage economy, and shows why we need the national minimum wage that the House voted for last week. Even on that miserable average wage of £112, people were paying £170 a year in tax. They were getting £57 a week from the state in family credit, but they paid £170 a year in tax and a massive £340 in national insurance. That bill will be halved as a result of the changes that the Chancellor has introduced; and quite right, too.

Why do high earners on the top rate of tax need incentives to go to work, whereas unemployed people do not? Why is a 97 per cent. marginal rate of tax for the unemployed valid, but a 40 per cent. tax rate for higher earners is not? That argument is nonsense. There should be incentives across the board, and it is about time they were directed more at poverty than at affluence.

The Labour party manifesto made much of our welfare-to-work proposals. In the 10 months since we came to power, that programme has unfolded. Welfare to work has two fundamental principles: one is that all those who can work should work, and the other is that work should pay.

I am pleased to say that I attended the launch of the new deal for my local authority area on Tuesday morning, when 170 employers turned up. They have signed up to the new deal. Employers and claimants are enthusiastic about it, and everyone will benefit from it. It was a superb event.

Welfare to work, the new deal and the national minimum wage interlock with the measures taken in the Budget to get people back to work. The aim of those measures is to bring dignity and respect to those families, and to provide them with an income that is commensurate with their family needs and circumstances, rather than the misery pay that they received during the Tory years.

I shall comment on the Chancellor's tax credit scheme for the disabled. For many years, disabled people in work have received the disability working allowance. The system is an absolute disgrace, because the allowance is claimed by 13,400 people—the vast majority of disabled people do not know about it, and even those who do have difficulties because it is complex, so they do not bother to claim. Under the new deal, there will be £185 million for people with disabilities who want to work. They should be allowed to work, and the money should be available to support them.

Child benefit has been frozen. The most valuable support that we can give to families with children has always been child benefit. That is why it was introduced in the mid-1970s, when we did away with the old child tax allowances and the family allowance. It is a tribute to the noble Baroness Castle. I hope that the increase in child benefit this year and next year will continue year on year. It will do more than anything else to relieve child poverty. That increase is the most radical aspect of the Budget.

I welcome the Budget and am very glad to support it.

6.14 pm

Mr. John MacGregor (South Norfolk): Given the time constraints, I shall be selective and shall not go over areas that have been reasonably well discussed already. However, I should just like to say that I have not yet been able to get my mind round some of the complexities of the working families tax credit scheme and of the Martin Taylor report. Many of us have wrestled with these issues for some years, and we recognise that the objectives of the proposals are desirable. However, I have a hunch that they have been put together in haste and may be very complex. There may be a host of snags, not least the difficulties that small businesses will have trying to administer the scheme.

I should like to ask the Paymaster General about the relationship between the working families tax credit scheme and housing benefit and council tax benefit. How will it work in the round?

I want to concentrate on rural areas, which have been particularly badly hit by the Government. The rural pensioner has been badly affected by the Budget. We must also consider this year's council tax, because it is part of the tax system and has an impact on rural dwellers. In Norfolk, because of the switch of Government grant from rural to urban areas, the council tax will increase by 17 per cent. this year and will be accompanied by a considerable decline in services.

The increase in petrol tax will have a particularly adverse effect on rural dwellers, and I am strongly opposed to the Chancellor's proposal. This Budget introduced a 9.2 per cent. increase in petrol tax—6 per cent. in real terms. That increase comes after a hike in petrol taxes last year, when they were doubled. It is equivalent to 1p on income tax.

The car is often a necessity in rural areas, not least for people on lower incomes who use it to get to work. It is not possible to provide the multiplicity of public transport that can be provided in urban areas. The impact of the

increase in rural areas will be severe, particularly on rural pensioners. The £50 million for rural transport schemes is merely a sop and will make little difference compared with the extra costs that will be incurred in rural areas. *The Times* comments today that for the three quarters of rural areas without a bus service, this is equivalent to little more than a wheel nut for each recipient.

Given the modern technology used in cars, their impact on the environment is much less than it was five years ago when we began the process of increasing petrol taxes above indexation.

I agree with the hon. Member for Newbury (Mr. Rendel) that the Chancellor hardly mentioned pensioners in his Budget speech. The fuel payment given to pensioners this year does not compensate for the increase in council tax and in motoring costs that pensioners will face as a result of the Budget. The rural dweller will be worse off. Yesterday, reference was made to the fact that BP has reduced petrol prices in rural areas. That reduction is because of the current lower oil prices, but they could go up again just as quickly, whereas the imposition of this extra tax is permanent. The measure is a retrograde step.

Pensioners were squeezed by last year's attacks on pension funds. Many of them suffered the loss of insurance relief on medical schemes. Agriculture and allied trades, including farm machinery companies, face serious problems because of the constant strengthening of the pound and the consequent impact on the green pound. As a result, a considerable number of people in rural areas have been made redundant. I do not think that the Budget has given rural areas a good deal, especially when combined with the council tax. That is the point that I want to stress most.

May I make a positive point to the Paymaster General about rural areas? I believe that the time has come to consider exempting church repairs and maintenance from value added tax. It has become increasingly difficult for churches, particularly listed churches, to carry out repairs and maintenance. In my constituency, many churches have tried to raise enormous sums, only to find that VAT is charged on top of that.

I very much welcome the reductions in income tax, but one consequence of those reductions is a reduction in the tax relief gained through covenant payments. That means a reduction in income. The European Parliament recently asked the Commission to improve the fiscal position of charities in relation to VAT, and I support its view. Only a modest measure would be required: I believe that, according to the most recent figures, it would cost about £25 million in tax forgone. My bishop, the bishop of Norwich, has spoken about the subject at length in the other place. I personally think that such a relief would be welcomed by many rural communities, and would be very important to our heritage.

I have mentioned rural transport. Unfortunately, I do not have time to develop my argument tonight, but I will say that we should bear in mind the additional cost to motorists. Eighty per cent. of the cost of every gallon or litre of petrol will now go in tax, and the cost to industry will continue. However much effort we devote to switching freight from road to rail—which I entirely support—the vast majority of freight will continue to be transported by road. The cost of that will be passed on to the consumer. At this point, I must declare an interest, as a non-executive director of Unigate, which owns a transport company.

More should be spent on the roads programme. I deeply regret the cuts in that programme, and I believe that the Government will come to regret them as well, not just for reasons of economic competitiveness but because of the impact on travellers everywhere. However much is invested in public transport, in non-metropolitan areas that investment will not displace the need for increased investment in roads. I hope that there will be other occasions for me to develop that theme. I think that soon, for economic, if for no other, reasons, the Government will be forced to find more money for road maintenance, road improvements and bypasses.

I greatly welcome the Government's reversal on the £50,000 limit for tax-exempt special savings accounts and personal equity plans. I am glad that they have responded to pressure—although, of course, we should not be too grateful, because the Government should never have suggested the limit in the first place. However, I am still worried. I note that today the Cabinet were supposed to be discussing compulsory pensions, second pensions, and so forth. I fear that the relationship with pensions has not been thought through sufficiently; I feel that the Government ought to concentrate on long-term savings.

When I heard what the Chancellor said about the savings scheme, I thought that his announcement about capital gains tax would be very welcome. I have long advocated a tapering system. When I looked at the details, however, I found that non-business assets would be treated much worse than they are under the present indexation system. If they are held for any length of time, and if inflation is higher than 2.5 per cent., there will hardly ever be any benefit in transferring to the proposed new system. That will not encourage long-term savings. Indeed, if inflation is higher than 3.5 per cent., there will never be any benefit. There will no benefit for 10 years, and no benefit thereafter. The Chancellor has missed a great opportunity to encourage long-term savings, but that could be put right by a change in some of the systems.

I know exactly what the Paymaster General is facing, because it was given away in one of the detailed notes. The tapering system has been heavily constrained by the Inland Revenue, because it does not want to lose any tax revenue. However, if the Government intend to encourage long-term savings they ought to introduce a different tapering system.

I must end my speech, because of the restriction on time. Let me finally deal with the overall public expenditure position. There is no doubt that the Government have been hugely helped by the economic legacy that has been left to them—tax buoyancy, falling unemployment, the contribution to the European Union, and so forth. Even so, however, they have increased health expenditure by less than the Conservatives have in recent years, and by less than we did throughout our time in government. It is time that Labour Members started to look at the figures, and to realise that. Moreover, the Government propose to devote less to capital expenditure over the next three years than was in our capital expenditure programmes. I do not think that their priorities are right, although I welcome the constraints.

Above all, I want to make it clear—

Mr. Deputy Speaker: Order. I am afraid that the right hon. Gentleman has run out of time.

6.24 pm

Mr. Malcolm Wicks (Croydon, North): I welcome this bold and radical Budget. I think that, in the social sphere, it will be remembered for what it says about employment and the worth of employment, and for what it says about families with children. It certainly enables me, in my Croydon constituency office, to give a better answer than I have been able to give before to mothers—some of them lone mothers—who tell me that they want to resume their careers, but that, because of child care costs, it would be monetary madness for them to do so.

The new child care credit is a major step forward, and, in some years' time, the use of credits may be seen as a great innovation which could be spread further afield. Perhaps there could be a new carers credit, for example. The provision shows that we can make the tax system more progressive, and make it serve social purposes.

I do not want to spend my limited time heaping praise on the Front Bench, however. My ministerial colleagues are easily embarrassed. Instead, I shall reflect rather more generally on three aspects of the Budget: work and the family, child benefit, and the future of national insurance.

I believe that, in retrospect, the 20th century will be seen very much as a century for women, not only in terms of civic and political gains but in terms of social and economic gains. As we approach the end of the century, women's employment patterns—with, admittedly, some significant qualifications—are becoming increasingly more like those of men, and the Budget, in a sense, institutionalises and encourages some of those developments.

The early decades of the next century, however, must deal with an even more important question. How can we achieve a better balance in the lives of both men and women—both fathers and mothers—between the world of work and the world of family, especially in relation to children? That has policy implications. I would guess that many mothers and fathers would dearly love the opportunity to spend more time at home caring for their children when they are tiny—just a few months or a few years old. New fathers, as well as mothers, will increasingly express that view.

There are implications for the income support system. We should make it clear that, however important the welfare-to-work policy is, those with children under five have an absolute right to stay at home and look after them. Perhaps we should go even further than the Budget in giving an under-fives income support premium to make that possible.

For parents in general, we should perhaps consider a parental care credit. The Budget says that those with more than one child can have up to £105 a week as a credit to help with child care costs. That is right, but I think that, given the theme of choice between work and family, we should match the sum with incentives, or at least encouragement, for parents who want to stay at home and look after their children. Sweden is a world leader in terms of parental leave. I welcome the development of a new work ethic in Britain, but we need to encourage the family and child ethic more strongly if we are to get the balance right between the social and economic spheres—between the world of the home and the world of work.

The hon. Member for Newbury (Mr. Rendel), the Liberal Democrat spokesman, was right to warn us about issues of quality of child care. There will be a great growth in child care. Some people will view it as a way in which to maximise profits. I do not want child care policy over the next 20 years to be driven by cases of abuse and sheer bad quality.

In a sense, we think that child care is about adults: the working mother, the working father, the politician, the policy maker. Strangely enough, it should be about the child and the needs of that child. Let us hear more about the child in this debate. Let us talk not just about quantity, but about quality.

I welcome the child benefit increase. It is a radical move. It is pro-families and a major development. I want to see more of it. I should like, in particular, a discussion on whether we should weight child benefit increases towards the youngest children—those under five; the poorest families tend to have the youngest children because of employment patterns. We should examine that.

I am pleased that the Treasury has not rushed into taxing child benefit. We should consider that rigorously and cautiously. Whose income do we tax? We say that child benefit is for mothers. Do we tax mothers? What about independent taxation, if we say, "No, we will tax the higher-paid parent"? It is an important issue. How would we do it if people assessed their own tax?

What about cohabitation? More of our children are being brought up by parents who choose—and have the right to choose—to cohabit rather than to get married. I do not believe that the tax benefit system should discriminate in favour of marriage, but it would be absurd if it ignored cohabitation and discriminated against marriage in taxing child benefit. In terms of equity and justice, I am not sure about saying to higher tax-rated single people and childless couples, "No, we are not going to increase tax on you, but we are for those who have children." That is not a pro-family policy. We should consider it with some caution.

There are some interesting straws in the wind in terms of what is being done to the lower rates of national insurance. I understand the case for that in terms of work incentives, but does it break the link between what we pay in and draw out, and what are the implications? Is merging the Contributions Agency with the Inland Revenue simply a bureaucratic measure, or does it indicate something far more substantive? We need a proper debate about that.

Some people—the economists and those who look at these matters technically—say that national insurance is now simply another form of income tax. I do not believe that that is right. There is a strong argument for a renaissance in social insurance. Many of the issues that confront modern Britain, such as the costs of long-term care for the frail elderly, can be tackled only through social insurance. They cannot be tackled through private insurance.

Let us, therefore, have a debate about the future of the national insurance scheme and let us be wary of people who say, "No. It is simply tax. Let us merge it with income tax." Social insurance is more important than that. The age-old principle of contributing to the community chest when in plenty, and drawing out when in need is a thoroughly modern concept for 21st century Britain.

6.32 pm

Mrs. Jacqui Lait (Beckenham): I will not follow the hon. Member for Croydon, North (Mr. Wicks) by concentrating entirely on social security issues, but I begin

by saying how much I support the principle of getting people into work. The Conservative Government did much to encourage them. I hope that the Government's changes will not be subverted by some of the adverse effects that I expect will come about.

I should like to concentrate on the child care credit and to ask the Paymaster General to answer some questions it; many questions have arisen in my mind. My hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) produced some calculations. Families who earn up to £14,000 would receive child care benefit of approximately £40 a week. On that basis, he suggested a ballpark cost of £4 billion; my calculation is a bit higher.

The Prime Minister and the Secretary of State for Social Security and Minister for Women have said that the benefit would extend to families with incomes of £30,000. For those who are on incomes of between £15,000 and £30,000, there will be, again according to my calculation, a £20 a week average benefit for child care, which comes to £1.5 billion, on top of the £4 billion—if that figure is right; as I have said, I think that it is on the low side. Will the Paymaster General give some indication whether those calculations are right? I welcome the fact that it will take two years to introduce that credit, because I suspect that it will take the Treasury two years to calculate it all.

Because the Government have hyped that benefit, many families expect 70 per cent. of £100 or £150, depending on the number of children they have, somehow to emerge in their pay packets. Most of them do not realise the effect of the 55 per cent. taper and many will be disappointed when they realise how little they will receive. I suspect that they are likely to feel cheated.

As people are rational, they will organise their affairs in such a way as to maximise the amount of child care credit that they will be able to claim. That will increase the cost yet further. Will the Treasury tell me whether that has been calculated in its estimates? Indeed, child carers will also provide to the sum that is the maximum that they can receive from the tax system. We saw it happen with rest care homes. We will see it happen with child care, too. Has the Treasury examined that?

This is a small, but crucial point. The credit is not being introduced for two years. One of the reasons for that is that it will take a long time to increase the child care provision. Is the Paymaster General aware that the loan guarantee scheme is not available to people who wish to set up nursery schools providing a curriculum? Department of Trade and Industry rules specifically exempt those who set up schools providing a curriculum. That includes nursery schools. A change there would be one way in which to increase the amount of provision. I hope that he will consider making such a change.

The hon. Member for Croydon, North made many of the points that are crucial in relation to the interrelationship between child benefit and income tax. I will not go any further, other than to say that I support his comments about the disincentive effect of taxing child benefit. It would be absurd to tax what is, in effect, a tax relief.

My right hon. Friend the Member for South Norfolk (Mr. MacGregor) referred to the effect of the petrol increases. I will not go down that particular line, but I point out that, for many pensioners, the move to public transport, if it comes about, will involve even greater costs than people envisage. For example, those who are a bit dodgy on their pins will need porters in railway stations. They will need conductors on buses. In pedestrianised areas, they will need buggies to get around. All that costs money—additional money. I do not think that most people realise that when they talk about providing extra public transport.

I consulted businesses in Beckenham about what they wanted from the Budget. Most of them wanted business burdens to be reduced. There are few signs that the Budget will do that. Administrative burdens have gone up. We have made much of the effects of the working families tax credit. The help for small businesses, particularly the new Inland Revenue payroll offer, will send shivers down the spine of most new businesses, I suspect. It comes in the category of, "I'm from the Government. I am here to help." What will be the effect on companies that offer payroll services? In effect, will this be unpaid—and therefore unfair—competition and put those companies out of business?

I understand that the Chancellor said that he wants to reduce red tape. There was not much evidence of that. I am a member of the Deregulation Committee and I am not impressed by the volume of legislation that is coming through for us to deregulate. I hope that we will see a lot more coming through if the Government truly wish to reduce the burdens on business.

In my opinion, the big issue that has been entirely glossed over and in which I have taken a long-standing interest is smuggling and bootlegging. Those of us who have been on many long holidays buying wine in France know all about smuggling and bootlegging. We are also learning about the effect of the tobacco tax on smuggling and bootlegging. I notice from the Red Book that, despite the increases in this Budget and the previous Budget, the Treasury is expecting only a small increase in excise this year and that is due to fuel prices. All those painful increases in alcohol and tobacco taxes are having no effect. Meanwhile, the industry of smuggling and bootlegging is expanding exponentially.

Dave West, who runs the tobacco warehouse at Adinkerke—I thank the Tobacco Alliance for arranging my visit to that warehouse—has a turnover of £107 million on tobacco alone. Since December last year, the amount of cigarettes sold has increased from 5 per cent. of sales to 50 per cent. An increase of 20 per cent. on cigarettes will mean that that percentage will go up. The percentage for handrolling tobacco has not gone down.

We are seeing the effects of those sales nationally. They are undermining the rule of law and damaging the health of the nation. In Ashford, young drinkers were disrupting the town centre because they had access to cheap French beer. In Guildford, French beer caused youngsters to damage the cathedral precincts. In Beckenham, I have had complaints about a smaller shop selling duty-free alcohol. Sales of handrolling tobacco papers have increased by 63 per cent. since 1990. In Calais, there are 66 warehouses providing cheap tobacco and alcohol.

The big city gangs are now involved, and there is evidence of firearms being used in the Kent area. Protection rackets are emerging, and the police are investigating links to terrorism.

In January 1995, the current Financial Secretary to the Treasury, then in opposition, said:

"The illegal entry of alcohol cannot be regulated by our health policies or controlled by our legitimate methods of dealing with alcohol consumption."—[*Official Report*, 23 January 1995; Vol. 253, c. 65.]

We have a French alcohol tax, a Belgian tobacco tax and we are not in control of our own excise duty tax.

Mr. Deputy Speaker (Mr. Michael Lord): Order. The hon. Lady has used up her time.

6.43 pm

Yvette Cooper (Pontefract and Castleford): I welcome the Budget. It is the first Budget I can remember being described as a Budget for children, a Budget for women and a Budget for poor families. According to the Institute of Fiscal Studies, not one Budget under John Major treated poor families better than rich families.

The Conservatives presided over a growth in poverty, particularly child poverty—that is the most shocking. One in three children are being brought up in poverty. What did the Conservatives do? They stood by while child benefit fell from 4.5 per cent. of average earnings to 3 per cent. of average earnings. In response, the Labour Government have put up child benefit by the biggest real increase since 1978. As a result of the Budget, we have given families—some of the poorest families in the country—an extra £500 a year on average. I wish that the Opposition would welcome that because it is one of the most important things that we can do to tackle child poverty.

It is worth making it clear why the Government can do that and why they can make these changes. We can do so because the Chancellor has already taken action to sort out public finances, which were in a mess at the time of the election. Under John Major, national debt doubled—

Mr. David Ruffley (Bury St. Edmunds): Will the hon. Lady give way?

Yvette Cooper: I will give way if the hon. Gentleman will comment on that.

Mr. Ruffley: Will the hon. Lady concede that, in the Red Books published by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), it was projected that the PSBR would be zero at the turn of the century?

Mr. Deputy Speaker: Order. Before the hon. Lady replies, I remind her that we do not use proper names but refer to hon. Members by their constituencies.

Yvette Cooper: The PSBR projections of the right hon. and learned Member for Rushcliffe (Mr. Clarke) were remarkably inaccurate every time. Previous Red Books show that, over the past four years, the total PSBR was about £60 billion higher than it should have been according to the previous Government's projections. The projections of the new Labour Government have been surpassed by the tough actions taken by the Chancellor to sort out the problem of public finance. Last year, the public finances were £23 billion in the red. Now, we are looking at only £4 billion and that is because of the tough action taken by the Government. It is worth remembering the position of the Opposition on the Finance Bill.

Mr. Ruffley: Will the hon. Lady concede that all the tough but necessary action and tax increases designed to bring down the deficit under the Budgets of my right hon. and learned Friend the Member for Rushcliffe were opposed by the Labour party? What does she have to say about that?

Yvette Cooper: The hon. Gentleman should look at the report of the Finance Bill Committee last year. His party opposed all the significant measures to sort out the public finances in the previous Budget. That makes my point. Had the Conservatives continued in office, they would have been significantly more in the red than we are today. They opposed the windfall tax and all the measures that my right hon. Friend the Chancellor took to cut borrowing. They opposed the changes to advance corporation tax and the changes to sort out the state of the public finances.

A Conservative Government would not have been able to increase child benefit or to introduce the child care tax credit. They would not have been able to give help to low-income working families. It is not so much that they did not want to, but that they could not afford to because their borrowing would have been considerably higher.

We now have the chance to make work pay. We no longer need to tolerate the absurdly high marginal tax rates faced by far too many people on low incomes. For every extra pound earned by a dinner lady on a salary of £63 a week, more than a pound would be taken away because of the way in which national insurance contributions work. That is ludicrous and it is a good reason for getting rid of the 2 per cent. entry fee for national insurance. It is also a good reason for introducing the working families tax credit. The working families tax credit is not only more generous, but it changes the tapers. It changes the rate at which money is taken away from people. Also, people will no longer find that tax is being taken on one hand while benefits are being given with the other.

Mr. Gibb: Is not one of the consequences of the working families tax credit the fact that it will extend the dependency culture by reducing the tapers? As a result of the Budget, 400,000 more families in this country will be in receipt of benefit.

Yvette Cooper: There will be 400,000 more families in receipt of extra help to make them better off, so that they will have a guaranteed minimum income of £180 per week. I think that that is worth while, and I am ashamed that the hon. Gentleman does not.

The Budget contains other measures—it is not simply about making people better off once they are in work, but about helping them into work. One of the Budget's most significant provisions, which the House should not underestimate, extends the benefits of the new deal to partners of the unemployed.

As the new deal was being introduced in my constituency, our local youth service was asked to conduct a focus group of some 18 to 25-year-olds who might be eligible to participate in it to discover their attitudes to

work, training, education and the Employment Service. The results were fascinating—until one looked at the small print, and discovered that most of the women in those groups, because they were not receiving the jobseeker's allowance, were not eligible to participate in the new deal. The youth service had included them in the group because they were actively seeking work and wanted jobs.

For too long, the benefit system has trapped women who want to work by denying them access to training, education and help—it has dismissed and ignored them. The Budget's equal treatment of women is an extremely important change.

As my right hon. Friend the Secretary of State for Social Security and Minister for Women said, another significant feature of the Budget is the £10 million for a pilot programme that will provide education and training for lone parents. Although it does not look like much money, it could prove to be a significant factor in raising children out of poverty.

Skills and qualifications are a greater factor for lone parents in determining whether they work than they are for other people. Statistics show that 87 per cent. of people with degrees are in work, and that 88 per cent. of lone mothers with degrees are in work. At the other end of the skills spectrum, 52 per cent. of people with no qualifications are in work, and 47 per cent. of mothers with no qualifications are in work. However, only 22 per cent. of lone parents with no qualifications are in work.

Qualification levels are, therefore, immensely important in determining whether lone parents work. Child care—extremely important though it is—is not the only factor in lone parents' ability to work. We must also give women an opportunity to gain the education and skills that they need—not only to get their first job, but to get their next job, and the one after that.

This morning, the Employment Sub-Committee took evidence from various groups working in child care and with lone mothers. They all agreed that the most important next step in the new deal for lone parents is to improve availability of child care and education.

The Budget represents an important new deal for women—it is a very important Budget for women. By my calculations—on the basis of calculations in the Red Book—the Budget, on average, will benefit women five times more than it will benefit men. That is not a sexist point—

Mr. Ruffley: Yes, it is.

Yvette Cooper: It is a reflection of the fact that women are more likely to be in poverty, and that women are more likely to be looking after children in poverty. Women are the ones who are denied child care and the chance to work, and they are the ones who are lower paid once they are in work. Conservative Members do not realise that fact, which is testament to the fact that, for the past 18 years, they have done so little for women and children in poverty in the United Kingdom.

The Budget is remedying the inaction of the past 18 years. It is part of Labour's commitment to women, to children and to families in poverty. It is a chance to start turning things round.

6.53 pm

Mr. Christopher Fraser (Mid-Dorset and North Poole): Although—as we all know—the Government inherited the strongest economy in a generation, Labour's first Budget, last year, raised taxes. Let us not forget that that Budget raised 17 taxes, or that a typical family is now £800 per year worse off because of that Budget. The increases were imposed despite the Labour party's pledge in the general election campaign that there would be no tax increases.

Last year's Budget will be remembered as one that shook to the core all those who were saving for their retirement. The raid on company pension funds hit workers, shareholders and consumers alike, and was regarded as a betrayal by the prudent and the responsible. We now learn from the Red Book that, for 1998, the Chancellor forecasts a sharp drop in personal savings. That was hardly surprising after he placed a tax on savings and pensions.

We all accept that one way in which to control consumer spending is to raise interest rates—which is what the Chancellor and the Bank of England have done. However, the effect of higher interest rates has been to raise the value of the pound. Our exports have become more expensive, and so—as is demonstrated by the fall in manufacturing output for five consecutive months—exporters and manufacturers are heading towards recession.

As if that were not bad enough, businesses now face new taxes, to the tune of—according to the Confederation of British Industry—£22 billion. Now the Chancellor wants businesses to cope with the administration and arbitration of the new working families tax credit scheme. Businesses have to take over where the Benefits Agency will no longer be responsible.

In my work with the Small Business Bureau, I have become only too well aware of how worried small businesses are about the future. They prospered under a Conservative Government, but look to the future with some hesitation. Small businesses will judge the Budget's success on whether it enables the Bank of England to maintain current interest rates, or—dare I say it—even to cut them. They expected the Chancellor to unveil measures to satisfy the Bank of England that no more interest rate rises would be necessary.

On the evidence, has the Chancellor done enough to encourage the Monetary Policy Committee to hold rates? We shall see. For how long will the Chancellor be able to continue shrugging his shoulders and blaming the Bank of England for the difficulties that high interest rates are causing to the wealth-creating sector?

Businesses employing high-paid workers will suffer also from the reform of national insurance. How will that impact on their productivity and job security?

The Budget's success in my constituency of Mid-Dorset and North Poole will be judged not only on what it has done to British business, but on how it affects married couples, people living in the rural parts of my constituency and pensioners. Many of the people in those groups were looking forward to the much-talked-about 10p starting tax rate, yet—two Budgets into this Parliament—there is still no sign of it, and no date when it might apply.

My constituents will be entitled to feel that the Chancellor has let them down. The Labour party will have to learn the difference between being in opposition—

[Mr. Christopher Fraser]

when it promised the earth—and the hard world of government, in which it is held to its promises. Indeed, the never-never is a feature of the Chancellor's policies—he is living on tick. He has, for example, introduced an immediate rise in fuel duty, which will not be offset by proposals that are purported to benefit my constituents until autumn 1998 or, in some instances, until next year.

I welcome, of course, the Chancellor of the Exchequer's recognition that the tax and benefit system has disadvantaged those with children—but what has he done to deal with the disadvantages of those who want to stay at home to look after their own children? He has created a huge disincentive for mothers in two-parent families to stay at home, yet he has created an entirely opposite incentive for lone parents.

The Chancellor—by introducing the 12-week linking period—is undermining benefit cuts to lone parents, maintaining lone parents' benefits at current levels and continuing the same culture of dependency. He has also created an incentive for lone parents to take short-term work, so that they will not lose their entitlement to higher benefit rates. Therefore, the new deal for lone parents is already struggling. Those added incentives will further prejudice lone parents' return to full-time work.

What has the Chancellor done to encourage stable married life? How does he reconcile a reduction in the married couples allowance with his statement that

"Families are the bedrock of a stable and healthy society"?—[*Official Report*, 17 March 1998; Vol. 308, c. 1106.]

How can the Chancellor's pledge that the Government will reduce welfare spending be reconciled with the fact that the Budget has increased the cost of welfare in the United Kingdom? He can justify it by tinkering, tapering and sleight-of-hand. The indications are that—because of the Chancellor's reforms—welfare spending will rise by £10 billion over the life of this Parliament.

Who will pay for that spending? The taxpayer will pay. The fact is that—because of this Budget alone—250,000 families will face higher marginal tax rates. Moreover, they face a third increase in the cost of petrol since May, when Labour won the general election. In rural constituencies such as mine, and that of my right hon. Friend the Member for South Norfolk (Mr. MacGregor), such price increases are crippling.

As a sweetener, we were promised that £50 million would be spent on rural transport. That equates to £1 per person spread over three years. How can that make a difference to the country? How much of it will Dorset enjoy?

The huge increase in duty on fuel is Treasury motivated and represents a further tax on the countryside. Has the Chancellor learnt nothing from the strength of feeling demonstrated by the countryside march recently when 250,000 country people filled the streets of London seeking better recognition of their problems?

How do I answer the pensioners in mid-Dorset who have contacted me in the past few days? They have received no additional help from the Budget, yet they will have to cope with the huge increase in fuel prices. Many of them cannot live without a car, living where they do, and must somehow make their pensions stretch further to cover the increase.

It is cold comfort for them that at some stage, £50 million will be spent on community transport projects that have yet to be defined. It is also cold comfort for them that the smallest and cleanest cars will attract a lower rate of road tax. Many of them are still driving old faithfuls—cars that they have had for some time which do not benefit from the latest technology.

During the election campaign, the Chancellor told pensioners:

"All Labour's proposals will protect and improve the quality of life of pensioners."

After 10 months in government, Labour has not fulfilled that promise. Pensioners face increased costs and lower private pensions following the abolition of advance corporation tax. Many of them pay more in council tax, thanks to the extravagance of Labour-controlled local authorities and, in Dorset, the equally damaging Liberal Democrat councils.

Perhaps media reports are accurate when they tell us that the Prime Minister intervened to soften the blow of some of the Chancellor's proposals—but what did he do? He spoke to the Chancellor—but for whom? Was it for industry, the middle-income taxpayer, the stay-at-home mother and the pensioner? I suggest that it was not.

The success of the Budget, which in many ways is better than I had expected, hangs on future growth, yet we still have higher interest rates and we are soon to have a minimum wage. I wonder what the impact will be on the golden economic legacy that the Chancellor has inherited and to which many of my hon. Friends have referred.

The Chancellor should remember that the Budgets that are cheered the loudest are often regretted the longest. I fear that he will live to regret a significant part of the Budget that he presented on Tuesday and that the country will rue the day that it was announced.

7.1 pm

Ms Ruth Kelly (Bolton, West): I am grateful for the opportunity to speak in this important debate. A Liberal Democrat Member described the Budget as timid. I disagree. On Tuesday, we witnessed one of the most radical shake-ups of the welfare state, not just in a generation, but perhaps since the war. Just 50 years ago, Beveridge set out to conquer the five evils afflicting our society: want, disease, ignorance, idleness and squalor. Looking back in 50 years' time, we may say that the past 12 months have seen the first real attempt to rebuild the edifices of the welfare state which had gradually been eroded by 18 years of Tory rule.

In May 1997, we inherited an economy in which one in five families of working age had no one in work, one in three children lived in poverty and inequality was as great as it had been a century earlier. When my right hon. Friend the Prime Minister assumed the mantle of government, he said that the new Labour Government should be judged on its success in narrowing inequality, alleviating poverty and creating a more just society. This Budget is an important step towards doing just that.

Last July, my right hon. Friend the Chancellor introduced the first pillar of reform—the new deal for the unemployed, a £3.5 billion programme to put young and long-term unemployed people back into work. The Budget represents the second pillar of reform to attain

those aims—the establishment of the principle that work should pay and the introduction of the new working families tax credit, which is an assault on in-work poverty and a measure for families with children.

I want to consider the detail of the new working families tax credit, a measure which will ensure that lower and middle-income working families with children keep more of what they earn. It will ensure that no family earning less than £220 a week will pay any tax at all and any family with a full-time worker will be guaranteed a minimum income of £180 a week. It represents a radical change and ensures that the Budget genuinely helps the poor and those with children.

Not everyone agrees, however. Opponents of the tax credit argued before it was introduced that it would do nothing for the poor. Indeed, only a week ago the right hon. Member for Hitchin and Harpenden (Mr. Lilley), the shadow Chancellor, issued a press release saying,

"Changing family credit into a Working Families Tax Credit will redistribute income between men and women without altering the household income by a single penny."

That has definitively been shown to be untrue. The Institute of Fiscal Studies argued that it was

"a Budget for lower-income families with children . . . It has been a long time coming, but this is a genuinely redistributive Budget."

I am delighted to be able to tell my constituents in Bolton, West that a couple earning £200 a week—a typical starter wage for someone moving off unemployment and into work—will be £23 a week better off as a result of the Budget and that, on average, families with children will gain about £250 a year.

Let me also consider some of the arguments raised by the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith). His main point was that the working families tax credit would tend to take money out of the purse and put it into the wallet, and that a tax credit would mean that the money would be paid to the working man, whereas a benefit paid to the mother would be more likely to help children. I disagree. I was pleased to note that the Budget did not shift the balance significantly away from the woman, as the shadow Chancellor recently suggested. Indeed, under the new system, families will be able to elect to whom the payment is made—and, of course, it will be more generous.

The shadow Chancellor argued that a new tax credit could put additional burdens on business. Again, that is not true. Under the new system, the Inland Revenue will merely issue a different tax code to the employee based on family income. That will involve no hassle, no intrusion into privacy and no stigma.

The hon. Member for Chingford and Woodford Green mentioned the experience in the United States and Canada. I am pleased to be able to respond to some of the points that he raised. The experience in Canada, which was discussed in the recent Joseph Rowntree Foundation report, is very different from the experience that we shall have in Britain as a result of the working families tax credit. The report argues that such a scheme was not successful in Canada because the culture there did not value work above unemployment and society did not want to use the system to discriminate in favour of people who wanted to work their way out of poverty and into better career opportunities.

In respect of the United States, only yesterday, Jeffrey Liebman, a respected United States public policy expert, wrote in the *Financial Times*:

"The working families tax credit combines the best features of the UK's family credit and the United States' Earned Income Tax Credit. In replacing the family credit with the new tax credit, the Government has ensured that the reform will be accomplished without abandoning independent taxation of spouses or the payment of benefit at frequent intervals through the year and without reducing the share of household resources controlled by women."

The United States has had 23 years of experience with tax-based work credits which shows that such programmes can have important benefits. Recent research there indicates that the earned income tax credit offset almost one third of the rise in inequality that occurred in the United States in the past 20 years. Moreover, the proportion of lone parents who work increased from 73.7 to 82.1 per cent. since 1993, when President Clinton included a large increase in the earned income tax credit in his first Budget.

I also do not agree that paying money through the tax system will fail to reduce the stigma associated with family credit. The working families tax credit is likely to have important psychological benefits, being resented less by taxpayers and by the recipients, who prefer to have a smaller amount withdrawn from their pay packet than to claim benefit. By reducing the associated feelings of dependency and cynicism, the measure is likely to increase take-up, further alleviating in-work poverty.

Another drawback of the old family credit system is that it runs together with other means-tested benefits such as housing benefit and council tax benefit, which taper off quickly as incomes rise, as the right hon. Member for South Norfolk (Mr. MacGregor) pointed out. As a result, some families are trapped in poverty. Some find themselves in the scandalous situation of losing more than a pound in benefit for every extra pound that they earn. The poverty trap is aggravated by the low starting rate of tax, with 45 per cent. of people on family credit paying tax as well.

In addition to being more generous than the old family credit system, the new working families tax credit means that families will keep more of the money that they earn. People can now earn up to £90 before losing benefit, and then they lose it at a slower rate. The amount of benefit withdrawn from working families as income increases will reduce from 70 per cent. with family credit to 55 per cent. under the new system. Even taking the interaction of the new tax credit with other means-tested benefits into account, once it is in place only 250,000 families will lose more than 70p in the pound for every extra hour worked, compared with almost 750,000 at the moment. That is good for work incentives, encouraging people to work longer or to get better-paid jobs. The working families tax credit will particularly help women, creating opportunities for those who had previously been barred from taking them by the lack of high-quality available child care. The child care tax credit will meet up to 70 per cent. of child care costs, up to a limit of £100 for one child or £150 for two or more.

Conservative Members have said that this is a political Budget because we are helping single parents and those in poverty. I agree. There is a political motive. We have to attack in-work poverty. We have to get people back into jobs and we have to open up opportunities—

Mr. Deputy Speaker: Order. The hon. Lady has used up her time.

7.11 pm

Mr. John Swinney (North Tayside): I am grateful for the opportunity to speak in this debate. Welfare has dominated the debate so far. I welcome the Chancellor's attempts to attack the poverty and benefit trap that has affected the lives and circumstances of many people. There are many details in the proposals. As some positive action is taken, further anomalies will be created. It is important to watch the detail of how the proposals are formulated to ensure that progress is made on the Chancellor's aims.

The consequences of raising the entry point for employers' national insurance contributions have been mentioned. I am concerned that the changes could lead to an increase in part-time employment, particularly after the introduction of the national minimum wage. I welcome the increase in child benefit. We await the publication of the Green Paper to find out how the measures announced on Tuesday fit in with the Government's other proposals on welfare.

I should like to reflect on the effects of the Budget on Scotland and on the people of my large rural constituency. It did not properly address the economic circumstances in Scotland and contained specific measures that will be particularly damaging to our economy. I was disappointed by the continued fixation with the spending plans and targets of the previous Government, despite a dramatically improved revenue position.

The Government have boxed themselves in through their economic policy since the election. The clear result is a macro-economic approach that damages Scotland's economy. Micro-economic tinkering has been insufficient to remedy the mistakes of 18 years of Conservative Government and one year of new Labour Government.

The Chancellor should not need me to tell him about the nature of the Scottish economy. However, even with a Scottish Member in the hot seat at the Treasury, policy appears still to be dominated by the prevailing economic conditions in the south-east of England.

Does the Chancellor not recognise the export-oriented nature of much of Scotland's industry, or the importance of rural industries in the manufacturing sector, both of which have been hit by the dual policy of high interest rates and the strong pound? The Chancellor has awarded control over interest rate policy to a committee—with no Scottish voice or membership—that has increased interest rates five times since the election.

High interest rates may be necessary to address the overheating of the south-east of England, but they are disastrous for the Scottish economy. Time will tell whether the Chancellor has done enough in the Budget to prevent the Monetary Policy Committee from increasing interest rates further. When the Scottish economy is growing more slowly than the economy of the rest of the United Kingdom, the Chancellor has taken a great risk.

Mr. Michael Fallon (Sevenoaks): Will the hon. Gentleman give way?

Mr. Swinney: No. I have only 10 minutes and I want to make progress.

The folly of high interest rates has been compounded by the decision to proceed with yet another above inflation hike in fuel duties. That is another Conservative policy continued by the Labour Government. It is ironic that the Conservatives should complain about a higher than inflation increase in petrol duty when they presided over similar measures several times during the 1992–97 Parliament.

The people of rural Scotland will not be easily fooled by the Chancellor's soft words on a review of rural petrol prices. We have heard a lot about that before. Some of the analysis that I have seen from the Western Isles council and the Highland council shows that prices for rural drivers are between 20p and 50p a gallon higher than those for urban drivers. Every time that rural drivers fill up their petrol tanks they may pay £3 or £5 more than those in some other parts of the country. The additional cost of that increase alone is estimated at £60 each a year.

The reduction of petrol prices in rural areas by BP has already been mentioned. It would be churlish of me not to welcome that. However, the Government must take action to reinforce the decisions of private companies to ensure that essential car users—all rural drivers are essential car users—are properly protected. My hon. Friends and I will vote against the increase. I hope that others will join us.

The Chancellor has submitted himself to formidable public expenditure constraints, inherited from the previous Government. The straitjacket that he has adopted was mirrored by the language that he used on Tuesday. I suspect that his words brought a smile to one or two of the remaining Thatcherites in the House. He said:

"A substantial fiscal tightening has been achieved . . . my budget will lock in this tightening for 1998–99."—[*Official Report*, 17 March 1998; Vol. 308, c. 1099.]

The reality of the Budget is spending cuts and poorer services when revenues are rising far beyond even the Chancellor's expectations.

Some spending rabbits have been pulled out of the hat, including £500 million for transport. On closer examination, the majority of that appears to be for the London underground, which has attracted more than £10 billion of public resources in the past 10 years.

The Scottish public expenditure totals have been boosted by an extra £70 million for health, education and transport. However, in real terms, public expenditure in Scotland will fall by more than £100 million next year. As a direct result of the Budget, real terms spending on local government in Scotland will fall by a further £15 million, while industry and enterprise—a critical area when we are trying to motivate the Scottish economy to higher levels of growth—will lose £1.5 million. That is the real story of the Chancellor's spending plans. None of it takes into account the effect of higher than expected inflation on the Chancellor's public expenditure estimates. If we take away the gloss and look through the mirrors that were cleverly presented by the Chancellor, there is a continuing real-terms crisis in the public services on which our public depend.

The Conservatives' spending targets have been retained by the Labour Government and have failed to address the real crisis in many aspects of our public services. I heard one Conservative Member on Tuesday bemoan the fact that, as a result of the Chancellor's Budget, individuals will see not their income tax bills but their council tax bills going up. I can only pose the question: who on earth did the new Labour Government learn that little trick from if it was not the Conservatives?

The Budget has failed to make a difference for Scotland. The Chancellor had an historic opportunity on Tuesday, with public finances in a much healthier than expected condition. The coffers were fuller, but the Government failed to tackle the genuine public spending crisis. Public debt has been slashed, revenues have soared, the war chest is growing, but the Chancellor still lumbers on with a tightening of public expenditure totals of which the Conservatives would have been proud. People voted for political change at the general election, but I suspect that many of them are wondering when on earth it will come.

7.21 pm

Mrs. Helen Brinton (Peterborough): I add my congratulations to those already offered to the Chancellor and the Treasury team. Those of us on the Government Benches who were listening in the Chamber on Tuesday were delighted with all the Budget's good news on its central themes of encouraging and rewarding work, supporting families, women, children and business, and providing more money for education and health. The Conservative party kept waiting for the bad news, but it did not materialise. Despite the desperate attempts of Conservative Members today, they have failed totally to dampen the enthusiasm with which the Budget has been received by people not only in my constituency but in theirs as well.

That is not, of course, to say that no more can be done. We have talked a lot about welfare reform in this debate, to great effect, but I shall concentrate my remarks on environmental aspects. There, too, there was much good news. I welcome the measures to improve public transport, reduce VAT on some energy-efficiency measures—even if those still apply only, as yet, to a proportion of homes—and the favourable treatment of road fuel gases. I note that further measures relating to aggregates and water pollution are up for consideration. I hope that there will be others, encouraging innovation and environmental technologies in which our country could be a leader.

I welcome the setting up of the task force under Sir Colin Marshall, with its crucial remit to investigate the use of green taxation aimed at reducing industry's energy consumption. I welcome, too, the inclusion of an assessment of the environmental impact of tax measures in the Red Book, which show how the Budget will reduce greenhouse gas emissions and improve local air quality. I wonder, however, whether we can go further.

I should like to reiterate one of the key recommendations of the first report of the Environmental Audit Committee, of which I am a member. The report was published a couple of weeks ago. It was our view that the complexities of environmental tax reform require the setting up of a special advisory body to examine the overall impact of green tax proposals. Such bodies, indeed, already exist in different forms in other countries. I hope that the Government will consider that. Obviously, it will be for them to decide on the precise constitution and powers of such a body. My other remarks are related to my constituency, although they have a similar thrust.

Peterborough is one of the four environment cities in the United Kingdom. Our environment city trust has recently completed an audit of energy consumption across the city. The results will be published shortly. However, I can say to you that, following a discussion with the director, Richard Dean, the audit has revealed that, whereas the potential saving on industry use of lighting is quite minuscule, for combined heat and power it is enormous. We could make, I am told, great energy savings at no cost to business, which is what I hope we all want. I shall be very glad to turn over the evidence to the new task force if so required.

The trust is also working on a waste audit—a life-style analysis of waste materials in the city. That will provide a factual basis for assessing the impact on business of tax changes and will identify areas where savings in waste management could be made. Through the green business forum, we are also planning a transport audit of the use of different forms of transport. We are waiting only for funding; the sums will be small.

Only through those and other forms of investigation of particular environmental measures will it be possible for us to make a rational and fair assessment of their impact and, indeed, of their likely success as measured against properly defined targets. I say to you that the overall target—

Mr. Deputy Speaker: Order. The hon. Lady is using the word "you". Will she try to use correct parliamentary language?

Mrs. Brinton: Many apologies, Mr. Deputy Speaker.

The Government's overall target on greenhouse gas emissions is a cut of 20 per cent. by 2010. That is an aim of which we should all be proud. It is an ambitious target, and to many of us involved in environmental matters inside and outside Parliament, it seems that, although an excellent start has been made, time is short and of the essence. Everyone will have to work together very hard to gain acceptance for an organised and concerted approach to environmental tax reform.

7.26 pm

Mr. Philip Hammond (Runnymede and Weybridge): My right hon. and hon. Friends who have spoken in this debate, yesterday and on Tuesday have covered many of the vital areas of the Budget. They have identified our practical concerns about the operation of the working families tax credit—a laudable attempt to deal with a long-standing problem, but one which we believe is fraught with many difficulties.

My right hon. and hon. Friends have drawn attention to the high price that the Government are paying for eliminating the very high marginal deduction rates which some families on low incomes have hitherto suffered. The price that the Government are paying is an increase in the number of families who will suffer marginal deduction rates of 60 per cent. or more. As we all know, an effective tax rate at 60 per cent. is a powerful disincentive to work. The jury must be out on whether the net effect of the Government's quite laudable efforts to remove those very high marginal deduction rates will be positive, overall.

My right hon. and hon. Friends have also drawn attention to the Chancellor's failure to address the central, immediate problem facing the British economy: the very high level of sterling, which is decimating our manufacturing industry. That problem is faced not just by exporters, as the Chancellor suggested in his Budget speech, but by all manufacturers, as they deal with

[Mr. Philip Hammond]

increased import penetration. The Budget statement says that the Government's objective is to see sterling at a competitive rate in the medium term, but I can tell the Paymaster General—other hon. Members who have talked to businesses in their constituencies will also be able to tell him—that, unless something is done in the short term, there will be no manufacturing industry left to benefit from that competitive exchange rate in the medium term.

Time is short, so I shall address a few specific issues arising from the Chancellor's statement. There is a continued confusion in Government policy over subsidies for employment. The welfare-to-work programme is at the centre of the Government's policy platform, and it is dependent, at least in part, on the principle of paying employers subsidies to employ workers.

We have also seen in the Budget the introduction of a £75 a week subsidy for the employment of the long-term unemployed. Both those measures are based on the principle that, at the margin, employment is sensitive to the cost of wages and the other costs of employment.

Yet, at the same time, the Government are telling us that the national minimum wage will not destroy jobs. Essentially, that statement depends on the premise that at the margin employment is not sensitive to wage costs. That is the contradiction at the heart of Government policy.

If the Minister of State, Department of Trade and Industry, the hon. Member for Makerfield (Mr. McCartney), is correct, and employment is not sensitive at the margin to wage costs, the Government should stop subsidising jobs now, because that is throwing money away. However, if he is wrong, the Government had better start quantifying the cost of the national minimum wage and its effect on unemployment.

In introducing his changes to employers' national insurance contributions, the Chancellor said that he would

"cut the costs of hiring at the wage levels where most new jobs are created."—[*Official Report*, 17 March 1998; Vol. 308, c. 1103.]

However, at the same time, the Government, through the national minimum wage, are increasing the cost of hiring at precisely that level. Confusion abounds.

The changes to employers' national insurance contributions may be neutral overall, but they have significant sectoral and regional impacts. The increased contribution is a payroll tax on all those earning more than about £450 a week. The tax falls initially on the employer—I doubt whether the Chancellor would have dared to raise employee national insurance contributions 2 per cent. above the present ceiling, or to raise income tax rates by 2 per cent.—but, ultimately, the effect of any tax on employment costs must fall on the employee in the medium term, as pay rates come to be negotiated.

That payroll tax will hit firms employing highly paid workers, such as those in the technology and financial services sectors—professional firms offering the kind of highly paid, highly skilled work that the Government seek to encourage. The tax will also disproportionately affect firms in London and the south-east, where wages are higher than elsewhere, so employees there are more likely to be remunerated at the rate of £450 a week or more. That is another breach of the Prime Minister's promise not to raise taxes on the middle-income earners of middle England.

The Chancellor, rightly in my opinion, drew attention to the impact of very high marginal deduction rates, which are effectively high marginal tax rates. He has sought valiantly to address some of those issues through his reforms of tax and national insurance for the lowest paid.

However, there are other areas of the economy in which very high marginal rates apply, and I shall draw attention to a couple of those. Although, in the short term, the changes in corporation tax will produce a negative effect on the cash flow of the corporate sector overall, they are none the less welcome because of the reductions in rates. I also welcome the Government's decision to exclude from the instalment payment system companies defined as medium sized.

I am disappointed, however, that that definition includes only companies with profits of up to £1.5 million. The Chancellor wants to encourage growing businesses. He said so in his speech. Yet I submit that what the United Kingdom economy desperately lacks is a large enough sector of prosperous medium-sized companies. We have many small companies and we have world-class large companies, but we have nothing equivalent to the German Mittelstand companies—that great body of medium-sized, often family-owned companies that have contributed so much to the growth and success of the German economy.

Yet in the United Kingdom, the current corporation tax system presents companies whose profits are between £350,000 and £1.5 million with marginal rates of corporation tax higher than the mainstream rate. If the Chancellor can take the lesson of the disincentive of high marginal rates on board when he is dealing with the benefits and national insurance systems, I hope that he can take on board the same issue when he considers corporate taxes.

Stamp duty is another subject which has received relatively little attention so far in the debate. In his first Budget, the Chancellor introduced additional steps in stamp duty tiering, and on Tuesday he increased the rates for property selling at more than £250,000, and also for that selling at more than £500,000—*[Interruption.]*

The Government Deputy Chief Whip, from his seat on the Front Bench, laughs. He is thinking about houses, and wondering whether I am thinking about my house or my hon. Friends' houses. However, the duty applies not only to houses but to factories, shops and warehouses—business assets and institutional property owned by pension funds. It is an attack on the liquidity of the institutional property sector, and on property and assets held for the benefit of productive business throughout the country.

We now have a grotesque set of distortions to the operation of the property market. At £250,000, the marginal rate for the additional pound achieved in selling a property is a staggering 250,000 per cent. At £500,000, the marginal rate of tax for the additional pound is 500,000 per cent. That is plain silly; clearly it will spawn a whole avoidance industry, which cannot be what the Chancellor wanted.

It cannot be good for the country as a whole to develop the stamp duty system as a serious revenue raiser, for which it was not designed. That will have a serious negative effect on the operation of the institutional property market and on the supply of property available to businesses to rent for productive purposes. That, in turn, will increase their costs.

Finally, I would like to say a brief word about the so-called green taxes in the Budget, especially those on petrol and landfill—

Mr. Deputy Speaker: Order. I am afraid that the hon. Gentleman has already used his 10 minutes.

7.36 pm

Dr. Stephen Ladyman (South Thanet): Thank you, Mr. Deputy Speaker; I am grateful to be given the opportunity to contribute to the debate today, especially as the Minister on the Front Bench today is my hon. Friend the Paymaster General. On behalf of my constituents, I have made representations to my hon. Friend over the past few months about individual savings accounts and personal equity plans, and when I heard the Budget I was most grateful to find that those representations had borne fruit and that the Government had recognised the problems.

I have been receiving telephone calls in my constituency office over the past two days from people saying, "At long last, we have a Government who really mean it when they say that something is out for consultation, and who really listen when people make representations." Long may that continue.

It is typical of the Conservative party that when we listen to representations we are accused of doing U-turns, and when we do not listen we are called stubborn and arrogant with power. That is typical of the way in which Conservatives have addressed the issues over the past 11 months.

Listening to the debate, not only this afternoon but over the past two days, I have been struck by how detached the Conservative party seems to have become from reality. Conservative Members have obviously been told what to say—presumably by their public relations people, whom I shall not call spin doctors because I know how odious the employment of doctors has been to the Conservatives over the past 18 years. They have been told to refer to their golden legacy. That legacy is as mythical as golden goose eggs.

Conservatives constantly refer to the high level of the pound without pointing out that it was their failure to increase interest rates before the election that caused the need to increase them after it.

The Leader of the Opposition began his remarks after the Budget by saying that the Opposition would support some of the tax reforms for business, but, by yesterday, he was saying that he opposed tax reforms for business. Opposition Members have been told to say constantly that this is not a business-friendly Budget, but they cannot offer an explanation for why the stock market is breaking all records.

I do not want to pick on any individual Opposition Member, but I was struck by the comments of the right hon. Member for South Norfolk (Mr. MacGregor). He began by telling us that he did not understand the working families tax credit and, because he did not understand it, that it could not work. That was a strange argument. He then talked about the effect of petrol prices on rural communities, but forgot to point out that the escalator to increase petrol prices above the level of inflation was set by the previous Government at 5 per cent.

Mr. Ruffley: The hon. Gentleman is wrong to say that there is some equivalence between the increases announced by the last Conservative Chancellor and those announced by the current Chancellor. The two increases announced in last July's Budget have taken place over the few months since then, and that is in no way equivalent to what was factored in by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). The hon. Gentleman is plain wrong—will he apologise?

Dr. Ladyman: I do not accept that I am wrong. The previous Administration introduced the escalator with a great deal of pride and claimed it as some testament to their environmental credibility.

The right hon. Member for South Norfolk raised the question of church repairs. He seemed at one point to be calling for higher income tax so that there would be more covenant income, but he failed to point out that rural churches are suffering as a result of the level of VAT on repairs, which was introduced by the Government of which he was a member.

That is typical of the unreality of the Conservative party in this debate. Opposition Members have failed to mention people, which is what this Budget is all about. It is about people who have ambitions. Even unemployed people and those who have been out of work for a long time have ambitions. They may not be big ambitions, like those of hon. Members, but they are important to them. Someone on a fixed-benefit income is unlikely to be able to achieve those ambitions. This Budget is about getting those people back to work and recreating their ability to fulfil their ambitions.

I have been impressed by what the Chancellor has done in the Budget and I have tried to put it into some context. Slipping off message for a moment, having spent most of my life working for the Labour party in one form or another, I know that the old debates in the Labour party were about creating work, full employment and fighting unemployment. It is only recently that what some call old Labour started talking about benefits. No one has ever told me that the Jarrow marchers marched for increased benefits—they marched for increased work. My right hon. Friend the Chancellor has reverted to the old traditions of the Labour party to create full employment, and he is to be congratulated. He is not new Labour or old Labour—he is older Labour.

It is easy for Opposition Members to put down the fact that my right hon. Friend has provided £50 million for rural transport, but it is £50 million more than the Conservative Government ever made available. They closed down bus services with their deregulation policy. The money will go a long way towards helping rural constituencies. It is not the full picture, but it is at least a start.

Encouraging zero-emission vehicles and clean vehicles is close to my heart, as a company is to build a factory in my constituency where zero-emission vehicles will be produced. The Chancellor has commented on the differential between duties on certain types of clean fuel and petrol. I ask him to look at the possibility that hydrogen—which is needed to drive fuel cell-based vehicles—could be included in that differential. The Chancellor should look also at VAT regulations in respect of investments in taxis and buses where those vehicles are powered by zero-emission engines and clean engines. The Chancellor may be able to encourage investment in clean technology over and above the measures in the Budget.

[Dr. Ladyman]

I very much agreed with the comments of the hon. Member for Beckenham (Mrs. Lait) on bootlegging. I have a tremendous problem with bootlegging in my constituency. Just last week, I found a young man lying outside the door of my constituency office, vomiting. He could not have been older than 14. I put him in my car and took him home to face the wrath of his parents. He would have been drinking bootlegged beer, which is creating a tremendous social problem in my constituency. The police tell me that it is becoming a major problem. The Chancellor must try to improve security and controls on bootlegging, and he has said that he is willing to consider that. The more he does in that area, the better.

Mr. Deputy Speaker: Order.

7.46 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): The longer I serve in the House, the more I think we should look carefully at how we introduce Budgets in it. This Budget is particularly complicated and technical, and it is slightly bizarre and daft that the Chancellor has to get involved in so many different issues and, in one great splurge, release his plans—having been in Budget purdah—on an unsuspecting world, which makes it difficult for those of us who follow these things, particularly technical issues such as social security, to cope with them adequately.

I pay credit to the Government; the Chancellor was wise to make his pre-Budget statement in November. It assisted those of us who are interested in the areas he said he was looking at and it made the work of the Social Security Committee easier. Our third report has direct relevance to this debate and I hope that hon. Members will get a chance to look at the detail of the important matters we investigated.

The Paymaster General is to wind up the debate. He is a man with influence on budgetary matters. Perhaps the Modernisation Committee should examine whether we should have an annual uprating statement, including a technical amendment of taxes Bill, and then leave some of the other complicated issues—such as working families tax credit—to be dealt with in a more consultative and deliberative way. I welcome what the Government have done in so far as it relates to low-income working families.

I want to deal with some of the matters that I think require further attention if these reforms are to be implemented successfully. It is important that, in moving to working families credit, we build on the successes of family credit. I remember the difficulties that arose when family credit was introduced in 1986, especially in terms of take-up, but the benefit now has a good record, not only in rates of take-up but in effective administration. In 1996-97—the most recent year for which figures are available—91.9 per cent. of new family credit claims were paid within five days. Moreover, 91.3 per cent. of assessments were accurate. By benefits standards, that is hard to beat. Those hard-won standards ought also to apply to the new working families tax credit.

I propose that, so that we know clearly what is going on, and because statistics are out of date—it is sometimes two or three years before they are made available—the Government consider setting an annually published target for take-up of working families tax credit. Everyone, including me, assumed that the working families tax credit would automatically have a higher take-up, but—if I understand the fine print—it will have to be applied for. If so, we may be going back to what happened with family credit in 1986, which would be a great shame. I hope that the Government will be alive to that and consider take-up rates as a matter of urgency.

The Paymaster General is the most appropriate Minister to whom to address these comments and I am sure that the Secretary of State for Social Security will thank me for doing so. The technology with which the Benefits Agency works is obsolete and inadequate to meet the demands that the changes proposed in the Budget will bring. It is no use waiting for the millennium bug—or some other excuse—before renewing the equipment; is now 10 or 12 years out of date and badly needs updating. If we do not take this opportunity to do so, we shall ask the impossible of those Benefits Agency staff who will have to implement the administrative changes and it will be unfair if we then expect them to get the new benefit right first time.

The Social Security Committee has set itself the task of examining the implementation of the measures proposed in the Budget, especially working families tax credit. The Treasury Committee will, of course, examine them, too, and we shall study with interest its investigations and recommendations after direct examination of Treasury Ministers.

I think that the adverse effect of the Budget on small employers and the self-employed has been underestimated. I was not convinced that Martin Taylor, who otherwise did a very good job, spent enough time considering that problem in enough detail. We shall have to return to that matter.

The Secretary of State for Social Security gave me half an assurance that she, in concert with her colleagues in the Department of the Environment, Transport and the Regions, was doing more about housing benefit. I understand the necessity for that. If housing benefit is left as it is, it could, for many of the families that we hope will be assisted, soak up the whole financial benefit derived from working families tax credit.

I agree with the hon. Member for Croydon, North (Mr. Wicks) that the quality of child care is an essential issue. As a second order question, I think that someone should examine the future on-costs for local authorities of registering child minders and child care facilities.

We shall also need to consider the wallet versus purse issue. The hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) was not right in very much of what he said, but he was right to draw attention to some of the difficulties in judging to whom the girocheque should go. Giving evidence to the Social Security Committee, Martin Taylor made much of the importance of the psychology of paying the benefit through the wallet rather than the purse. We will all have to be careful and monitor exactly how choices about the payments are made so that we can ensure that the full benefits of these changes are realised.

On part-time work, I think that a new watershed may be created by the 16-hour qualifying period. Many of my constituents are part-time workers in the knitwear

industry. There may be consequences if we create such a huge watershed. We shall also have to watch that situation carefully.

I believe that the proposal to protect the rights to national insurance benefits for those who earn between £64 and £81 a week will create a three-tier system. First, there will be those who earn less than £64. Secondly, there will be those who earn between £64 and £81, who will receive credits, although I do not know how people who appear on the payroll at £70, for example, will be identified so that they can be credited. Will it be the employer's responsibility to notify the Inland Revenue that they have suddenly come on to the payroll at that rate? Thirdly, there will be those who earn more than £81, who will receive full national insurance benefits. That is another important matter needing careful examination.

Again, I agree with what the hon. Member for Croydon, North said about the future of child benefit. The Select Committee, on which I serve with the hon. Gentleman, will want to examine that question and contribute to any consultation. I also agree with what he said about the contributory principle—but perhaps we shall learn more about that when the Green Paper is published next week.

The Budget is welcome in so far as it relates to welfare to work, but I fear that the Government may be ignoring people who are excluded from the world of work, particularly rural low-paid pensioners. I also believe that the Government's macroeconomic stance is creating difficulties for manufacturing industry, especially exporters, who are suffering because of the high value of the pound.

Some of the points that have been made about disadvantage in rural areas also need further consideration, but I welcome the Budget in so far as it relates to the incentive to get people back to work. However, we must ensure that there are enough jobs, as there is no point trying to get people off benefits and into work if there are no jobs for them to go to.

7.56 pm

Kali Mountford (Colne Valley): I am very pleased to be able to speak in this debate on what I believe to be a stonking good Budget which will herald a turning point in our economy. It will restructure the economy and the tax and benefits system, and it will refocus benefits for everyone, especially the poorest in our communities. Moreover, the Budget is non-judgmental; it does not distinguish between people according to the size and shape of their families; nor does it exclude people from work and assume that people who are workless are workshy.

I represent a largely rural constituency and I must tell the House that the poverty that people in rural communities face is worse than that almost anywhere else. It is unhelpful of Conservative Members not to recognise the benefits to rural communities that the Budget and other measures will bring. My constituents who live in villages are far from urban centres where most of the help resides, including voluntary organisations, the Employment Service and social services. Few of those agencies have outposts in villages. Evidence shows that fewer and fewer resources are available in villages, which are literally crumbling under the strain.

What of the poorer people in those communities? People who live in my village—

Mr. Ruffley: Will the hon. Lady give way?

Kali Mountford: I am sorry, but time is short—although I am grateful that the hon. Gentleman is interested in what I am saying.

People who live next door to me, for example, have great difficulties accessing the resources that are available to people in urban areas because there are so few buses. The village along the road had its bus service cut so dramatically that the residents had to form a bus action group to press for the reintroduction of the rural bus.

I think that £50 million will go a long way towards helping with that, but let us not forget the £500 million that is being made available for all public transport. Conservative Members have said that that is too little, too late, but I do not remember Conservative Chancellors of the Exchequer making such resources available. They took the dogmatic approach that the private sector will reap all—it certainly reaped my bus services. Hon. Members may think that bus services are not important, but for my constituents they are, as they are the access to everything else. For young people who can now get a pass for the bus service and so access the new deal, it could be the turning point in their lives.

Since September, the number of young unemployed people in my constituency has almost halved, I am pleased to say. Only 150 are left without work. We are already seeing the effects of economic restructuring to enable people to get access to work. There is money for research and development, money to encourage people to invest in the long—and not the short—term and money so that we can have a more stable economy. All of those developments will help small businesses in my constituency and elsewhere to make long-term investments to provide jobs.

In another debate, I said that the new deal would be an important part of the strategy to encourage small businesses to take on young people so that their businesses can grow. Few young people in my constituency still need the new deal, so I am particularly glad about its extension to other people who need it at least as much, in particular lone parents. The new linking rules for benefits for lone parents and people with disabilities are welcome indeed. They will take away the fear of trying out a job.

A couple of weeks ago, I met someone at my surgery who had recently found herself a job. She is disabled and had pointed that out during the job interview, but everyone agreed that she would be suitable and she was given a date to start. Sadly, on her first day she was unable to perform her first task because of her disability and her immobility, so it was amicably agreed that she should not even start the job. I was disappointed that the firm took that decision and I hope that we can reverse it in the near future. Knowing that there was no fear of her losing benefits if she tried the job for a time to find out whether it could be redesigned to suit her needs might have helped both her and her employers.

Sometimes it is difficult for employers to imagine how someone with severe disabilities can fit into the new style of working to which they are being introduced, but, with a little imagination, people can often find ways of fitting

[Kali Mountford]

the job to the person with the disabilities rather than trying to make that person fit into an old style of working. The change will be a magnificent improvement for people such as my constituent.

A major step forward is the fact that we are focusing on children instead of the family structure. I have long argued that children are the most important consideration when we make decisions on tax, benefit and work. It is wrong to design child care strategies to suit the needs of parents or employers. I have made many mistakes by encouraging people to take particular styles of child care only to find that they do not suit their families. It is about time that we considered a strategy that suited the child.

I was disappointed to hear the hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) suggest that, by introducing this child care strategy and help for parents, we would be doing children a great disservice. We have been doing them a great disservice for many years and it is a disgrace that this country has the worst record on child care in Europe.

To assume that making child care available is doing some disservice to children and to make a moral judgment on families who choose to take up such services says a great deal about our attitude to families. They have made their decisions about partners and whether they will be married. Many people make decisions against their best wishes. Partners die, or leave, and people are often left with complex family structures. Are we to make a moral judgment about such people?

In spite of those complex family structures, people still need to work because a lifetime on benefits is abhorrent. Are we to say that if people go out to work their children will be less well served than the children of their neighbours who are fortunate enough to have stayed in one marriage and who do not need both partners to work—a rare family these days as less than one third of families are like that? The majority of families probably need access to some child care at some point. Should we tell them that their children will be so ill served by that system that they should not make that choice and that a lifetime in poverty on benefits is preferable? I hope not.

My children have been in child care at times—I hope that they are in pretty decent child care right now—and I would like to think, or in fact I know, that they are well-rounded and lovely people and have not had any disbenefit from that experience.

There is plenty of evidence to show that children in child care, especially those who go to nurseries, benefit a great deal. The IQ of some children who have been in child care builds up, although immediately they come out of that constructive environment it often tapers off because the stimulation is no longer available. In those early years, stimulation is good for children and I very much welcome the pilot programme of early excellence centres that will bring together all sorts of child care elements. Working in partnership is a good way forward and will provide the best for our children. I hope that the whole House agrees with me on that.

8.6 pm

Mr. David Ruffley (Bury St. Edmunds): I think that it was the late Iain Macleod who said that the Budgets that were cheered loudest on the day looked the worst six months down the road. Conservative Members believe that this Budget is one such. It is a triumph of style over true substance and the most over-hyped Budget in the history of modern politics. It was distinguished by grandiloquent language. We heard that the Chancellor is the "people's guardian" and talk about this being a once-in-a-generation opportunity to modernise tax and benefits. Such terms and style of language are ridiculous.

Mr. Fallon: Perhaps it is time that we changed the people's scriptwriter.

Mr. Ruffley: My hon. Friend is right. It is language as ridiculous as a Chancellor who borrows someone else's children for a cheap photo opportunity the weekend before the Budget.

This Budget set up great expectations; we contend that the people will be disappointed because it fails three tests by which it should be judged. The first relates to the welfare and tax proposals. No doubt, the aim is to increase incentives to work and the number of jobs, and to reduce the welfare budget, but it will fail.

The second test relates to the delivery of stable macro-economic management; the Budget will fail to do that. It will not be able to sustain the rates of growth that are necessary and desirable for our country.

The Budget also fails the third test, which is to deliver on new Labour's promise not to increase the tax burden on middle Britain.

The Labour party is very keen to invoke the words of the Institute for Fiscal Studies. Paul Johnson—not the Conservative commentator, but the deputy director of the IFS—said that Labour's welfare proposals certainly do not represent "a major reforming package".

The working families tax credit is essentially a rebadging of family credit under the Conservative Administration. But it is much more expensive, as it goes higher up the income scale. We cannot see how it can possibly deliver cuts in total Government expenditure. It may be classified as other than social security spending, but it will result, as night follows day, in a greater liability for the British taxpayer.

No Labour Member has made any serious attempt to answer the questions about wallet versus purse. We hope that the Minister will answer the questions posed by Conservative Members.

The child care proposals are of interest to a party—the Conservative party—that introduced a disregard for child care in 1993. We are certainly not against child care in principle, and it is a calumny for Labour Members to suggest that we are. But we have real concerns about the package proposed in the Budget.

The IFS and Mr. Paul Johnson are also concerned. He says that

"the long-term costs could run into billions".

There is no sensible forecast in the Red Book of the ultimate cost of the proposals.

We are concerned about the nannies and grannies who do valuable care work in the home for no pay. They will not be favoured by the proposals. Money for child care will be claimed for services rendered by registered child carers, but not for work done by volunteers. The Conservative party has an excellent solution to that: the transferable tax allowance. Many of my constituents would have liked that to be in the Budget.

The state-registered nature of the child care allowable under the proposals amounts to nothing less than the nationalisation of child care. *[Laughter.]* Labour Members may scoff, but they must understand that incentives will be provided for those whose children are currently cared for by nannies, grannies or other relatives to buy child care at the state's expense, and that must be an undesirable outcome. The proposals, together with the cut in the married couple's allowance, show that the Budget is not especially a Budget for the family.

The proposals are meant to provide work incentives and encourage people back into the labour market, but the Labour party has not even begun to deal with the critical question of what is the chief determinant in creating jobs. Mr. Kaletsky in *The Times* pointed out that the true determinant is economic growth, not packages and tax incentives of the kind set out under the welfare proposals.

The Budget also fails the test of proper macro-economic management that delivers stable economic growth, which is the real determinant of jobs. The fact that the Chancellor departed from the long-established convention of opening the Budget statement with a proper detailed analysis of the macroeconomic environment and outlook was telling. He skated over the issue, and the reason is no surprise: he did not dare to address the issues of the high pound and high interest rates.

Nothing in the Budget does anything to address those two central problems for the real economy. It is no coincidence that the high pound is going even higher. As speculators fear an interest rate rise on the back of the Budget, they are buying sterling and pushing up its value. The Budget has failed in that respect, too.

Labour Members always ask what we would have done differently, to ensure that the pound and interest rates were not so high. I am happy to tell them. The bad economic management since 1 May has destroyed the golden economic legacy, primarily through the transfer of control of monetary policy to the Governor of the Bank of England. Under a Conservative Administration, there would not have been a Monetary Policy Committee packed with people who do not understand monetary conditions or the real economy.

I am sorry that the hon. Member for Bolton, West (Ms Kelly) is not in her place. She would certainly have joined us in calling for confirmatory hearings for nominees to the Monetary Policy Committee, as then we might have had a bit of common sense on that body. The net result of mismanagement since 1 May and the Budget proposals is that we face a recession. All the serious commentators say that there is a serious risk.

The Red Book shows us why. Consumer spending is set to fall, with the tax burden rising, the balance of payments surplus turning to deficit and the savings ratio falling. I remind Labour Members to look at page 116 of the Red Book. They will discover—

Mr. Deputy Speaker: Order. I call Mr. David Drew.

8.16 pm

Mr. David Drew (Stroud): My hon. Friend the Member for Bolton, West (Ms Kelly) referred to this as a radical Budget, and I am only too happy to concur, except that I would add that it remains within a well-rehearsed set of themes announced on numerous occasions by my right hon. Friend the Chancellor. I want to re-rehearse those themes quickly, to set the context, before coming to the substance of my speech.

The themes are stability, with low inflation; fiscal rectitude; ending boom and bust; reducing our indebtedness; fairness, the centrepiece of which is the welfare-to-work strategy, with the evolution of a national anti-poverty strategy now locked in place; help for business, with increased transparency and clarity in the way in which we shall offer help, and a taxation structure that adds to the benefits of long-term investment and rewards entrepreneurship as well as giving specific help and advice; and, last, but not by any stretch of the imagination least, a concentration on the rebuilding and, indeed, enhancement of public services.

My right hon. Friend the Secretary of State for Social Security gave us a sense of the excitement of our getting to grips with a proper, integrated national child care strategy. That has been universally welcomed by the child care organisations.

I want to discuss the implications for child care in rural and semi-rural areas. I was interested to hear the hon. Member for Bury St. Edmunds (Mr. Ruffley) calling the proposals the nationalisation of child care. They are anything but that, because they allow flexibility in rural and semi-rural areas, where there is little competition or even a monopoly of care. Women in particular, and parents in general, need to know that their children are in safe hands. That can be assured only if there is quality child care provision, with genuine investment and appropriate regulation. I am pleased to see that that is a key part of the Government's proposal, from which rural areas stand to gain as much as urban areas.

I shall restrict my remarks to two of the Opposition's lines of attack. The first concerns their environmental allegations in regard to the petrol tax escalator. I remind the Conservatives that they initiated the petrol tax escalator when they once claimed to have environmental credentials. The Conservatives' torch logo is appropriate, as it sums up how out of touch they are with the environment. Perhaps the colour of that logo should change from blue to brown, as the Conservatives have no credibility left on the environmental front.

We welcome the fact that the Government are trying to do something about one of the most damaging pollutants and prevent the depletion of the quality of our environment. It is tough, and we must rely on a carrot-and-stick approach. We must talk to our constituents and rationalise: we must explain that they cannot have it both ways. However, I believe that people are genuinely beginning to get the message; they are realising that they will not see an improvement in the environment if they continue to use their cars whenever they want.

I served on the Committee that examined the Road Traffic Reduction (United Kingdom Targets) Bill, and the Opposition spokesman, the hon. Member for Christchurch (Mr. Chope), did his best to filibuster and block that legislation. The Opposition should understand that people want to see those measures put into effect at the earliest opportunity. They are prepared to make sacrifices so long as there is a reward. We can provide that in the form of the carrot, by rebuilding our public services, including our bus and rail services. That will not be easy; the Budget has made a start, but we must go further.

[Mr. David Drew]

The Budget contains other measures that affect the environment. My hon. Friend the Member for Nottingham, South (Mr. Simpson) talked at considerable length yesterday about the reduction in value added tax on the installation of home insulation materials, so I shall not go over the same ground. The Government have increased landfill tax, and we have pledged to examine other difficult issues. For example, we shall consult about the impact of a carbon tax on business, industry and commerce. We shall consider how we can introduce a sensible environmentally sensitive tax regime that is both fair and comprehensive.

We must recognise that we are moving inexorably towards some form of green taxation. Although Labour Members welcome that, we do not wish to put the Chancellor of the Exchequer in an impossible position: we must take the nation with us. However, there is a clear demand for such taxation, as people know that the alternative is worsening health, the depletion of resources and an increase in pollution and associated dangers for them and their children.

The Opposition's second line of attack stems directly from their petrol tax accusations. It concerns principally the people who live in rural areas, of whom I am one. I am proud to represent the constituency of Stroud. We must appreciate that the rural economy is extremely complex and does not rely simply on the motor car—although that is an important feature of rural life. One must ask why Conservative Members did not argue against all the previous increases in petrol tax. They did not recognise the impact of that tax in terms of poverty, loss of services and the fact that people could not travel to find work.

We shall address those issues. We must find other means of enabling people to get to work—or, more particularly, we must provide work in rural areas. I am pleased to see that teleworking is a fast-growing industry. There are some dangers in that field in terms of low pay and poor conditions, but people may choose the type of work they do, when to work and when to be with their children. Teleworking provides tremendous opportunities and people do not have to use their cars to travel to work. That is one way of addressing a very difficult problem.

My remarks have been sparked partly by the speech last night of the hon. Member for Cotswold (Mr. Clifton-Brown)—who is near me geographically, if not politically. He launched a full-frontal attack on what he considered to be the Government's failure to assist public services in the county of Gloucestershire. That is total and absolute gall on his part. Although it is only a start, we have begun to turn around education in Gloucestershire this year. All our schools have received a budget increase of between 1 and 2 per cent. That is not a huge amount, but it is better than cut after cut, which head teachers grew used to under the previous Government. They are now much more confident that the present regime understands what the schools want and will finance them properly.

The hon. Gentleman's attack on health and bed blocking in my authority was also totally unjustified, because we are dealing with problems caused by the previous Conservative Government. It is totally unjust to claim that we do not care about public services. We will rebuild public services and we shall see this country into the next century with the quality services that it deserves.

8.26 pm

Mr. Steve Webb (Northavon): There are many elements in the Budget that I welcome warmly. I shall touch on three of them before moving on to what I consider to be an important omission.

The first measure that I welcome particularly—I have argued for it for many years—is the sensible reform employer national insurance contributions. It has always seemed anomalous that, when employee contributions were more or less sorted out, the previous Conservative Government did nothing about employer contributions and allowed the entry fee and the absurd tiered structure to remain.

This Government sensibly produced a pre-Budget consultation document, to which the Liberal Democrats responded. In our response, we argue that employer national insurance should be restructured, perhaps with a uniform rate above the lower earnings limit. Except for the fact that the Government have raised the lower earnings limit, they have done precisely as we recommended. We warmly welcome the move, which we regard as a sign of a responsive Government. We are grateful for that.

Secondly, we welcome the closer alignment between income tax and national insurance contributions, by merging the Contributions Agency with the Inland Revenue and aligning thresholds. We wonder whether that presages an eventual integration. I shall be interested to hear from the Paymaster General whether the Government have decided that the contributory principle has a future and that those basically direct taxes will eventually be merged. I hope for a response to that question, but I do not expect one.

The third element of the Budget that I welcome sincerely is additional money for the poorest children. I welcome very much the provision of extra money on the rates of child premiums for income support, for children under 11. It is sensible that that measure focuses on younger children who have the greatest need. However, I part company with the Chancellor on one point. He said:

> "The case for additional support for children in poorer families is strong, but that support should be on the basis of the identifiable needs of children, not on whether there happens to be one parent rather than two."—[*Official Report*, 17 March 1998; Vol. 308, c. 1107.]

The evidence is clear that one-parent families on income support are much poorer than two-parent families on income support. When measured by all the yardsticks of deprivation—such as durables, debt and all the things that affect quality of life—lone parents on income support are poorer than two-parent families on income support, and therefore require extra, rather than the same, help. We welcome additional money for all poor families on income support, but, on the Chancellor's own argument that support should be on the basis of the identified needs of children, lone parents continue to have a case for additional money.

As I said in an intervention during the Secretary of State's speech, it is regrettable that, in 1998–99, we have the anomaly that new lone parents will face the cut that was so controversial, whereas in 1999 all families with children will, essentially, get the money back.

It is a particular misfortune to become a lone parent in 1998–99 and to have to get by for a year without that £5 of family premium. It would cost the Government

relatively little, even at this stage, to defer that cut. One element of that cut is still before the other place, and I hope that the Government will take the opportunity to defer it. Then we shall really believe that they are concerned about all poor children in poor families.

I welcome much of the Budget, but there is one important omission, which is housing costs. The words "rent" and "housing costs" do not appear in the Budget. Yet an important table on page 36 of the Government's first consultation document issued last July, "The Modernisation of Britain's Tax and Benefit System", lists the aspects which, according to research commissioned by the Department of Social Security, are barriers to people leaving benefit. The cost of child care is on the list, but in sixth position. After wage worries, second and third on the list come fears about losing help with council tax and with housing costs—mortgages and rents. That has been clearly identified by DSS research as stopping people on benefit moving off benefit into work. Regrettably, there was nothing in the Budget for that cause.

The working families tax credit with extra cash will help to some extent, but as soon as a person with a mortgage of £100 a week, which is not implausible, works 16 hours a week, he will have to find all that money from his net pay, quite apart from child care and all the other costs. That is a huge disincentive, which the Government have not even shown signs of reviewing.

The Government are reviewing housing benefit, which we welcome. During the past 10 years, rents have shot up hugely more than inflation and, like mortgages, rents are a huge burden on the low-paid. I should like to see—I speak in a personal capacity—social rents, and private rents for that matter, brought down. That is a slightly old-fashioned notion, but, as most people in the local authority and social rent sector are on low incomes, cutting rents would be a well-targeted universal subsidy. Universal subsidies are not as popular as they were, but, from a welfare-to-work point of view, it is much more effective to give people lower rents and enable them to obtain work, than for them to have high rents that they cannot afford when they take jobs.

To summarise, there are many welcome things in the Budget, but one important omission is the treatment of housing costs—rents and mortgages. It is regrettable that the matter was not considered in the round. The Budget measures on welfare to work—the working families tax credit, and so on—were not integrated with housing. The minimum wage will help, as will lower starting rates of tax or a higher allowance, the tax credits and the national insurance reforms, but everything should be taken together. Let us bring in housing costs. Let us not suffer from departmentalitis, whereby, because a matter comes under another Department, it is considered separately six months later. Let us include housing and have a comprehensive response to the problems of the low-paid. I shall then be able to welcome the Budget even more whole-heartedly than I already do.

8.32 pm

Mr. David Chaytor (Bury, North): I, too, welcome the Budget, particularly its emphasis on making work pay, the steps that it has taken to reform the appalling anomalies within the welfare state that we have inherited, its support for families and its new help with child care, the new investment for public services, particularly schools and hospitals, and the various measures that will support small businesses and job creation.

Those measures will be welcomed by my constituents in Bury. For too many years, thousands of them have suffered from chronic levels of low pay, from too little full-time work and too much part-time work, and from the absence of child care. The increase in child benefit will be appreciated by the 27,000 families in my constituency, particularly as one in nine are lone-parent families.

My local authority in Bury has one of the lowest levels of per capita funding for children in primary and secondary schools of any local authority in Britain. Therefore, the new investment in schools will be particularly welcome. Equally, our hospital has one of the lowest levels of per capita funding of any hospital trust in Britain. The new money for reducing waiting lists will be significant.

The Budget is in marked contrast to the successive Budgets of the Tory years, which served simply to reinforce inequality, progressively to disfranchise more and more families and young people, and to exclude increasing numbers of people from mainstream society. I am proud that my Government, through the Budget and the new deal, are starting to rebuild hope for the next generation, whereas the previous generation saw nothing but exclusion and the progressive eradication of its opportunities.

The significant changes to national insurance, the introduction of the working families tax credit and the tax credits for child care will help to transform the lives of many of my constituents, particularly women who are struggling to combine work and child care, or women who have been excluded from the labour market for too many years simply because of the limited availability of child care.

Within my general welcome for the Budget, I wish to raise one or two specific points, which I should be grateful if my hon. Friend the Paymaster General could mention when he replies.

First, I have to agree with one or two Conservative Members about the unfortunate absence of any reference to pensioners, either in the Chancellor's speech on Tuesday or in the Budget report. We understand and welcome the important help with fuel costs that was given to pensioners before Christmas, and we know that the pensions review will be published in the first half of this year. Clearly, this is not the time to make major changes to the pension system. Nevertheless, it would have given some hope, confidence and comfort to the nation's pensioners had there been some reference to them, even a simple one to the forthcoming review, in Tuesday's speech or in the Budget report.

With regard to lone-parent families, I understand the Government's point about separating out the issue of need and the issue of family structure, saying that need, not family structure, should be the basis of public support. I have tried hard to agree with that, but I simply cannot accept that the needs of a two-earner family paying the higher rate of income tax are equal to those of a lone-parent family. I cannot believe that the difficulties of bringing up and caring for children are the same for two parents as for one. I welcome the fact that the Government have responded to the previous changes in the Social

[Mr. David Chaytor]

Security Bill last December. Most lone parents will be pleased with the measures announced in the Budget, but, in line with the comments of the hon. Member for Northavon (Mr. Webb), I appeal to the Government to keep under review the question of need and lone-parent families.

Similarly, I welcome the fact that my right hon. Friend the Chancellor has flagged up the future status of child benefit in terms of taxation. But, again, I simply cannot justify that the child benefit received by two-earner families, paying the highest rate of income tax, should not be subject to tax, yet the lone-parent benefit was taken away last December. I hope that if it is finally decided that child benefit should be subject to taxation, the revenue from that taxation will be earmarked for further help for the poorest families in Britain, many of whom will be lone-parent families.

Another important technical point concerns the merger of the Inland Revenue and the Contributions Agency. That is one of the most profoundly important measures in the Budget because of the changes that it flags up to the future financing of the welfare state. I hope that there will be a lively debate on the continuation of the contributory principle under a merged bureaucracy. I also hope that, whatever happens to the contributory principle, it concentrates our collective mind on the harmonisation of tax and national insurance rates and thresholds and, in particular, flags up the enormous anomaly of the national insurance threshold. I appeal to hon. Members to ask themselves how they can justify the fact that, above £22,000—or thereabouts—a year, one stops paying national insurance? That is one of the most regressive features of our tax system, and, sooner or later, a Government will have to address it.

My major point concerns environmental taxation, about which my hon. Friends the Members for Stroud (Mr. Drew) and for Peterborough (Mrs. Brinton) have already spoken. I add my voice in support of the green tax measures in the Budget, particularly the increase in landfill tax, the cut in VAT on energy-saving materials and the various changes to road fuel duty and vehicle excise duty. Those measures are important and positive, but are comparatively limited in terms of their effect on greenhouse gases or traffic reduction.

To meet our Kyoto targets, there is scope for other measures, such as taxing employers' car parking spaces; urban road pricing; heavier taxation on dirty and fuel-inefficient vehicles, and taxing out-of-town retail parking spaces. I look forward to the forthcoming White Paper on the integrated transport strategy, which will, I am sure, deal with some of those points.

I particularly welcome the Chancellor's decision to investigate industrial and commercial energy taxation. It is critical that we carry industry and commerce with us in moving towards green taxation, and to demonstrate the value of green taxes, not only the cost savings to business, but the potential for growth in energy efficiency and environmental technologies. I look forward to other developments such as, for example, water pollution charges, following the recent Department of the Environment, Transport and the Regions consultation paper.

Not only does green taxation help to conserve the natural resources on which our future health and prosperity depend, but, in the main, green taxes are cheap and easy to collect. They are difficult to avoid and serve to legitimise the whole concept of taxation. That legitimisation is sorely needed following the disastrous record of the previous Government in encouraging tax evasion and introducing taxes that were widely considered unfair and inefficient.

Most important, as we have seen already, green taxes enable the Government to cut taxes in other areas, most notably labour and wealth creation. That is already happening under our Government. It started to happen under the previous Government, and it is happening across Europe. It needs to be extended further as part of a general policy of shifting the burden of taxation away from goods and processes that are intrinsically good and towards those that are intrinsically bad.

I welcome the achievements on green taxation so far, but there is much further to go. I draw the House's attention to two documents published recently. The report of the Environmental Audit Select Committee contains a wealth of evidence from different sources on the state of green taxation. It rehearses most of the arguments in favour of green taxation. I hope that, over the next few months, the Government will take careful note of it when framing the 1999 Budget. I urge all hon. Members who have an interest in this issue to give their support to early-day motion 1108, which relates to the—

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Time is up.

8.43 pm

Mr. Oliver Letwin (West Dorset): I am profoundly grateful to be able to speak while our Whips have vanished from the scene, as—perhaps unusually for an Opposition Member—I think that some aspects of the Budget are admirable. It is an immensely tough Budget in terms of the fiscal balance that it establishes. In fact, it outdoes most Conservative Chancellors in that respect. Other aspects that should be welcomed include the general principle of transferring from one form of benefit to a tax credit.

Alas, I do not think that the welcome for the Budget can be unreserved, as the transfer of taxation to the corporate sector, which will be discussed on Monday, will, I think—only time will tell—turn out to have been grossly misjudged and will contribute to what is already a far more severe recession in the manufacturing sector than the Treasury's models recognise. Throughout the past 25 years, the Treasury's models have been notoriously inaccurate in these respects.

I shall concentrate on a matter on which my hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) began to elaborate. The Budget has a most important effect—one that I very much doubt that the Government intended. I am delighted to be able to speak about this in the presence of the Paymaster General, because, presumably, he was the Minister responsible for the most welcome U-turn. I presume that he was responsible for ensuring that individual savings accounts would not involve a retrospective breach of the trust of those who had engaged in tax-exempt special savings accounts and personal equity plans. If the Government

were able to make that welcome U-turn, perhaps, under the Paymaster General's inspiration, they will be able in subsequent legislation—or even in the next few days, if one is to indulge in one's wildest dreams—to alter their position on the matter to which my hon. Friend referred.

I am speaking of something that is far more important to the children—at whom in great part, as many hon. Members on both sides of the House have referred, the Budget is aimed—than the money involved in the child care tax credit. Many issues were raised about the practicalities of the child care tax credit. The jury is out on that. We shall see what happens to mothers, to registrations, and whether it is used as a mechanism for simply increasing family income. If that happens, the predictions of the Institute for Fiscal Studies may come true, and there may be a £3 billion or £4 billion cost, as opposed to the £1 billion asserted by the Treasury.

Be that as it may, I regret to say that the child care tax credit is just a matter of money. How could I possibly say that anything is just a matter of money in relation to a Budget? This Budget intends to have—and does have—profound social effects. It is intended to create incentives, one of which I warmly welcome—the incentive for people to work. If the Chancellor were asked for his proudest achievement of the Budget, he would presumably tell us that it was to create a greater incentive to work. That admits immediately that the Budget's main point is its social effects and the effects on social incentives. If that is the case, it is not the money with which we should be most concerned but the social effect.

Anybody on the Conservative Benches has to admit that, until the last day of the previous Administration, the Conservative Government—much more out of oversight than intention—gradually tilted the balance, I regret to say, against marriage. Many of us, including my hon. Friend the Member for Chingford and Woodford Green, preached against this throughout the time of the previous Government and regret it. However, that is not a reason for the present Government to repeat and amplify the mistake that we made. Any hon. Member who has children will agree that the sad truth is that the most important thing—above money and poverty—for children is how they live in their family.

I do not wish to moralise about this. It is a dreadful error for politicians to moralise. Perhaps we on the Conservative Benches stand convicted from time to time of having moralised too much. If the Chancellor genuinely believes—I think that he does—that his Budget is intended to achieve social effects, he must believe that it is right for the tax system to be viewed from the point of view of the social effects that it is likely to have. That means that the Government have to make a conscious choice about the society that they are trying to tilt towards through the tax system. If that is the case, it is undeniable that the Budget quite specifically militates against marriage.

It is no part of my purpose to argue in religious or moral terms for the institution of marriage. My argument is a practical one. It is about children. There is ample evidence—I do not think that the Secretary of State for Social Security would deny this, as her Department has evidenced this in its own work, and the Select Committee has reiterated it over many years—that, by and large, children prosper more when marriages stick together. It has been shown over many decades that although the divorce rate is alarmingly high, marriage is a better means of keeping parents together than any known human institution.

A Budget that starts from a series of mistakes made by a previous Government—perhaps from mistakes made over the previous 100 years—allied to social trends that have gradually undermined marriage, and that unnecessarily amplifies those mistakes for a small gain of roughly £1 billion by reducing the married allowance, and further amplifies them by making it easier for people to enter partnerships and still enjoy reasonable incomes for their children, unconsciously and unintentionally does gross damage to the structure of our society. If I am right that that is not what the Government intend, it can be easily remedied at little cost. If I am wrong, however, and that is part of the Government's intention, they should say so—and 30 million, 40 million or 50 million would howl them down.

There has been a tremendous reaction against ideas that were prevalent in the 1950s and 1960 that suggested that there was no difference between partnerships that stuck together and those that did not—hence, between partnership and marriage. That is a dated idea, because the modern view—the Labour party much prides itself on speaking about modernity—is that marriage is a glue that sticks society together, holds families together and helps children.

The Minister should admit either that the effect to which I have referred is not what the Government intended and that they will reverse it, or that it is what they intended and try to make an argument for what most hon. Members, even in this thinly populated Chamber, would find difficult to defend.

8.51 pm

Mr. Jonathan Shaw (Chatham and Aylesford): All hon. Members would agree that the remarks of the hon. Member for West Dorset (Mr. Letwin) about marriage and children were sincere. Having spent 10 years in social work, I agree that children prosper if families remain together. It is regrettable when parents split up because it has a detrimental effect, but for families on low incomes the pressures and strains of having insufficient resources to pay their way add to discord between couples and ultimately may lead to a marriage or relationship breaking up.

One of the positive measures in the Budget is the working families tax credit, which provides child care support for families.

I wish to focus on three areas—the main welfare to work and social security measures and two related issues. In my 10 years in community and social work, I endeavoured to assist people living in poverty and disadvantage to achieve change. Indeed, that is why I entered politics and joined the Labour party. I welcome and applaud the Budget. It provides essential solutions to tackling deprivation, and it will enhance the lives and opportunities of many people and families.

The new deal was introduced last July. Its proposals have been met with considerable enthusiasm in my constituency, especially among employers and young people. We recently launched the Medway towns new deal in the House, at which I was pleased to see the chairman of Gillingham football club. The Budget's proposals are the next crucial step after the new deal in

[Mr. Jonathan Shaw]

helping to tackle poverty. The key test for the Labour Government is to turn back the tide of poverty that has crept over the country in the past 18 years.

Being on benefit should not mean that someone must live in poverty. My hon. Friend the Member for Bury, North (Mr. Chaytor) referred to pensioners, many of whom live in poverty. That is particularly true of those who served in the war, who now have only a couple of ha'pennies to rub together. That is an indictment of us all. I was pleased to hear my right hon. Friend the Secretary of State reiterate that not everyone will be able to work and take advantage of the Budget's proposals. People with disabilities should not feel guilty about being on benefit; they should be secure in the knowledge that we value them as equals.

Being trapped on benefit is a real existence for many people, and in my previous work I saw the manifestations of that, which were eloquently described by my hon. Friend the Member for Bradford, North (Mr. Rooney). In constituencies such as mine, in which unemployment is about 5 per cent., there are pockets of unemployment where the rate is twice as high, and that has applied for far too long. As economic prospects improve for the majority, little seems to change for such people.

I recently attended a business breakfast, at which we were again launching the new deal. An employer said, "To tackle deprivation, surely all we must ensure is that the economy continues to improve." That is right, but if everyone is to benefit, especially those communities about which I am speaking, the necessary structures must be put in place, which is what the Budget aims to do.

It is not simple to get people back to work: a number of measures must be used. Shaming people and telling them to get on their bikes, which we heard many years ago, will not work. That only alienates people and defeats the desired objective.

We must also have a change of culture. It is hardly surprising that young people from the second or third generations of a family that has not experienced work have little aspiration other than the dole queue. I recently travelled to London on the train and spoke to two 18-year-olds from my area who had no expectation other than benefit. Indeed, they were surprised that I felt that they should be looking for an alternative life style. Perversely, they argued, albeit wrongly, that they were better off on benefits.

My hon. Friend the Member for Bradford, North eloquently stated that, tragically, many families are better off on benefit. The communities on the estate where those 18-year-olds live have been increasingly excluded and deprived. Many parents on such estates feel that they have not been able to offer themselves as a role model because they have been unable to work. I do not condemn them, but we must provide opportunities for parents so that as their children grow up they see that the aspiration to, and expectation of, work are the norm and do not say when they are 18, "We're better off on benefit."

The Budget's tax and benefit proposals will enormously assist low-income families and those on benefits and will effect the change in culture that I have described and provide opportunities.

The current family credit system has many faults, and there is a stigma attached to it. People have to fill in reams of paper when applying for it, and there is an unsatisfactory take-up rate. People generally prefer not to be in receipt of welfare benefits. The Chancellor's proposals will give more cash help to 400,000 families and will break the benefits link, as the credit can be paid through a wage. That is a far more dignified way of assisting low-income families. I look forward to hearing whether it will be paid through the purse or the wallet.

Child minders and nurseries were part of my responsibilities when I worked in social services. There are many unregistered, and therefore illegal, child minders. They do not necessarily have a wanton desire to flout the law and put children at risk: they are neighbours and friends, particularly in poorer communities, who act together to support one another. There is a massive shortage of good-quality child care. The working families tax credit, coupled with the improved child benefit, will allow parents to work and will be an income and a regenerator for poorer communities, because money spent on child care will remain within those communities. I welcome the debate on who should receive child benefit and who should be taxed on it.

Another 50,000 child minders are required. That would put further pressure on local authorities' registration and inspection units.

9.1 pm

Mr. Robert Walter (North Dorset): I shall take a different approach from other hon. Members, although my right hon. Friend the Member for South Norfolk (Mr. MacGregor) referred to the matter that I shall raise. The Budget is very unfriendly to those who live outside urban Britain. It is an attack on the countryside, and shows Labour's lack of understanding of rural issues and rural problems. My argument has nothing to do with country sports: it is about the people who live and work in rural Britain.

Britain's hard-hit farmers were left stunned by a Budget that offered them little or no comfort. I declare an interest as a farmer. The Budget did nothing to tackle the overall impact of the strong pound on agriculture and although the Chancellor acknowledged the problem, he did nothing to address it.

The deputy president of the National Farmers Union, Mr. Tim Bennett, said:

> "Agriculture continues to be one of the worst hit industries affected by the strength of sterling. It will bring little comfort to many struggling family farms whose incomes have been cut by a half on average last year."

Farmers remain seriously concerned about the strength of sterling, which is forcing up their costs and drawing in cheap imports, with catastrophic effects on market prices.

Farmers can draw little comfort from the Red Book. Under "Changes from previous plans" in the section on the public finances, it shows that spending by the Ministry of Agriculture, Fisheries and Food was down £140 million in 1997–98, and is down £50 million for 1998–99. Apart from the special circumstance in the Department for Education and Employment, they are among the largest reductions in spending plans.

Hon. Members may think that the changes to capital gains tax have little to do with farming. The retirement relief on capital gains tax is to be phased out over five years from 6 April 1999. That is bad news for anyone who is contemplating retirement from farming after April 1999, as it is for the disposal of any smaller business.

The Chancellor has chosen not to synchronise the withdrawal of retirement relief with his reductions in the rate of capital gains tax.

The proposed changes will ultimately result in people being unable to retire because they will have to use their money differently. That is contrary to intentions announced in the House by the Minister of Agriculture, who is seeking European Union support for an early-retirement scheme. He is asking Brussels for money for early retirement, yet he is allowing the Chancellor of the Exchequer to remove one of the most advantageous early-retirement schemes available to farmers. Farmers who want to retire are not helped by the increases in stamp duty. It is not only large farms that are worth £250,000 or £500,000; they and smaller farms will now be affected by the 3 per cent. rate of stamp duty.

Farming, market gardening, forestry and timber production have been excluded from the new enterprise investment scheme and from the venture capital scheme.

The Chancellor announced with some glee that he was reducing the mainstream rate of corporation tax to 20 per cent. Most farmers do not run their farms as corporate bodies. Farmers are individuals, so their businesses will not benefit from the reduction, and they will still pay the 23 per cent. rate of income tax.

Labour Members have suggested that the increase in petrol tax is in line with increases introduced by the previous Government. We have had two increases in petrol duty in just 10 months, whereas the previous Government did not increase petrol tax twice a year.

Drivers in rural areas—mothers who take their children to school and those who drive to work out of necessity rather than by choice—will suffer immediately as a result of the increase in petrol prices.

The deputy president of the NFU said:

"Farmers will be heartened to hear the Chancellor acknowledge the need of rural communities—particularly with the announcement of a £50 million fund for rural transport—but they will be waiting to see that acknowledgement translated into tangible benefits."

Britain's rural parishes will have to bid for cash from this £50 million fund, which seems ridiculously small if it is to have a sensible effect. *The Times* suggested:

"If the three quarters of rural communities without any bus service at all share Gordon Brown's promised £50 million investment in rural transport they will end up with little more than a wheel nut each."

I contend that £50 million is not much spread across the country.

Let us take a typical couple with two children and a mortgage, living in one of the shire counties of rural Britain. Such a couple will be about £1,000 worse off as a result of the measures introduced by the Government in two Budgets. There are the increases in petrol duty, which I have already mentioned; there are the increases in mortgage interest rates, which, as we know, result from high interest rates that led to a rise in the value of sterling; and, of course, there are the increases in council tax, which in my county amount to a minimum of 12 per cent. in any district year on year. That represents an 11 per cent. decline in the disposable income of the typical couple whom I have cited.

The Government have demonstrated their insensitivity to the needs of rural Britain. They have hit rural industry, especially agriculture. In the first year of the current Administration, agriculture has become £2 billion worse off, and the Budget has done nothing to redress that. In fact, in many of our rural industries and communities, it has made the position much worse.

9.9 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton): There is more to the Budget than meets the eye in regard to tax increases, and significantly less than meets the eye in regard to the Government's stated objectives. First, let me say something about the handwritten contract with the people that the Labour leader drafted with his very own hand during the election campaign. The first clause of that contract said that a Labour Government would spend the money that had been used to deal with the cost of economic and social failure on education. In other words, Labour would reform the welfare state, and would use the resulting savings to boost education.

Let us see how Labour is doing in that regard. At the end of February, the Minister for Welfare Reform appeared before the Select Committee on Social Security. When asked how much he expected to be saved from the social security budget during the lifetime of the current Parliament, he said that he wished

"to slow the rate of increase in social security spending."

There were no plans to reduce spending, no plans to make savings and no plans to plough cash from social security into education. That was a clear breach of the first clause of Labour's so-called contract with the people.

The objective of halting the rate of increase in social security spending had already been achieved by my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), but it is clear from the Budget that even that objective has now been abandoned. According to the Red Book, the working families tax credit will cost £420 million more than family credit in its first six months of operation, and £1.3 billion in its first full year. On top of that there is the increased child benefit and child-care tax credit, involving a total cost of £1.2 billion a year. There will be no savings in the social security budget under the present Government. There is a breach of the first clause of the contract with the people, and there is a gaping hole in Labour's tax and spending plans.

Let us cast our minds back to the economic package that Labour presented to the electorate. Apart from the windfall tax, Labour's spending programme involved no requirement to raise taxes; all its promises of increased spending on education and health could be funded by existing budgets—through efficiencies and, most significantly, savings in the social security budget. The Labour party said—and still says—that it would reduce the dependency culture, and would get people off welfare.

Let us consider the Government's objective, which will again demonstrate that there is less in the Budget than meets the eye. The introduction of the working families tax credit is clearly well intentioned, but family credit has been a very successful benefit. There has been an 82 per cent. take-up rate on the basis of expenditure. It clearly helps not only low-income couples but single parents to go to work. We have yet to be told why family credit needed to be replaced, other than the fact that it was introduced by the Conservatives.

The problem with the working families tax credits and childcare tax credits is the enormous increase in the number of people eligible for the benefit higher up

[Mr. Nick Gibb]

the income scale. There has always been a big problem with changing tapering rates: as incomes rise, people begin to lose benefit. Inevitably, in any benefit system, coming off benefit will involve high withdrawal rates. The difficulty is that making withdrawal rates less steep will mean extending the tapers higher up the income scale, making more people eligible for benefit.

The purpose of lowering tapering rates is to provide more incentives to get people off benefits and into work. As a result, others are often given increased incentives to reduce work and claim benefits. That is precisely what the Government admit would be a consequence of the working families tax credit and the reduced taper of 55 per cent. The notorious table 3.3 in the Red Book points out that 250,000 more people will face withdrawal rates of 60 per cent. or more as a result of the Budget. The second objective—to reduce the dependency culture—has clearly not been met.

When the childcare tax credit is included, the increased dependency culture becomes worse. It is clear that the availability of the new benefit goes right off the income scale. A family earning £22,000 a year with one child will be able to claim the credit. That income is just above the national average. How can we reduce dependency if we give new income-related benefits to households on above-average income?

The position is worse still. A family with two children will be able to claim the benefit with an income of up to £30,000 a year, significantly higher than the average income. It is absurd to claim, as the Government do, that the benefit will cost only £1 billion a year. That figure is clearly nonsense, as even a quick glance at the examples in the separate book on the working families tax credit will show.

Example four is of a family earning £23,400, who will be able to claim £45 a week child care tax credit. That is more than £2,300 a year and most claimants will be able to receive more. Clearly, £1 billion is an underestimate. The Institute for Fiscal Studies agrees. It estimates that the cost will be some £4 billion if everyone who is entitled to the credit takes it up.

Much of the Budget is about putting right some of the many catastrophic and ill-thought-through measures in the Government's first Budget last July. The hubris with which the dynamic new Chancellor launched his July Budget has been matched only by the humiliation that the Government, and the Paymaster General in particular, have faced since that Budget. A host of new measures have been required to put matters right.

Ending the repayment of tax credits led to the abolition of foreign income dividends, which meant having to abolish advance corporation tax and to introduce a new method of paying corporation tax which, even with the changes, still places an enormous cash flow burden on British industry over the next four years. Those measures combined will cost companies £20 billion over that time—money which would otherwise have been available for investment.

Labour was elected on the clear understanding that it had no plans to increase tax. There is an abundance of quotes to prove that. Before the election, the Prime Minister said:

"We have no plans to increase tax at all".

In August 1996, he told the *Daily Express*:

"Our proposals do not involve raising taxes".

The Chancellor of the Exchequer said before the election—to the authoritative source of GMTV on 8 April 1997:

"There is no black hole for the Labour Party because we have got no public spending commitments that require extra taxes".

Ministers are trying retrospectively to rewrite that commitment. They say that they promised not to raise only the basic and higher rates of income tax. Just like a dishonest salesman pointing to the fine print of a contract, they say that the British electorate should have known that they would raise taxes and that the commitment was to do just with the rates, but my understanding was that there was a commitment not to raise tax and that the specific commitment on rates underlined that more general agreement and commitment. It did not narrow that general commitment. Why would people feel safe to vote Labour, with its track record of tax and spend, if they thought that the only commitment was not to raise rates and that Labour was free to implement a range of other tax increases, which would, in the same way, reduce take-home pay and spending power?

This Budget is the Government's second tax-raising Budget. As well as enormous tax hikes on business, income tax rises accompany the erosion of the married couples allowance, and there are enormous expenditure tax rises in the cost of petrol. The Government have now outrageously promised to raise taxes on child benefit.

The Budget has increased tax, spending and the dependency culture. By doing so, it has breached Labour's commitment not to increase tax, not to increase spending and to reduce the dependency culture. The Government's honeymoon enabled them to get away with the tax hikes in their previous Budget. It will not do so this time.

9.18 pm

Mr. Michael Fallon (Sevenoaks): I declare the interests that are recorded in the Register of Members' Interests.

For the second day running, more people have been ready to attack the Budget than the Government have been able to marshal to defend it. The real test of the Budget is not the headlines that the Government have managed to engineer this week or the hype that preceded it, but whether unemployment falls as a result.

Rebadging family benefits, relaunching child care initiatives and rejigging national insurance contributions are all meaningless unless more people are working and fewer people are claiming benefit as a result. I hope that the Paymaster General will accept that. I challenge him to produce the figures from the Treasury—the estimated falls in unemployment as a result of the Budget for the coming financial year, next year and the first full year of the working families tax credit. If he cannot produce those figures tonight, that will tell us a story. It is no use having a Budget entitled "Making Work Pay" if there is no more work in the first place. Whether or not this Budget makes work pay is highly questionable. What is certain is that it does not make more work possible.

By contrast, our Budgets did just that. A whole series of Budgets, including those in which my right hon. Friend the Member for South Norfolk (Mr. MacGregor),

the former Chief Secretary to the Treasury, played such a notable part, helped to produce more work. They gave us the best record of job creation in Europe and brought about a flourishing new and small business sector.

The Government have already reversed that trend. Right from the start they have hammered job creation. They have put on business a huge new burden of corporation tax and have levied the new windfall tax. They have attacked pension funds and discouraged long-term investment. This Budget has added yet more taxes on business.

The changes in national insurance contributions will hit high-skill companies. As my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) elegantly said, the increases in stamp duty will damage businesses involved in commercial property or asset sales. There are other tax hits, notably on the insurance industry, and the full impact of others is only just coming to light. Next year, business will face the impact of the national minimum wage on wage differentials right up the pay scale. It will also face the first new costs of the social chapter legislation.

All that is worsened by the Government's callous disregard for the effect of the high pound on industry. Indeed, they encouraged the current level of sterling. By taxing pensions and hitting savings, the Government have fuelled consumption and brought about a two-speed economy. They would have done better to have genuinely acknowledged the pain now being felt right across British manufacturing industry. We did not hear much concern from the Chancellor on Tuesday. Indeed, in the section on risk assessment in the Red Book we find the chilling idea that, if the Government are wrong in some of their forecasts

"monetary policy would probably be behind the game."

This is not a game for manufacturing industry.

I warn the Government now that the Budget will further unbalance the economy and may well push manufacturing industry into recession. If it does so, it will be a recession entirely of the Government's making. It will be the Brown recession. We have a Budget that puts up taxes, puts up the cost of business and fudges welfare reform.

I should like now to deal with some of the detailed points that have been made by hon. Members on both sides of the House. I begin with a glaring omission from the Budget statement and, indeed, from the Red Book which the hon. Member for Bury, North (Mr. Chaytor)—in an extremely elegant and well-argued speech—picked out: there is nothing in the Budget for pensioners. In the entire Red Book, only six lines are addressed to pensioners, and three of those simply repeat the announcement made in the pre-Budget report. Pensioners are the forgotten people in the Budget.

We should also not forget that pensioners use petrol, and that pensioners will be paying more in fuel tax. Pensioners pay council tax, and they will now be paying more council tax. Pensioners have been ignored in the Budget.

Pension schemes seem to have been further disregarded by the Government. The Under-Secretary of State for Social Security, the hon. Member for Southampton, Itchen (Mr. Denham) has wisely left the Chamber. He was present, last week, at a dinner at which the chairman of the Association of Actuaries said:

"Significantly, employers' confidence in the stability of the pensions tax regime has been dented. I must warn the Government that further tax changes which are made without consultation will do even greater damage to the confidence and willingness of employers to provide pension schemes—particularly small employers."

So pensioners have been damaged by the Budget.

My hon. Friend the Member for West Dorset (Mr. Letwin) touched on the savings issue, which was not simply an example of the Government bungling yet another scheme—although Ministers have had, of course, to back down on their retrospective and penal attempt to restrict to £50,000 the savings of those who have scrimped and saved for 10 years now. We can note other features of the Government's handling of the matter.

First, we have had no apology from the Government, in withdrawing that proposal, for the damage that they have done to confidence in public and national schemes.

Secondly, we still have a new lower limit. Although it is true that the limit is not £50,000, will the Paymaster General confirm that the current annual limit of £10,800, taking personal equity plans and tax-exempt special savings accounts together, will be reduced to £5,000?

Above all, we know from the bungling of the savings scheme Labour's true instinct. Labour did want to tax those who have worked hard and saved hard. Today, I should like the Paymaster General to tell the House what type of assurance he can give—on even his own individual savings account scheme—that the Government will not come back again, in a few years, to penalise exactly that type of tax-free exemption.

It is becoming apparent in the technical press that the changes to capital gains tax have not been universally welcomed. Given low inflation, many people would have been better off under indexation than they will be under the new lower rate.

Perhaps the Paymaster General will address himself to some of the problems—if I can call them that—that are emerging with his 30-day rule. The Government suggest that any capital gain will have to be made over 30 days rather than overnight. How will that apply—City advisers are asking—to married couples? What if the husband sells shares and the wife purchases them within 30 days? Will they still lose their exemption?

Will the various packages that are being mooted in the City allowing people to hedge against market movement in those 30 days be allowed or not?

I now turn to the working families tax credit, a proposal that was admirably dissected by my hon. Friend the Member for Havant (Mr. Willetts) last night. Like the Institute of Fiscal Studies, we reserve judgment on whether it will be an incentive or a disincentive. As one of my hon. Friends said, the jury is still out on that question.

Perhaps the Paymaster General will clear up the shambolic performance of the Financial Secretary last night and clarify two or three key points. First, will women have a veto? If he does nothing else tonight, I hope that the Paymaster General will answer that specific question. It is no use saying that it is a matter for the partners to elect. We want to know whether, if the man is the main earner, the woman will have a veto. If she does, will the Government help to publicise it and make it clear so that women know where they stand?

Mr. Rendel: On that point, if the woman has a veto, what will it do to her marital relations if she tries to use it?

Mr. Fallon: Absolutely. That is the tangle that the Government are getting into. It is something that we need to know.

[Mr. Fallon]

Secondly, perhaps the Paymaster General could answer the question from my hon. Friend the Member for Grantham and Stamford (Mr. Davies). If the working families tax credit is such a good idea, why are the self-employed exempt from it? Why does it not apply to them? The Secretary of State for Social Security was asked that six hours ago and she could not answer it because the Treasury has not told her yet. That is the Muppet show to which the Department of Social Security has been reduced. Not only is the Secretary of State unable to give us the answer, but she cannot express a view on whether or not it is right to extend the tax credit to those who are self-employed.

Thirdly—and this is a trickier question so perhaps the Paymaster General will be able to get his mind around it—how will the working families tax credit be classified in terms of expenditure? Let me quote from the Red Book:

"The net cost of WFTC is split between 'accounting adjustments' in GGE, and 'other receipts and accounting adjustments' in GGR . . . whether or not any or part of WFTC should score in the Control Total has not been decided."

Perhaps the Paymaster General can assist us on that point.

While we are on the subject of the Red Book, perhaps the Paymaster General can enlighten us on another matter. What has happened to the privatisation programme, which appears to have come to a grinding halt? Under the Conservative Government it was running at around £4 billion a year. In the current financial year, it brought in £2 billion from sales that we arranged. For 1998–99, it is forecast to raise £0 billion. We now learn from the Red Book that

"The Government has not announced any specific sales for 1998–99 or subsequent years."

Is privatisation now off the agenda? What has happened to the sale of London Underground or the immediate review of the Post Office that was promised? What has happened to the "National Asset Register" that was launched in a great fanfare last November? Under the previous Government, asset sales were running at £3 billion or £4 billion a year. Why are they now forecast to come to an end?

Finally, perhaps I can turn to the much trailed code for fiscal stability. You will share my concern, Mr. Deputy Speaker, that the document entitled "Budget 98" was published the day before the Budget, and, worse still, was publicly launched in the newspapers. Let us be very clear. Only a Labour Government would need a code for fiscal stability, given the mess that we inherited in 1979. The code presented on Monday fails the test of seriousness required of any code.

The code is not in the "Budget 98" publication. There will merely be two clauses in the Finance Bill requiring the Chancellor to publish a code by next December. He has taken the power to modify the code if the Treasury requires that. The code is supposed to be binding on the Government, but they are allowed to modify it. The code will be limited to the relationship between taxation and expenditure; it will not cap taxation. It will not and cannot stop this Government continuing to increase the overall burden of taxation.

Yvette Cooper: Does the hon. Gentleman accept that the previous Government doubled the national debt? Is that what he means by fiscal stability under the Conservatives?

Mr. Fallon: The hon. Lady knows that the national debt tends to rise in times of recession. We had it on track to descend without the additional tax increases that the Government have introduced.

Dr. Ladyman: Will the hon. Gentleman give way?

Mr. Fallon: No. I want to leave the Paymaster General plenty of time to grapple with my questions.

As we have the pleasure of the Paymaster General's company, perhaps we could subject the Budget to the Robinson test. At the Labour party conference last October, the Chancellor said:

"A Labour Chancellor will not permit tax reliefs to millionaires in offshore tax havens."

There was not much about offshore trusts in the July Budget. There is not much about them in the Red Book. We did not hear a great deal about them on Tuesday.

Back in December, in an article that described him as a "deeply hurt Robinson", the Paymaster General said:

"Indeed, I could show you internal Treasury documents to show that I have been working against my own financial interests on this policy. You will be pleasantly surprised."

We doubted it then and we certainly doubt it now. The only changes proposed to offshore trusts affect those set up before March 1991 and those to be set up by non-domiciled settlers. Will the Paymaster General confirm that, after the changes, he will still be entitled to tax-free income from the dividends on the shares that are held offshore in a trust on his behalf? The man who wanted to cap everybody else's tax-free savings at £50,000 and who is now to limit them to £5,000 a year will still be entitled to keep his millions offshore, tax free.

The Budget fails the Robinson test. Indeed, it fails every test. It puts taxes up; it pushes industry further into recession; and it postpones serious welfare reform in a muddle of rebadging, brochures and public relations. The Budget fails the country and the Government in the intentions that they set before the electorate. For those reasons, we shall oppose it on Monday night.

9.38 pm

The Paymaster General (Mr. Geoffrey Robinson): One point on which I can respond positively to the hon. Member for Sevenoaks (Mr. Fallon) is that the ultimate test of this and all our Budgets—and all the measures that we intend progressively to introduce in a great programme of reform that Conservatives signally failed to undertake during their 18 years in office—will be the management of the economy and the stability that we are setting out to achieve. I therefore say right at the beginning of this winding-up speech that everything we have done since we took office in May has been done with achieving that stability in mind, very precisely to avoid all the errors of previous Governments—both Labour and Tory—that took

the economy and the country through the inevitable cycle of stop-go and all that meant to individuals and companies caught up in it.

Such a cycle is the most damaging thing for small companies, to which many Conservative Members have paid tribute. It is the most damaging thing for families. It is the most damaging thing to the economy of the nation. That is why, on the very day we took office, the Bank of England was granted operational independence. That is why we set in hand a series of changes that, so far from being piecemeal, were successive parts of an overall plan to take the emphasis away from paying dividends in the corporate sector to investment and long-termism. That is why we abolished tax credits.

That is why the second, logically following Budget—unlike what the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) seems to think, the Budget was part of an overall plan—neatly dovetailed to accommodate what practically can be done. I shall come to some of the practical problems in which Conservative Members are seeking refuge. As they realise that the principles of reform, progressive reorganisation and welfare and the incentives to work are things with which they must agree, they seek to take refuge in a series of pettifogging details that we shall have plenty of time to sort out over the next 18 months before the changes are introduced.

In the context of long-termism, we turn to savings. We know the Conservative party's appalling record through the 1980s, when the country had the misfortune to have it in office. We had a negative saving ratio for five years on the trot in the mid to late 1980s.

Mr. Ruffley: What about what is in the Red Book?

Mr. Robinson: There is a long way to go before it becomes negative. The hon. Gentleman must realise that the forecasts are there, they are Conservative forecasts and they are in the Red Book. I am very well aware of them. Has he the slightest idea of the difference between the projection and the negative rate that the Conservative Government achieved for five successive years in the 1980s? They are not at all comparable.

Let us talk about the individual savings accounts programme and what has been said about it. The new savings plan has been widely welcomed by every product-producing institution in the City of London. It has been welcomed by the Association of British Travel Agents, by Marks and Spencer and by areas of the retail industry that are intending to introduce the cash ISA to reach the half of the population that did not save at all and was untouched by the Conservative Government's PEPs and TESSAs.

Conservatives complain when we publish a document on which we have decided to consult; the next moment they say that the results of consultation are not what they expected. We know what consultation meant when they were in government: it meant that they had made their minds up, would not listen to reason and would not respond to the points that were put to them. That, of course, is why in the end they suffered ignominious defeat at the hands of the electorate in May. We have listened; we are a Government who consult. That surely is another factor that emerges from the way in which we are approaching the whole budgetary process.

Let us take, for example, the industrial energy arrangements on which Sir Colin Marshall has agreed to lead an investigation for the Government. We have not rushed in with detailed, absolute proposals. On the contrary, we are proposing to consult and to listen to what is said in that consultation process. So it was with ISAs.

Mr. Hammond: Does the hon. Gentleman accept that the confusion and uncertainty over the future of PEPs, TESSAs and ISAs has permanently damaged the saving ethic of the middle classes?

Mr. Robinson: That is the most ridiculous thing that has been said from the Conservative Benches all evening. The savings plan has been welcomed; we are confident that it will be a great success. I have had nothing but a welcome for the new proposals and a determination to see them fully taken up.

The hon. Member for Sevenoaks asked what we can say about the proposals for the new ISA in respect of the amounts and the duration of the tax relief arrangements. I can give him an assurance of the sort that has not been given by a Government before. He knows that it was an open secret in financial circles that the Tories themselves were planning a cap on the exponential growth of both TESSAs and PEPs, especially PEPs.

We are the first Government to have given a commitment covering 10 years, and that commitment puts in place the certainty that the savings community needs. Yes, we shall review the arrangements after seven years, but the commitment to 10 years is absolute. Yes, those savings will continue to enjoy at least the present levels of tax relief. Again, this is the first time that any Government have given that undertaking, and we do it precisely to avoid the sort of uncertainty that underlay PEPs and TESSAs. Conservative Members know that that is true.

Yes, we have said that the amounts that we envisage for the 10 years will remain as they are, and will not be reduced, although they may be reviewed. We have made that clear. Indeed, in the latter stages of the consultation—*[Interruption.]* They will not be reduced. If the right hon. Member for Wells (Mr. Heathcoat-Amory) does not understand what I am saying, I am sorry for him. It is a bit late in the evening, and we understand.

In the consultation period, it was put to us that to get the cash element of the new ISA, which was so important to us, off the ground, an increase in the first year, directed towards that cash element, would be welcome. We therefore made an increase for the first year—from £5,000 to £7,000—in the latter stages of the consultation, and it has all been extremely well received.

The hon. Member for Sevenoaks asked what we were doing about privatisation. I can tell him this: we shall not have any more of the rip-offs that the Conservative party allowed and we shall not have any more fat-cat millionaires—[HON. MEMBERS: "Like you."] We shall not. As Conservative Members have understood, the whole capital gains tax structure is geared towards those who undertake to make their business assets work hard to increase their capital gain. That is precisely the aim.

Mr. Gerald Howarth (Aldershot): Will the hon. Gentleman give way?

Mr. Robinson: I shall—not that the hon. Gentleman has been heard much in the debate, but as it is him, I shall give way in a moment.

[Mr. Robinson]

There will be a statement tomorrow on the London underground and I advise hon. Members to attend. It will be most instructive for them to see what progress we are making, especially in avoiding the sort of traps that the Conservatives fell into. The hon. Member for Sevenoaks should take note of the arrangements that my right hon. Friend the Deputy Prime Minister will unveil.

A review of the Post Office, too, will shortly be announced, and the hon. Gentleman will see that we are also making progress there—progress on a balanced set of relationships between the public and the private, which avoids the Conservatives' mistakes.

Mr. Howarth: I am grateful to the Paymaster General for giving way to me, despite the fact that I have not been able to participate in the debate as much as I would have liked. He will not be allowed to get away with the assertion that the taxpayer did not get due value for money out of rail privatisation. The assets did not achieve a better market value because investors were put off by the Labour party's threats to take the assets back into national ownership.

Mr. Robinson: The hon. Gentleman will probably regret that intervention on reflection, but I am pleased that he made it because it enables me to clarify one point of distinction about rail privatisation that is worth making. I think that the Conservatives, slow and painful though the process was, came to learn the error of their ways in some respects, and their treatment of Railtrack avoided some of the worst aspects of their earlier privatisations. However, that did not stop the Tory Government making a hopeless mess of the rolling stock companies. Because of the definition that we used, ROSCOs were not drawn into the windfall tax, but there is every reason for thinking that they should have been. Even the hon. Member for Aldershot (Mr. Howarth) cannot feel terribly proud of them, even on commercial terms, let alone in terms of the national interest.

We are pressed for time and I shall make progress as quickly as I can. The hon. Member for Sevenoaks said that there was nothing in the Red Book about the code for fiscal stability, which is an important element in our approach to the economy. Our approach is totally different from that of the Conservatives; it is long term and principled, unlike the short-termism that characterised the Conservative Government.

That short-termism led to our taking office with accelerating interest rates, because action was not taken—

Mr. Duncan Smith: What?

Mr. Robinson: Absolutely. Where has the hon. Gentleman been for the past four years? He must have been living somewhere else. It is an acknowledged fact that the previous Chancellor of the Exchequer refused, for purely electoral, party political reasons, to increase interest rates when he should have done, and that inflation was accelerating, which is why, on our second or third day in government, my right hon. Friend the Chancellor had to take steps.

Mr. Fallon: Will the Paymaster General give way?

Mr. David Heathcoat-Amory (Wells): Will the Paymaster General give way?

Mr. Robinson: I shall be delighted to give way in a moment. I should point out to Opposition Members—as they fight each other to clamber to the Dispatch Box—that the code for fiscal stability was published in November. If it escaped the attention of the hon. Member for Sevenoaks—who probably did not hold his present position on the Opposition Front Bench then—I shall arrange for him to receive a copy.

Mr. Fallon: If the Paymaster General is now happy with the level of interest rates, is he equally happy with the high value of sterling?

Mr. Robinson: The hon. Gentleman raises a fundamental question. Conservative Members may not like it, but they must realise that they got into a mess and produced the two biggest recessions in this country's economic management since the war. We have to go for stability—stability is vital to big and small businesses. Our exporters are having a tough time, but other countries have come through these periods. If we were to give in to short-term pressures at this stage—when we could go for long-term sustained stability and growth—we would be making precisely the same mistake as the Tories. *[Interruption.]*

Mr. Deputy Speaker: Order. The hon. Member for Bury St. Edmunds (Mr. Ruffley) must behave himself.

Mr. Robinson: I am grateful for your help, Mr. Deputy Speaker, although I have to say that I had not noticed the hon. Gentleman misbehaving. He was probably behaving normally.

Mr. Fallon: Will the Paymaster General give way?

Mr. Robinson: The hon. Gentleman must sit down. I have answered his question. If he does not understand it by now, he never will, and he is in for a long period of having to learn about economic management. The sooner he learns—for his own sake—the better. The Government are committed to a long-term stable economy that will avoid the stop-go policies that damaged so many businesses, put so many people into negative equity and broke so many hearts. Shadow spokesmen must learn; there is no short cut on this, and we intend to see it through.

Many right hon. and hon. Members have taken part in what has been a good debate. On the whole, it has been well attended. That is still the case. There has been a tendency for Conservative Members—with one notable exception—to say that the problem is that the detail of the administrative arrangements has yet to be put in place. The hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) made a series of points on that matter and I would not pretend to offer him a detailed answer

tonight. If he reflects, he will agree that a major change of this kind is bound to impose a great strain on the administration of the affairs to which it relates. We cannot pretend that it will not cause problems, but the question each of us must answer is whether the reforms are principled and going in the right direction. Are they intended to get many people out of dependency and into work? Should they provide that incentive?

The Budget is essentially about children, mothers and families, and the hon. Member for West Dorset (Mr. Letwin) made a remarkable speech in that context. The family credit system was worked through a number of great teething difficulties and if our priorities and principles are right, the same will occur with these reforms. The support that we can expect from both sides of the House will be welcome.

The hon. Member for West Dorset spoke in the absence of Whips—they are present now. He was right to have the courage to say that he welcomed the Budget. He said that it was going in the right direction and that it was based on correct principles, even though he had doubts as to whether, in a certain respect—essentially the question of married couples and the institution of marriage—we had got it wrong. We thought about that long and hard. If circumstances have changed in a way he does not approve of, I understand, but Governments must deal with the reality of any given situation, and it was against that background that we took our decision.

My hon. Friends the Members for Bradford, North (Mr. Rooney) and for Chatham and Aylesford (Mr. Shaw) have detailed personal experience of the problems associated with the less well-off in society. My hon. Friend the Member for Bradford, North instanced the perverse effects of the Conservative reforms on school meals and on child care. My hon. Friend the Member for Chatham and Aylesford spoke about two 18-year-olds whom he met on a train, both of whom had come to the conclusion that work did not make any sense for them and that they were better off on benefits. If that is the attitude—I think that that culture has been inculcated among far too many youngsters and the less well off—it is clear that we must do something about it.

To that end, we are proposing, as hon. Members on both sides of the House know, to introduce the working families tax credit, which is, I think, largely the reason for the fairly positive endorsement of the Budget by Liberal Democrats. The hon. Member for Newbury (Mr. Rendel), who speaks for the Liberal party on these matters, made a good contribution.

We also heard from the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), who speaks with the authority of the chairmanship of the Social Security Committee. We pay tribute to that Committee's work and I take this opportunity to thank Martin Taylor for the excellent service that he rendered the House in writing the initial report. The hon. Member for Northavon (Mr. Webb) posed particular questions to which I shall ensure he receives answers—as I shall for all hon. Members who have raised points of detail on which they would like us to reply.

The Liberal Democrat attitude shows both an attention to detail and a breadth of view. That was demonstrated when the hon. Member for Newbury said that he was particularly pleased that the personal allowance would be granted to women who are caring for disabled husbands. That change did not attract much attention, but it exemplifies the Budget's bias in favour of children, women and families, which marks a wholly new departure in social welfare reform as we move from a dependency culture to a system under which people are paid to work. People who want to work will have that opportunity and we want to ensure that the motivation for that is properly rewarded.

Mr. Ruffley: Conservative Members have consistently asked about the wallet versus purse argument in respect of working families tax credit, which is a big issue for many of our constituents. What is the Government's response to the basic criticism of their proposal?

Mr. Robinson: As the Conservative party continued to make child benefit payable to the mother, it clearly endorsed the policy that we have embedded into every measure that the Chancellor unveiled on Tuesday—we want the maximum amount to go to the children, who are at the centre, through the mother, so that families benefit. I can assure the hon. Gentleman that when we go into the details of how the tax credit will work and how we can achieve our objectives, that will be absolutely at the forefront of our concern. *[Interruption.]* Time is pressing, and the points made by a number of other hon. Members need replies—if I can find time, despite the sedentary interjections of the hon. Member for Chingford and Woodford Green, I shall be pleased to answer them.

I entirely agree with what the hon. Member for Beckenham (Mrs. Lait) said about deregulation. I ask her to reflect on the thought that what she proposed might entail much paperwork, as I fear is often the case at the centre of Government. Deregulation units do not always achieve exactly what they set out to do.

Mrs. Lait: Will the hon. Gentleman give way?

Mr. Robinson: I really cannot—it is too late now. No doubt there will be other occasions on which we can discuss the matter, as well as the hon. Lady's personal experience in the exponentially growing business of smuggling—hers is a particular sphere of experience, but it was interesting to hear about.

In the last moments of this debate, I must mention the speeches of my hon. Friends the Members for Bolton, West (Ms Kelly), for Colne Valley (Kali Mountford) and for Pontefract and Castleford (Yvette Cooper)—all new Labour women Members of Parliament who paid tribute to the fact that we have got this about right. Indeed, I think that my hon. Friend the Member for Pontefract and Castleford said that the Budget would benefit women five times more than men. I am not sure whether that appears in our briefing, but if not, well done; I am pleased to use the statistic in my contribution to the debate.

We inherited a situation caused by the Conservatives, who doubled the national debt. We were in a cyclical deficit and a structural deficit and had accelerating interest rates—all because of their failure to act. In the interim, we have acted. We have set in place an economic and social reform framework that will stand this country in good stead and I commend it to the House.

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed tomorrow.

Prison Health Service

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Pope.]*

10 pm

Helen Jones (Warrington, North): I am grateful to have the opportunity in this short Adjournment debate to raise the problems of the prison health service. I recognise that it is not a popular subject for debate and would not be so even if it were not held at 10 o'clock on a Thursday evening. Prisoners are not a favourite cause, and their welfare is not at the forefront of most people's minds. However, the strength of the House can be measured by the way in which it deals with unpopular subjects. Similarly, the health of our society can be gauged by the way in which it deals with those who have offended against its laws.

For that reason, my first premise is that we ought to expect for prisoners the same standards of health care that we expect for ourselves. Their punishment is to serve their sentence. They have not been sentenced to be deprived of adequate health care. Yet it is clear that the present system that operates within our prisons fails to deliver the standard of care that we ought to expect and is fatally flawed. That is recognised by prisoners and by many of the staff who work in the service, and it was recognised most of all by the chief inspector of prisons in his report, "Patient or Prisoner", which was published in 1996. That report ought to be commended not only to hon. Members, but to anyone interested in the Prison Service. I am sure that my hon. Friend the Minister of State will be looking into its conclusions carefully and considering how to take them forward.

From that document and from every other source, it is clear that the prison health service fails on three counts. It fails to provide proper health care for prisoners and an adequate career path for staff, and it also fails to meet the needs of society.

The two major problems that we have to deal with in our prisons are addictive behaviour and mental health. If a prisoner goes into prison addicted to drugs and comes out addicted or goes in with mental health problems that are not dealt with in prison, that prisoner is much more likely to reoffend, and we must bear that in mind.

Instead, we should be creating a system that ensures that those problems do not occur, as far as possible, and are tackled in prison. We must also ensure that staff working in the system—we have to admit that they are working in difficult and sometimes dangerous conditions—are adequately trained and properly managed. While the dedication of many of those staff is not at issue, the real problem with the prison health service is that it lacks proper central direction and is not clear about its aims and objectives.

In some areas, we have no idea what is happening. In a written answer, the Minister said:

"The aims and objectives of the prison health care service are set out in centrally published Health Care Standards".

That is right and commendable, but the answer goes on to say that, while many institutions observe those standards, "statistics are not available centrally about the proportion that do this."—[*Official Report*, 20 January 1998; Vol. 304, c. *518*.]

Responsibility for health care in prisons is left to the governor, who is not obliged to follow any particular model of care. No patients charter is applicable in prison to ensure minimum standards. I do not seek to apportion blame for the situation. To be honest, the system has persisted regardless of which party has been in power.

The Prison Service and the national health service have established a joint working group to consider the way forward in prison health care, but it is amazing that we cannot even say which establishments follow the central aims of the Prison Service in that regard.

Another cause for concern is the lack of suitably qualified staff in our prisons. I learned from a written answer in November that there were 14 prison establishments with vacancies for either full-time or part-time medical officers. That is bad enough in itself, but the situation regarding the qualifications of staff in our prisons and the training that they are offered is even worse.

As anyone who has ever visited a health care centre in a prison knows, the staff work with very difficult patients who are demanding and can be violent, so it is essential that they have adequate training and are properly managed, yet medical officers get only a two-week induction course in prison health care, and many prisons still do not have health care managers as recommended in the chief inspector's report.

Data are not collected centrally, but the Minister told me in a written answer that

"data from 122 establishments indicate that . . . 34 per cent. of health care managers"—[*Official Report*, 13 November 1997; Vol. 300, c. *653*.]

are registered nurses. We do not know how many nurses or other health care staff are undertaking national vocational qualifications or other courses in health care management. I fail to see how the prison health service can function properly with a lack of NHS-trained managers. The fact that we do not even have adequate data is extremely worrying.

The lack of qualified staff to deal with mental health care and addiction is apparent. Because mental health problems are so widespread, it is important to have staff who can cope with them; yet of 197 doctors employed in the Prison Service, only 21 are members of the Royal College of Psychiatrists or hold a diploma in psychiatric medicine.

The training of other staff in dealing with mentally disordered offenders is very patchy, and only 21 per cent. of all health care officers and nursing grades employed in prisons are registered mental nurses. Under those conditions, the service cannot be expected to cope with the number of prisoners with mental health problems.

There are further grounds for concern about how we deal with mentally disordered offenders. The Mental Health Act 1983 does not apply in prisons, so the code of practice on seclusion does not apply either. The guidelines are issued for guidance to prison doctors, but they are not bound by them. I suggest that that is yet another example of the standards of health care that we expect outside prisons not applying within them.

There is also a real problem with the transfer of prisoners to psychiatric institutions. It is true that, once the warrant is issued, those transfers take place very quickly. However, I have talked to prison staff who have made it clear that it sometimes takes a long time to reach that stage. It is often difficult to get doctors to assess prisoners and find proper placements for them. At one time,

the Prison Service estimated that 2,000 prisoners should be transferred to NHS psychiatric care, but could find places for only about 700. The situation was so bad that the chief inspector recommended the establishment of new units for day care centres and 24-hour nursing. However, there has been little progress towards those objectives.

We all recognise that there is a widespread problem with drug abuse in our prisons, yet only 25 per cent. of doctors who work in prisons are trained to deal with addictive behaviour. While I welcome the research carried out in our prisons into drug treatment programmes and the assessments of the impact of mandatory drug testing on the patterns of drug abuse, much remains to be done. Risley in my constituency is in the process of establishing a drugs treatment centre. The officers involved in that project are very enthusiastic about it. They recognise that, while prisoners are rightly punished for drug use in prison, we are not tackling the real problem unless we do something to break the cycle of drug dependency.

Unfortunately, initiatives such as that are few and far between. The same is true in other areas of prison life. For instance, it is clear from the chief inspector's report that care for young offenders is very patchy. There are also serious problems with the care of pregnant women in prison. The Royal College of Midwives' guidelines for prisoners, on pregnancy and childbirth, have yet to be implemented in many establishments.

A further concern is general health promotion and health education in prisons. Some basic awareness training in the area of HIV and AIDS is provided—usually in the first weeks of imprisonment—but much more must be done to educate prisoners about healthy life style choices, treatment and how to prevent ill health. I was heartened to meet recently some nurses from Winchester and to hear what they are doing. They are working in a wing of the prison rather than in a health care centre, so that they are available for appointments with prisoners and can answer questions about any aspect of health care.

Such initiatives point the way forward. However, the real problem with the current system is that it depends on individual staff and governors to take action. We need consistency and co-operation throughout the service, so that standards can be improved and best practice can spread. That is what we are trying to achieve in the national health service, and we should try to achieve it in prisons as well.

I accept that the problems facing the prison health service cannot be put right overnight. However, we must face the fact that health care for prisoners is below the standard of that received by the ordinary population, in terms of both quality of care and access to services. The question is how we should move forward. We must recognise that recruiting more qualified staff is the key to progress. As things stand, there is little incentive for doctors or nurses to work in prisons. There is no real career path, and there are fewer promotion prospects than there are outside.

We also have to be honest and say that prison staff face real ethical dilemmas concerning privacy, confidentiality and the exercise of their clinical judgment; and whether they might appear in conflict with the prison authority.

There is no continuity of planning between the NHS and the Prison Service, and there are no common standards for health care. That is why it is vital in the long term that the prison health service is integrated into the NHS. Such a move would have major benefits for the quality of patient care and for the training and professional development of staff.

I also recognise that that is not so easy to achieve. Major resource implications should be recognised. The prison population is a significantly higher user of the health service than people of the equivalent age and sex elsewhere. In addition, as I hope I have pointed out, prisoners have hidden health care needs that are not being met and which will increase costs.

It is clear, too, that other issues will have to be tackled, such as the lines of managerial accountability and the relationship between primary and specialist care, which is probably needed more in prisons than outside.

In that situation, it is not easy to move forward, but I hope that the Government will accept that doing nothing is not an option. I hope that when my hon. Friend the Minister of State replies, she will consider some of the ways in which we could progress. If we cannot arrive at the point that we would wish immediately, I hope that the Government will at least consider some pilot projects from which we could learn, and move on from there.

There are many possibilities. For example, prisons could be linked with local trusts. We could consider linking prisons with psychiatric care outside, perhaps a regional secure unit. Such a system might provide easier transfers and better opportunities for research and staff development.

But whatever we do, we must ensure that qualified staff are attracted into our prisons and that we tackle the major health care problems. There are opportunities as well as problems. For example, there are opportunities to consider multi-disciplinary health care within our prisons, involving nurses much more in health care.

If we do not do something, the service will continue to fail to meet the needs of those in prison and of society. I hope that, in the end, we shall be able to tackle the problem. It is not an easy one and it is not a popular cause, but it must be tackled urgently. I hope that my hon. Friend will suggest some ways in which we might go forward and tell us her thinking on these issues.

10.17 pm

The Minister of State, Home Office (Ms Joyce Quin): I congratulate my hon. Friend the Member for Warrington, North (Helen Jones) on her good fortune in securing this Adjournment debate and on her choice of subject. I welcome the opportunity to speak to the House on the subject of the prison health care service and how the Government see its future.

My hon. Friend has taken an active interest in the matter during the past year, particularly through her various written questions on the subject, which I welcome. It is an important subject, in which many hon. Members have a keen interest.

The Prison Service, in its statement of purpose, has the duty of imprisoning those sent to prison by the courts, and also owes a duty of care to the people in its custody. It must also prepare them for release.

I was glad that my hon. Friend recognised that the provision of health care is an important dimension of that duty. However, I do not want the House to be under any illusions about the difficulties involved in that task, or the challenges that it presents to staff.

[Ms Joyce Quin]

Perhaps I could give some statistics as a background. In the last financial year, 1996–97, about 200,000 prisoners passed through the prison system. The average daily population rose from 53,740 at the end of March 1996 to 59,161 at the end of March 1997. The most recent figure is slightly over 65,000. During that period, the prison health care service handled more than 2 million health-related consultations with inmates. Around 190,000 of these were with visiting NHS consultants providing treatment and care in a variety of specialisms: psychiatry, dentistry, optometry, radiography, and so on.

On 37,000 occasions, prisoners were sent to NHS hospitals as out-patients or in-patients. That represents a good deal of work. Prisons are closed and secure institutions, and, as my hon. Friend recognised, many of the things that are simple and straightforward in the community take on a more complicated character in prison.

My hon. Friend also recognised that, as a group, prisoners are not typical of the general population. That is perhaps obvious, but it is particularly true in health terms. The prison population is predominantly young and male, with a higher incidence of mental disorder and a higher propensity to suicide. They are more likely to smoke—80 per cent. of prisoners do—and to have a drug-taking habit.

By contrast, the equivalent male age group in the community at large tends to make comparatively few demands on health services. All these factors, coupled with the facts and necessary consequences of custody—security, control of medication, particular care for the vulnerable, depressed or suicidal and mentally disordered—make providing health care in prisons a challenge both to health care professionals and to uniformed staff.

An Institute of Psychiatry survey showed that around 38 per cent. of sentenced prisoners suffer some form of mental disorder, although it is important to recognise that, within that figure, we also include those who have some degree of substance misuse or addiction.

A similar survey completed in 1993–94 found that the incidence of mental disorder in the remand population was much higher, at around 66 per cent. In terms of the current population, that translates to around 20,000 sentenced prisoners and 8,300 remand prisoners having some kind of mental disorder: psychosis, neurosis, personality disorder, substance misuse or addiction.

I am glad that random mandatory drug testing appears to be having an impact on drug misuse. The figures available for this year show that 21 per cent. of tests are proving positive—against 24 per cent. last year. The great majority of positive results are for cannabis, but 4 per cent. prove positive for opiates. The fact remains that some prisoners continue to take part in risky behaviour—taking drugs and sharing needles.

We are in the relatively fortunate position that the human immune deficiency virus is not prevalent in our prisons, but we know from experience in other countries that prisons could readily become reservoirs of communicable diseases—HIV, hepatitis B and C, tuberculosis and others. Therefore, we cannot afford to be complacent. Unless care and precautions are taken, there is potential for a serious threat to prisoners' health, the health of their families, prison staff and, ultimately, the wider community.

Improving the effectiveness of the health care that prisoners receive makes obvious sense: a large number of prisoners spend relatively short periods in custody, during which time effective health care and the prevention of disease can make a positive impact when they return to their home community.

I should underline that good work is being done in response to those challenges. In my visits to various prisons, I have seen the commitment and dedication of prison staff and those who provide health care in prisons. Indeed, they have managed well against the pressures of a rising population, which makes special demands. None the less, many tasks are being taken forward, and there are plans for the future. I hope that I shall be able to refer to these briefly.

The Prison Service is pressing forward with work to develop prisons as places where the promotion of health measures as well as treatment of health problems can take place so that we can encourage prisoners to adopt healthier life styles. An internal awards scheme, which was run for the first time last year, has shown early positive results, with 20 prisons receiving some form of commendation.

A range of pilot drug treatment and counselling programmes has begun. About £6 million was spent in centrally funded projects in the current year, and about as much again was spent by prisons from local budgets. My hon. Friend referred to that work, and the Government want to increase the number of voluntary testing units, at which people in our prisons can live and be supported in a drug-free environment. About 4,000 places are currently available, and the Under-Secretary and I have visited operational schemes.

Plans are in hand to increase the number of therapeutic community places, similar to those available at Grendon prison, which my right hon. Friend the Home Secretary and I visited recently. A range of research suggests that Grendon-type therapy courses have beneficial effects in terms of psychological change and reoffending behaviour.

The number of prisoners transferred to NHS hospitals for in-patient treatment for mental disorder has increased significantly in the 1990s. It is difficult to cope with demand; there has been a fivefold increase in transfers since 1986. The NHS is playing its part in expanding facilities—a growing number of services in prison are provided by NHS specialists.

A range of training is in place or being developed to improve the skills and knowledge of health care staff and prison doctors. I agree with my hon. Friend that the central collection of statistics could be strengthened to make the position clearer, and the Government are keen to address the patchiness and variability of provision.

Training in dealing with communicable diseases is being stepped up, and prisons are required to have multidisciplinary teams to manage HIV and AIDS treatment. Their training is being extended to other communicable diseases. I have visited good induction schemes for prisoners in which HIV and AIDS awareness plays an important part. The schemes are imaginatively delivered in some prisons via video programmes, which effectively communicate the message to prisoners.

Historically, health care in prison has been the responsibility of the Prison Service, and has been organised outside the NHS. Ultimately, accountability rests with the Home Secretary, alongside that for prisons and the management of prisoners. In practice, as statistics show, the NHS has been drawn into providing some health care, particularly of a specialist nature. Indeed, the pattern of provision is quite varied. The majority of primary care is provided by directly employed staff, but, increasingly, NHS or private sector health care providers play a complementary role.

The pattern of organisation and provision reflects in part an attempt by prisons to meet local needs, but is also in large measure the result of history, and inadequately co-ordinated development. There are good examples, which might serve as models that could be applied more generally, but also rather poor ones.

My hon. Friend referred to the thematic review undertaken by the chief inspector of prisons, Sir David Ramsbotham, who highlighted his anxieties about prison health care in the report, "Patient or Prisoner?" He recommended that responsibility and, ultimately, the budget for the delivery of prisoner health care should move to the NHS. We have not yet reached a view about whether that is the right way forward—it would raise a range of organisation, management and resource issues for the Prison Service and the NHS—but the working group to which my hon. Friend referred, involving the Home Office, the Prison Service and the Department of Health, is important in that respect. I have received an interim briefing from it, and look forward to receiving its recommendations in the near future.

The group's remit is to consider jointly the future organisation and delivery of health care to prisoners. The objectives are to secure improvements in meeting the health needs of prisoners, to tackle the problems and weaknesses in standards, and to deal with the isolation of health care staff. I agree with my hon. Friend that prison health care staff must feel part of a career structure, and must not be isolated from other health care providers and professionals. Prison health responsibility should be seen not as a career cul-de-sac, but as an important part of career development.

The motion having been made at Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at half-past Ten o'clock.

House of Commons

Friday 20 March 1998

The House met at half-past Nine o'clock

PRAYERS

[MADAM SPEAKER *in the Chair*]

Community Care (Residential Accommodation) Bill

Order for Third Reading read.

9.35 am

Mr. Marsha Singh (Bradford, West): I beg to move, That the Bill be now read the Third time.

I shall try to be as brief as possible, but first I want to apologise to you, Madam Speaker, and to hon. Members as I shall have to leave before the end of the debate due to a pressing engagement in my constituency. Although I have tried to change it, I have been unable to do so. I shall be opening a post office and I cannot get out of the engagement. I hope that you, Madam Speaker, and the House will accept my apology.

My hon. Friend the Member for Ealing, North (Mr. Pound) has kindly agreed to stand in for me and I am grateful to him. However, I cannot see him in the Chamber at the moment; I just hope that he is watching the debate on a television somewhere and will turn up soon.

The Bill is not sexy; it is not controversial and it does not arouse the passions that we have recently witnessed in the House. It is nevertheless an important Bill which will ease the anxieties of older people already in residential care and the many thousands who may need such care in the future. It will enshrine in law their right to keep a proportion of their hard-earned income and savings. Indeed, it is a Bill that may even benefit right hon. and hon. Members, should the need ever arise.

I shall briefly give some background to the Bill. Although there have been rules on capital limits since the National Assistance Act 1948, the current rules came into force in April 1993 under changes introduced in the National Health Service and Community Care Act 1990. The changes in means testing for residential care included rules about both income and capital. Previous limits on capital caused grave and widespread concern and it was in response to that concern that in April 1996 the capital limit was raised, following an announcement to that effect in the Budget statement on 28 November 1995. Those changes were, first, that the level of assets at which people would no longer be eligible for assistance was doubled from £8,000 to £16,000 and, secondly, that the level of capital at which they would start to make a contribution was raised from £3,000 to £10,000.

The former right hon. Member for Kensington and Chelsea, then Chancellor of the Exchequer, said:

"In this Budget I shall be helping people who are earning and people who are saving. But I also want to help the people who have worked and saved all their lives. Some of them may be unfortunate enough to need care in residential or nursing homes in their old age. If they do, they may find their savings eaten away quickly to pay for that care. Of course, that is one of the rainy days for which people save. But the balance between the state paying and the family paying must be right."

Mr. Edward Garnier (Harborough): I apologise for interrupting the hon. Gentleman at so early a stage in the debate. I am slightly confused as he referred to the former Chancellor of the Exchequer as being the right hon. Member for Kensington and Chelsea. Will he confirm that he means my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke)?

Mr. Singh: I apologise—I made a mistake.

Mr. Garnier: I was confused.

Mr. Singh: It was my confusion, not the hon. and learned Gentleman's.

As I was saying, the former Chancellor said about the balance being right:

"If it is not, many prudent people will complain that they are being treated unfairly compared with those who are unable or unwilling to save at all.

To help people who have already put money aside, it was recently decided to exempt from VAT some forms of care provided in someone's own home. I now have two important further proposals.

First, I intend to exempt from tax the benefits from a range of insurance policies that provide long-term care benefits. We should encourage, not penalise, people who decide to take more responsibility for themselves.

Secondly, at present only people with assets worth less than £3,000 are not asked to make any contribution from their capital towards the costs of residential or nursing home care. People with assets worth more than £8,000 receive no financial support from the Government. When applied to care in residential and nursing homes, those limits are far too low.

From April, and sooner if practicable, we shall more than treble the lower threshold, from £3,000 to £10,000, and double the upper threshold, from £8,000 to £16,000. That means that people in residential care who have worked hard and saved will now keep more of their own money. It will give many elderly people and their families more financial security and greater peace of mind. But we also want to find more ways of helping people who are now in work or recently retired and want to plan ahead to prepare for their old age."—[*Official Report*, 28 November 1996; Vol. 267, c.1067.]

The next day, the then Secretary of State for Social Security, the right hon. Member for Hitchin and Harpenden (Mr. Lilley) said:

"One of the main financial concerns facing elderly people is the prospect of needing long-term care. Providing for their needs in old age is, of course, one of the reasons why people save, but Age Concern and others have argued that the capital limits applying to people in residential and nursing care are tougher than the rules for people who stay in their own homes. They have urged us to raise the capital limits for residential and nursing care to those that apply to housing benefit.

We are going further than that. We are not just doubling the upper limit to £16,000 but more than tripling the lower limit. Under our proposals, people with up to £16,000 of assets will qualify for state help and people with capital of less than £10,000 will not be required to make any contribution from their capital towards the cost of basic residential care."—[*Official Report*, 29 November 1996; Vol. 267, c. 1214–15.]

Mr. David Tredinnick (Bosworth): I am listening to the hon. Gentleman with great interest. Will he explain how he has arrived at the new thresholds? It will be

[Mr. David Tredinnick]

interesting for the House to know whether the hon. Gentleman has talked to the Treasury about this matter, as there are grave financial implications.

Mr. Singh: If the hon. Gentleman had listened to what I was saying he would know that those thresholds were introduced by the Chancellor of the Exchequer in his Budget statement in 1995 and by the Secretary of State for Social Security the day after the Budget statement. Those thresholds are not new, but existing ones that were introduced by the previous Government—the money was allocated in the 1995 Budget.

Mr. Tredinnick: The hon. Gentleman must forgive me if I did not understand him correctly. What I was getting at was whether the current Treasury team under the new Government had given its part or total blessing to the Bill. It is one thing to look at what the Conservative Government proposed, but there has been a change of Government—indeed, the hon. Gentleman is here because of that change of Government. It is germane to the debate for us to have an understanding of the hon. Gentleman's arrangement with the Treasury as, without that, the basis of the debate is undermined.

Mr. Singh: The thresholds and the capital limits were contained in that Budget statement—the finances were allocated.

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): Perhaps I can assist the hon. Member for Bosworth (Mr. Tredinnick). I shall be making the Government's position clear in due course, but I can say now that we have no problem with the limits.

Mr. Singh: I do not have the words to speak on the Bill as eloquently as did the then Chancellor of the Exchequer and the then Secretary of State for Social Security in the debates when the capital and income limits were introduced.

Those changes were welcomed by the whole House and they should have been implemented without any problems, but local authorities began to abuse the rules in different ways. Sefton borough council decided to disregard the limits and adopted a strict rationing regime. Dozens of people were refused assistance—dozens of people had to wait until their assets were below £1,500 before they could receive help they needed. That £1,500 was just enough to pay the funeral expenses. Dozens of people in Sefton were subjected to misery and hardship.

Help the Aged took the matter to judicial review and, to everybody's surprise, the judge upheld the actions of Sefton council.

Mr. James Gray (North Wiltshire): I think that on these occasions fair dues all round should be the case. I hope that the hon. Gentleman will also give credit to Age Concern, which also brought the judicial review to which he referred.

Mr. Singh: I shall pay due tribute to Age Concern during my speech.

The judge's decision led to widespread anxiety among older people, their families, their carers and organisations acting for them, such as Help the Aged and Age Concern. Thankfully, the Sefton judgment was overturned in the Appeal Court on 31 July 1997, but there is still a great deal of uncertainty and anxiety among older people and organisations acting for them because of the Sefton judgment.

I am reliably informed that some local authorities are telling people with less than £16,000 to go on waiting lists. Long delays in assessments are leading people to eat into their own assets—assets which were supposed to have been guaranteed by the House—and local authorities frequently refuse to backdate the funding. The process constitutes a form of Sefton by the back door, which is a disgraceful state of affairs. That is why the Bill is necessary.

It is essential that the law makes the position absolutely clear. If our previous guarantees to older people are being flouted, we must legislate. It is essential that, through the Bill, we amend the National Assistance Act 1948. I hope that the Department of Health will go further and ensure that assessment of need is separate from, and precedes, assessment of a person's financial circumstances.

I hope that the Department will ensure that local authorities do not unreasonably refuse to assess someone for community care services and residential accommodation. I hope that the Department will ensure that local authorities do not delay assessments by setting deadlines. I hope that the Department will ensure that local authorities have a duty to carry out an assessment, whether or not care and attention is otherwise available. I hope that the Department will ensure that, once a person is assessed as needing residential care, lack of resources cannot be used as a reason for refusing or delaying care.

Mr. Nicholas Soames (Mid–Sussex): I am grateful to the hon. Gentleman for giving way and I have a great deal of sympathy with the points that he is making. Does he agree that we are talking about a two-sided contract? It is not just that the local authorities should, as he rightly says, speedily undertake those assessments so that old people are able to move to another care regime; local authorities should pay nursing homes and other institutions promptly for the services that they have contracted from them. Some councils do not. I am dealing with such a case in my constituency, where a nursing home has persistently been kept waiting by a county council under a contract arrangement, to the great disadvantage of the people who live there.

Mr. Singh: I agree with the hon. Gentleman. I hope that the Government Bill that will set out a statutory right to interest on the late payment of bills will help. If there is a contract, the local authority involved should pay on time. I am sure that the Bill to which I have referred will involve local authorities.

I said in my introduction that this is not a Bill which excites passions, but I believe it should. We should be passionate about the rights of older people. We should be passionate about the fact that older people are being ripped off. We should be passionate also if older people are being denied the care to which they are entitled. Older people should be able to keep the assets that they worked hard to secure and for which they saved hard. Every right hon. and hon. Member may one day be grateful for that passion.

Finally, I thank Age Concern, Help the Aged and the Department of Health for their help and advice and I thank my hon. Friend the Minister for his encouragement. I commend the Bill to the House.

9.51 am

Mr. Richard Page (South-West Hertfordshire): I congratulate the hon. Member for Bradford, West (Mr. Singh) on bringing the Bill before the House. There is a skill in choosing Bills that are available to private Members—ones that will not cause excitement and delay. It is wise to choose a Bill that can speedily pass through the House and take its place on the statute book, especially if it will provide the support and help that is intended.

The hon. Gentleman mentioned passion. I believe that the Bill raises a passionate issue and one for which we should fight. If we cannot help the elderly, who can we help?

Mr. Singh: I said in my introduction that the Bill has not excited passion and that has not aroused the passions that we have witnessed recently in the House. I entirely agree with the hon. Gentleman that it should excite passion because we should be passionate about the rights of older people.

Mr. Page: There is no dissension between us. I agree with the hon. Gentleman that the Bill fully deserves the support of the whole House. Hon. Members on both sides who have supported the Bill have given us the opportunity to clarify the responsibilities of local authorities towards people who are in need of residential care.

I find it rather sad that local authorities should abuse weaker members of society, but I suppose that Parliament is here to ensure that such people are protected.

Mr. Tony Baldry (Banbury): We should not talk of local authorities as a whole but of Sefton, which at the time had no overall political party control although it had a number of Liberal councillors. Does my hon. Friend agree that it is appalling that on a day when the House will be debating several significant Bills there is not one member of the Liberal party present in the Chamber?

Mr. Page *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. Let us concentrate on the matters that are before us and not on who is here and who is not.

Mr. Page: I entirely agree, Mr. Martin. I was about to chide my hon. Friend by saying that it is not my responsibility to run the Liberal party, tempting though that might be.

Mr. Singh: Sefton council has become notorious for what it did, but let us not forget that other local authorities have been doing a Sefton by the back door.

Mr. Page: That is a matter on which I shall touch lightly when I make some further remarks. I disagree with my hon. Friend the Member for Banbury (Mr. Baldry) to the extent that Sefton is not alone; there are one or two other councils that are playing the same game. I am sure that if my hon. Friend reads the details that are in front of him this will all become relatively clear.

It is right that people who have a reasonable amount of capital should be asked to make a contribution towards the cost of their care. I do not think that everyone should lie back and rely on the state, saying, "Give me the necessary money." That view was taken by the previous Parliament and I am glad that it is sustained in the Bill.

Mr. Soames: I am sorry to interrupt my hon. Friend as he moves into the full power of his oratory. I am sure that he agrees that the Bill is important and that the hon. Member for Bradford, West (Mr. Singh), who I am sure is not moving too far from his place, deserves great credit for introducing it. However, there are many Conservative Members—*[Interruption.]* I think that of one of my hon. Friends' pacemakers is going off. Let us hope that it is nothing serious. A by-election would be inconvenient for my party at the moment.

There are many on the Conservative Benches who feel that the Bill should have been introduced as a Government Bill. Is it not odd that the Government, when in opposition, were extremely earnest on this issue but have chosen the long, detailed and difficult way of introducing legislation—although extremely competently presented—through a private Member's Bill when the matter could have been dealt with perfectly well in last year's Finance Bill?

Mr. Page: For the record, it was not my pacemaker that was going off. Mine is under control.

I can only agree with my hon. Friend. The Bill deals with an issue which should have been dealt with on the statute book earlier. The private Member's Bill procedure is a well-known route but it is subject to the hazards and vagaries of the House, as one or two other hon. Members have discovered on producing private Members' Bills. I am glad that this Bill will not be thwarted by other hon. Members, but will go through the House and on to the statute book. I hope that that process will be as quick as possible. If I may proceed with my speech without the support of my colleagues intervening every 30 seconds we might make some progress.

As I have said, I believe it right that members of the public should make a contribution towards their upkeep as they become older and if they have some resources. It is entirely wrong that some local authorities have cynically attempted to create and exploit the technical language—the hon. Member for Bradford, West referred to this briefly—in sections 21 and 22 of the National Assistance Act 1948 to avoid meeting their justifiable responsibilities. They have chosen to do so until elderly people's savings have been reduced to less than £1,500.

As the hon. Member said, it was the intention of the previous Government, approved by Parliament, that once an individual's capital fell below £16,000, and subject to the level of their income, local authorities should begin to contribute towards the cost of their accommodation and that once that individual's capital had fallen to £10,000, local authorities should meet the full cost. The Bill would ensure that there is no legal loophole that allows local authorities that want to take advantage of the elderly to disregard those requirements.

Sir Nicholas Lyell (North-East Bedfordshire): My hon. Friend says that the Bill would ensure that there will be

[Sir Nicholas Lyell]

no legal loophole. That is one of the things that we have the opportunity to test in the Minister's presence on Third Reading. There is a serious question whether the Bill does not still leave a legal loophole; I understand that if the local authority thinks a person is not in need of care and attention because he or she still has enough money—between £16,000 and £1,500—to continue to pay for himself or herself at home or in some other form of care, the Bill will not bite. Has my hon. Friend had an opportunity to consider that question?

Mr. Page: My right hon. and learned Friend makes a valuable point. I hope that the Minister will clarify that issue when he replies. Accommodation today is so expensive that, frankly, it would be only a matter of months before the local authority's decision to take up, instead of avoid, its responsibilities would be thrust upon it. This issue needs to be clarified, not only to ensure that local authorities behave in future but for the peace of mind of elderly people.

When they are young and active, as you are Mr. Deputy Speaker, people have confidence, but when they become elderly and frail they need help and support. They do not need the worry that they could suddenly be in desperate need of support from local authorities or the various bodies that exist to help.

Hon. Members will be familiar with local authorities' claim that they are underfunded. The director of my local social services authority, Hertfordshire county council, wrote to me last October saying that demand from elderly people for services was rising in line with the growth in their number. He was afraid that the county council budget could not cope with the demand. As a result, basic services such as shopping and cleaning help have been withdrawn—despite a huge increase in Hertfordshire's council tax this year of some 10 per cent: it is a Lib-Lab-run authority—so that the authority can concentrate on those who, unfortunately, are housebound or unable to feed and wash themselves.

I am deluged by letters from elderly people who need help and support. Their letters are exceedingly moving and worrying. It is difficult to reconcile the huge increase in Hertfordshire's council tax and the huge cut in its services with the fact that London seems to have survived swingeing cuts. The fact that there might be an election, of course, is pure coincidence, and I must not let anybody draw any inferences from the lack of services in Hertfordshire.

Mr. Tredinnick: I am listening with interest to my hon. Friend. What specific concerns have been expressed by elderly constituents? Their main concern is covered by the Bill, but it would be interesting to know whether he has deduced anything in particular from his correspondence.

Mr. Page: My hon. Friend tempts me down paths that are peripheral to the Bill. I make the point that the concerns expressed by the elderly in my constituency result from the cut in services and the lack of financial support. I raise this point because it is germane to the Bill. If we cannot get the financing right, we will not be able to look after people properly. I do not want people to suffer cuts in services through lack of support and finance if that can possibly be avoided.

The list of concerns raised by the elderly is long and serious, but if I had to choose one item that is causing most concern it is the lack of home help for people who are unable to look after themselves but want to stay in their own home. If we do not tackle that properly there will be greater pressure on residential homes as more and more people say, "I want to move into a residential home because I can't cope in my own home." That is why the lack of support for home help is most serious and damaging.

Mr. Gray: Does my hon. Friend agree that, often, the shortage of social services funding for home care and home help comes about not so much through a lack of central Government funding or a lack of funding from local taxpayers as through incompetent handling of the funds available to the social services department? He will be interested to hear that Wiltshire county council—a Lib-Lab council—spends some £70 to £80 a week more putting people in long-term care homes run by the county council as an ideological preference to the perfectly excellent private homes throughout the county. Does he agree that that is a disgrace and that the net effect is precisely the shortfall in home care that he describes?

Mr. Page: I do not want to chide my hon. Friend, but he is trying to lead me into areas about which I have no knowledge and expertise. I have no idea about the way in which his council operates. I have no idea about its policies—just as I have no responsibility for the Liberal Democrats.

I return to the point that I was making. If we do not get our finances correct, greater pressures will be placed on residential homes, and that will mean even greater pressure on the taxpayer. That is why I come back to the sensible, lower-cost support of home help, which has enabled people to stay in their own homes, in their own community, which, ultimately, reduces the bill to the taxpayer. It is a win-win situation. I suggest that my hon. Friend goes back to his council and suggests that this is a way in which costs could be reduced to the greater enjoyment of elderly people.

I shall not go on about the shortcomings of councils—Hertfordshire or any other. I produced the example of Hertfordshire because I know that the arguments of local authorities that cannot meet their full obligations to the elderly because of a lack of financial resources is one with which Ministers in the present Government will become more familiar in the years ahead.

I cannot believe that any local authority can seriously maintain that the capital of an individual in its area should fall below £1,500 before it feels legally bound to offer assistance to meet the costs of residential accommodation.

The hon. Member for Bradford, West referred to the cost of a funeral. I am not an expert on the cost of funerals in Merseyside, but I studied some figures produced by the National Association of Funeral Directors. In parts of the country, a standard burial costs more than £2,000. If the Bill did not address the issue of savings, everybody in Merseyside in this situation would have to be cremated, as the choice of a burial would be beyond them.

The conduct of Sefton metropolitan borough council in trying to insist that people in need of residential care should have their savings reduced to this minute level merits outright public condemnation. It puts its emphasis

on its policy—draining the resources of vulnerable people—above its duty of care. Moreover, it does so on the basis of the argument that possessing capital of more than £1,500 and less than £16,000 means that people might have the means to secure the care and attention that they require.

If that really is the substance of the council's position, it means that it places its accounting position ahead of its legal obligation to help elderly and vulnerable people. Morally, that is a shallow, repugnant argument. Legally, as has been said, the Appeal Court judgment last October showed that that argument is morally and legally bankrupt. The council's defence—that its actions were solely driven by its lack of financial resources and that it had no desire to challenge the law or attack people's savings; that line was taken by the chairman of the social services committee last April—is just not credible. As soon as the judgment of the Court of Appeal went against it, Sefton council's assistant director for older people, Mr. Alan Lewis, told *The Independent* on 23 October that

"years of financial stringency have paid off and after reviewing our financial circumstances we found we are now able to meet the provisions affecting this particular group of people".

Halfway through this financial year there was money to meet the needs for residential care and accommodation that had previously been impossible to find.

The only redeeming feature of the council's response was that it had become willing to recompense the people who had been wrongly forced to pay the costs of residential accommodation. They will be paid back with interest. The hon. Member for Bradford, West mentioned the statutory right to interest. I am not sure that it is a panacea for all late payment, but I am glad that some extra compensation is to be paid to those people. I am not certain how many are involved. *The Independent* quoted a figure of 70; *The Guardian* said that 100 people are affected. However many, if it is more than zero, it is one person too many.

Whatever view the council took of the level of funding provided by the previous or the present Government for the community care programme, the effect of its policy decision was to place its assessment of its financial resources ahead of the assessment of the elderly vulnerable people who needed help to secure appropriate residential accommodation. The elderly in Sefton and one or two other places were being held to ransom in an argument between local government and central Government over the funding levels that the latter should provide. I hope that such a case will never happen again. I am happy to support the Bill.

10.11 am

Mr. Edward Garnier (Harborough): I am most grateful to be called today, not least because it gives me an opportunity to talk about a subject that has concerned me for some little while and which I discussed with the Under-Secretary of State for Health when we debated, under the auspices of the Hansard Society, the question of the law and Parliament. I am brought to that subject because the Bill has its genesis in the case of the Crown *v.* Sefton metropolitan borough council.

It is often said, as much by Conservative Members of Parliament as others I fear, that judges and lawyers are out of touch with the real world. In the case of Mrs. Blanchard, who was the victim of Sefton metropolitan borough council's community care policy, the Court of Appeal, presided over by the Master of the Rolls, Lord Woolf, reached a conclusion that demonstrated not that the courts were out of touch with the real world but that they were very much in touch with it. I hope that my hon. Friends who have taken a different view to mine—a view that the Minister shares—will from, in the light of maturer reflection and the Master of the Roll's judgment, come to take a more sympathetic view.

Mr. Andrew Rowe (Faversham and Mid-Kent): Does my hon. and learned Friend agree that the chances of judges in the Court of Appeal being in touch are far greater in cases involving people over 75 than in almost any other kind of case?

Mr. Garnier: I disagree whole-heartedly. The retirement age for members of the Court of Appeal is 75, so the point that my hon. Friend makes is a bad one. It demonstrates one of the difficulties that we have. It is easy to assume that the Court of Appeal exists in some sort of Gilbertian world in which a lot of geriatrics are finding it difficult to string two words together or reach rational conclusions. If my hon. Friend cares to look, he will find that the quality of the intellects of those who sit on the Court of Appeal bench is immensely superior to that which is demonstrated by the profusion of words to which we sometimes listen in this Chamber. I have to be careful. Here I am trying to persuade my hon. Friend that my argument is good, attractive and worthy of support. The last thing that I want to do is to be accused of being abusive to him. All that I would say is that the premise on which he advanced that intervention was wrong. I hope that he will care to go to "Who's Who" and look up the ages of Lord Woolf, and Lord Justices Roch and Henry. He will find that they are some little way under the age of 75 and even 70.

I congratulate the hon. Member for Bradford, West (Mr. Singh) on his Bill and on choosing a subject which is largely uncontroversial and brings with it a social benefit, unlike some of the other private Members' Bills that we have discussed recently. I dare say that many people in the hon. Gentleman's metropolitan area in the west riding of Yorkshire will feel that he has done them a service. I congratulate him on that. I want to analyse to some extent the decision of the Court of Appeal presided over by the Master of the Rolls last July so that my hon. Friends, who have appeared in greater numbers than Government supporters, can understand why I believe that the relationship between two great limbs of our constitution—the judiciary and the legislature—can be fostered to assist the third limb of our constitution, which is, the Executive, represented most ably today by the three hon. Members on the Treasury Bench—the Under-Secretary of State for Health, the Minister of State, Department of Trade and Industry, and the hon. Member for Tyne Bridge (Mr. Clelland). If that relationship is fostered, the House and the other place will produce and digest legislation in a way that produces better law. I believe that the Bill is a product of a sensible union of view and opinion.

The Master of the Rolls said at the outset of the Sefton case that he identified three main issues. I suggest that those issues applied not only to the facts of that case but to the general area of social policy involved. As the

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Under-Secretary of State for Health already appreciates, having practised in the courts and no doubt dealt with similar cases, the case involved three primary issues. The first was whether a local authority, in deciding whether an elderly person was in need of care and attention—in which case it would be required to make arrangements for residential accommodation to be available to her—was entitled under section 21(1)(a) of the National Assistance Act 1948, to have regard to its limited financial resources. That is the big political question to which the Bill attempts to provide an answer that is acceptable to most people.

The second issue that the Master of the Rolls identified was whether if Sefton's limited resources were relevant, they justified the policy that it adopted. It is a policy which many cash-strapped local authorities have to consider. It is perhaps unfortunate for Sefton that it is the first borough council to have caught the attention of the relevant charitable interest groups and that its activities and policy have persuaded a charity to take the matter to court.

The third issue was whether, in determining whether care and attention was not otherwise available to a person, an authority was entitled to take the resources of that person into account, even if they fell below the levels prescribed by the National Assistance (Assessment of Resources) Regulations 1992 for the purposes of sections 22 to 26 of the 1948 Act.

I appreciate that, at the moment, that sounds deeply dry, deeply boring and thoroughly technical, but, unless one understands the foundations of social policy and the legal framework within which it is constructed, it is extremely difficult to understand quite why the Bill promoted by the hon. Member for Bradford, West is a beacon, or perhaps even a lighthouse, for other jurisdictions and other countries.

Sir Nicholas Lyell: My hon. and learned Friend may be able to assist the Under-Secretary of State for Health by highlighting a real point in this case. It is not entirely clear to me whether Sefton borough council took into account the fact that it was strapped for resources, and therefore had a policy under which people had to spend their modest capital, down to £1,500, or whether it believed that people with between £1,500 and £16,000 were not in need of care, because they had a small amount of personal resource to look after themselves. Can my hon. and learned Friend elucidate that point?

Mr. Garnier: After six or seven years as a Member of Parliament, I have learnt that the Under-Secretary rarely needs help, and when he does, he does not take it. However, I shall try to help with the argument put to me by my right hon. and learned Friend by having a go at explaining what Sefton borough council was doing, which may help with our deliberations. If I get my explanation wrong, I am sure that the Under-Secretary, who is listening with great rapture, will put me right with the assistance of his official advisers.

There has been a great deal of press and other comment on the case. As I understand it, the borough council was applying its policy in a discriminatory way to distinguish, perhaps for financial or other reasons, between what it regarded as real welfare cases involving elderly residents who had become enfeebled enough to need residential care, as happens with elderly residents in Manchester, in Sheffield, in Bedfordshire or in north Wiltshire, and elderly people who had put themselves in retirement homes in the seaside resort of Southport pre-emptively—before they needed residential care as the Department of Health understands it—and while they were still in relatively good health.

The bulk of Sefton borough council's policy addressed the issue of who was and was not to be assessed as needing residential care. The matter of their capital allowances were a detail of that policy, but it has taken on far greater significance for obvious political and social policy reasons, perhaps because Sefton borough council was insensitive and inept in the way in which it developed, arrived at and presented its policy.

Mr. Page: Did not the chairman of the social services committee take the position that the council had no desire to take away the savings of elderly people, or to challenge the law? The council's defence was that its actions were solely driven by its lack of financial resource.

Mr. Garnier: I am sure that the Chancellor of the Exchequer has no desire to bankrupt my constituents by imposing an extra 20p a gallon on fuel duty, but that will be the consequence. Any decision maker in national politics, national Government or local government must be taken to have accepted responsibility for, and anticipated the consequences of, his decisions. I cannot acquit the official at Sefton borough council of ignorance or of lack of responsibility for the consequences of his actions or advice any more than I can acquit the Chancellor of the Exchequer, whose colleague the Under-Secretary looks a little puzzled. I dare say that the cost of petrol does not affect his constituents in Brent quite as much as it does mine. I hope that my hon. Friend the Member for South–West Hertfordshire (Mr. Page) will allow me to leave that point hanging for others to pick up.

I am happy that Labour Back-Bench representation in the Chamber has now trebled, and three Labour Back Benchers are present.

Mr. Stephen Pound (Ealing, North): Quality, not quantity.

Mr. Garnier: I am sure that that is entirely right. I offer my congratulations to the hon. Gentleman on his half century this year: we should therefore discuss community care for the elderly with some care.

In the Sefton case, which I was briefly analysing, the—

Mr. Deputy Speaker: Order. Perhaps the hon. and learned Gentleman will assist me. We have discussed the background to the Bill at great length, and we must now speak about its content. He has assisted me and given me a grasp of why we are having such a debate on Third Reading, but we have passed from the debate on the background—what is done is done. We are discussing Third Reading, and we should talk about content.

Mr. Garnier: I fully understand your point, Mr. Deputy Speaker. Perhaps I may illustrate what I am

doing by giving this example: a tapestry is composed not only of threads of wool, but of latticework through which the wool is woven.

Mr. Deputy Speaker: Order. The hon. Gentleman makes my point. The backcloth has been fully explained to me. Now I must look at the tapestry.

Mr. Garnier: You are, Mr. Deputy Speaker, a man of great and acute perception. My anxiety is that my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe) is not quite as quick as you, and his intervention suggested that further explanation of the backcloth was required so that he would understand the interwoven colours created for us by the hon. Member for Bradford, West, who represents a textile constituency. I shall move on because, if I am not careful, my hon. Friend the Member for South–West Bedfordshire (Sir D. Madel), whose patience may not be as great and accommodating as yours, Mr. Deputy Speaker, may contrive to put me in a community care home.

Rather than wait for my explanation, hon. Members should study the law report on the Sefton case; there is much to learn from it. My hon. Friend the Member for North Wiltshire (Mr. Gray) wishes to intervene, but I first give way to the hon. Member for Bradford, West.

Mr. Singh: I thank the hon. and learned Gentleman for giving way. I must leave the Chamber, not out of bad manners, but out of necessity. I hope that he will forgive me.

Mr. Garnier: The hon. Gentleman is a man of unfailing courtesy, and I fully understand that he has constituency engagements to attend to. I was slightly amused when he said that he had a post office to open and could not get out of it.

Mr. Singh: I am afraid that stamp duty might be imposed if I am not there.

Mr. Garnier: I send him to Euston station with our good wishes, and trust that by the time that he reads *Hansard* his Bill will have made the progress that he and its supporters wish for it. I wish him all the best.

I would have made other arguments, but you, Mr. Deputy Speaker, required me to leave them to another forum. Before coming to the second thrust of my argument, I give way to my hon. Friend the Member for North Wiltshire.

Mr. Gray: I am grateful to my hon. and learned Friend for giving way before moving to the second thrust of his argument, although I find it hard to understand why he has taken almost 20 minutes to get through the first thrust.

Mrs. Eleanor Laing (Epping Forest): My hon. and learned Friend is a barrister.

Mr. Gray: Yes, but my hon. and learned Friend is not being paid by the hour in this place.

I bring my hon. and learned Friend back to the reason why he was expatiating a little on the judgment in the Sefton borough council case. An important point about the Bill highlights the difficulties caused by it not having been considered in detail by a Standing Committee.

The point that the judge in the case missed was Sefton borough council's feeling that certain residents of Southport, being perfectly fit and healthy, did not need its financial support. The point about capital allowances is that they are awarded at the point when social services departments decide that a person needs care and attention that would otherwise be unavailable to him. Sefton borough council feels that, following the judgment, many people could receive support who would not otherwise be considered to need it.

Mr. Garnier: That is true, and relates to what I said in response to my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell). If people are not assessed as needing residential care, the capital allowances for residential care do not apply. The Bill does not bite on that aspect of social policy. It would bite only in the cases of elderly people who had already been assessed as needing residential care, like Mrs. Blanchard.

Mr. Dominic Grieve (Beaconsfield): The fear that has been expressed in that context is that unscrupulous local authorities might exploit the loophole and fail to assess people at all, or simply not get on with the job. People who fell below the £16,000 threshold would then receive no support from the local authority. Does my hon. and learned Friend agree that, even if that problem cannot be addressed in the Bill, we may have to address it eventually?

Mr. Garnier: It may be possible to address it in the Bill if their lordships take up my hon. Friend's point, but, on Third Reading, it is not for us to do more than acknowledge his point and hope that others who take a close interest in these matters—including the Minister—will do what they think appropriate.

It is still possible for a council to save on the cost of caring for elderly people who have put themselves into homes simply by not assessing them as having any needs as defined by statute. The hon. Member for Bradford, West may not have come to grips with that, but the House should do so before the Bill goes to another place. The capital of elderly people could be run down with no more consideration than the council would have for someone aged 30 who was staying in bed-and-breakfast accommodation or an hotel. How councils behave in such cases will depend on their integrity and good will, and on how they make difficult choices about prioritising their resources.

Government is difficult enough for the Conservative party, but we now have a Labour Government who have not made a decision of any complexity or national significance for 18 years except within their own party system. It is essential for us to remind not only the new Government but local authorities of the huge importance of getting priorities right, and having the courage to stand by their decisions when put to the test. I see that the Minister agrees whole-heartedly with my point about the need to order priorities properly.

The Bill illustrates just one aspect of that need. I hope that, if we allow it a speedy passage to the other place and, eventually, the statute book, borough councillors throughout the country—as well as their officials and advisers—will realise that the House is now watching them to make sure that elderly people are not artificially

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prevented from gaining access to the care that they so richly deserve after a lifetime of hard work, thrift and saving.

10.33 am

Sir Nicholas Lyell (North-East Bedfordshire): I am grateful for the opportunity to make a brief speech. I welcome the Bill, and congratulate the hon. Member for Bradford, West (Mr. Singh) both on promoting it and on steering it successfully through its stages so far.

The question of how to pay for old age is probably one of the most difficult questions of the day. As people get older, they experience real anxiety about how they would manage if they had to go into a home: it preys on everyone's mind, in connection with themselves or elderly relatives. Indeed, they may worry about how their children will manage in the future. This is rightly a topic for political debate.

I shall not dwell on the distinction between the Government and the Opposition—between the Labour and Conservative parties—as reflected in what is sometimes described as the Chancellor's smash-and-grab raid on pension funds through the abolition of advance corporation tax. In a sense, however, that is part of an overall approach to the subject. It is important to enable people to build up capital so that they can care for themselves, and—here there should be common ground between the parties—to keep at least some of that capital to pass on to their children.

I have a particular insight, as one who was first a junior Minister in 1986, in what was then the Department of Health and Social Security. The Minister of State was one John Major, my right hon. Friend the Member for Huntingdon. At that time, Conservative party policy was to increase the amount of protected capital from £3,000 to the still modest figure of £6,000, which has subsequently been increased to the £16,000 in the Bill. It must be borne in mind that that £16,000 is not wholly protected. When people's capital has dwindled to £16,000, which is probably only about half the value of a modest house—even in Sefton, in the north-west of England—they will still have to pay a substantially higher weekly sum for board and lodging in a residential old people's home.

The Bill aims to resolve what was, frankly, an abuse introduced by Sefton borough council. The ideology of those councillors was different from the ideology that I think prevails today—in the country and, I hope, in the Government, although it is their party which predominates in Sefton. I am grateful to the Government for at least moving that far.

Sefton borough council was saying that it would not provide accommodation for someone who was in need of care and attention because of the frailties of old age until that person's capital had dwindled from £16,000 to £1,500. The Bill seeks to correct that, which is why we welcome it. Let me make a point which, although rather technical, is important. Clarification of it, even on Third Reading, may assist the construction of the Act that this Bill will become, and of national assistance Acts generally. The point was highlighted by the Master of the Rolls when the Court of Appeal had to make a decision in the case involving Mrs. Blanchard.

The point is that, provided that it is clear that an old or disabled person—people may be frail for reasons other than old age—is in need of care and attention, there is no entitlement to take into account the local authority's alleged lack of resources. I accept that local authorities are under pressure.

I think that we can be sure, but I should like clarification on the point that one is not entitled to take into account the fact that a person still has £16,000 and that the amount has not dwindled to £1,500. A person who is down to £16,000 must be careful if he is in need of care and attention. He should not be told that he may spend £14,500 on looking after himself and then make another approach to the authority. Such a loophole seems to exist because the fundamental legislation, the national assistance legislation as amended from time to time, refers to people who are in need of care and attention that is not otherwise available to them.

Of course, money gives freedom and the power to purchase services. Notwithstanding the Bill's intention, it could be said that people could spend their money on caring for themselves, perhaps marginally by upping the amount of private home help. That means that they could put off going into residential accommodation for a long time and, of course, that will prolong the anxiety of the elderly and, in practice, it may force them to deplete their modest resources from £16,000 to whatever figure the relevant local authority—it may not be the one in Sefton—may set. It may not stick to £1,500.

I support the Bill and hope that it will be successful in overcoming the difficulty. I have highlighted the issue, albeit at the 11th hour on Third Reading because it is important to bring it to the attention of the House so that the Minister may comment on it. If we cannot put it right at this stage of the Bill's progress, I hope that the Government will be sympathetic to my point and will use some future Finance Bill or assistance Bill to close continuing loopholes.

10.42 am

Mr. Andrew Rowe (Faversham and Mid-Kent): I fear that I have to join the Bill's promoter in apologising to the House because, if the subject is debated for the length of time that it deserves, I may not be here for the final speeches. I hope that the Minister will forgive me if I have to leave early. One of my local hospitals is threatened with closure and all hon. Members will understand that such a matter requires attention from the hon. Member concerned.

We debate this important Bill against a background of quite alarming figures. The latest population estimates of mid-1996 show that the United Kingdom's population aged over 75 numbered 4,192,000. Of course, a high proportion of people who live until the age of 75 will live until they are over 90. One of the enormous difficulties for Britain's elderly is to have any idea of how long they have to budget for. They have absolutely no way—none of us has—of knowing when the asteroid will hit them, and they cannot know how much money they will need or how to apportion it.

The mean cost of residential care is £275 a week. In my part of the country, that is modest, and it is easily seen that the fear of destitution in old age is acute. Research suggests only 7 per cent. of the elderly are confident that their children will look after them. I think

that they are being unduly pessimistic because Age Concern figures show that we in this nation still look after elderly relatives. However, 90-year-olds have 65-year-old children and, at the age of 65, many people are not in particularly good health. Their capacity regularly to drive long distances to look after a parent who has moved or from whom they have moved is much impaired. Even those children who want to look after their parents are often in no position to do so.

As the Chancellor told us on Tuesday that

"half the population have only £200 or less in savings",—[*Official Report*, 17 March 1998; Vol. 308, c. 1102.]

the demand for publicly provided residential care at the full cost to the taxpayer will rise sharply. I can tell the Minister that, among the plethora of reviews that have been undertaken by the Government, the tangled and now entirely historically based relationship between national assistance Acts, national health service Acts and community care Acts needs to be completely overhauled.

There is something ridiculous about the conflict between the regulations governing people in residential care, those in long-term hospital care or those who are being looked after in the community. For example, a person in a private residential home probably has to pay for medication, but a person in a long-term national health service bed does not, although he may be almost exactly the same kind of person. The anomaly that the Bill tries to correct clearly points up the fact that the way in which we provide residential care needs to be wholly re-examined. Given a sufficiency of respite care and the ability to take it regularly, many elderly people could survive satisfactorily where they would prefer to survive—in their own homes. However, the elasticity of social services provision is so tight that that is now difficult to provide.

I also view with considerable concern the explosion in child care. Whatever my personal views about the sense of paying people to look after other people's children and denying the parents the kind of income that would allow them to look after the children themselves, which would be much better for them, the pool of carers from whom the elderly would expect support will be drained by an explosion in exactly the same kind of people being recruited into the rather more appealing task of looking after children. That will cause considerable anxiety to everybody in the field, and I hope that the Government are taking that on board.

There is another enormous difficulty and a real conundrum. For the past 75 years, we have encouraged people—by mortgage tax relief and a host of other devices, intended and unintended—to view their homes as their principal stock of value. That is not the case in many other European countries. In many countries of mainland Europe, people rent accommodation and keep their savings in some other form, but in Britain the biggest store of value is in the home. Many people have bought their houses with the specific intention of having them as stores of value against a rainy day, but when the rainy day comes, they have become so emotionally attached to what they no longer call a house but now call their home that they are deeply resentful of any suggestion of moving out.

Sir Nicholas Lyell: My hon. Friend raises an interesting sociological point. That was not always the case. My grandfather, who could probably have afforded to buy a house, never did and always rented accommodation off a large landowner, which tended to be the Harrow Trust or something of that nature. Such a system left people with free capital to look after themselves, which was much more effective than tying it up, as we tend to do now. Perhaps we should not be so ideologically attached to putting so much money into our homes and should try to encourage people to go in a different direction.

Mr. Pound: On a point of order, Mr. Deputy Speaker. Although I realise that the accommodation arrangements of the ancestors of the right hon. and learned Member for North-East Bedfordshire (Sir N. Lyell) are of extreme interest to him and his immediate family, what remote relevance has that to the matter under discussion?

Mr. Deputy Speaker: I agree that we are going a bit beyond the scope of a Third Reading debate.

Mr. Rowe: I of course accept a rebuke, Mr. Deputy Speaker, but the fact is that the Bill seeks to set right an anomaly and, as my right hon. and learned Friend the Member for North-East Bedfordshire (Sir N. Lyell) has pointed out, there is some doubt about whether it will succeed in preventing local authorities from introducing various forms of informal rationing, which will be just as deleterious as the form of rationing that Sefton council introduced.

I am green with envy about this measure because I have never yet won any of the ballots in this House. I have given up subscribing to the national lottery on the basis that my experience in this place suggests that I shall never win anything anyway. I have never had a private Member's Bill in all my time here, so I am deeply envious, but the fact is that, although this is a useful tidying-up measure, the Government have to get a grip on the issue at its heart and have a real shake around because, otherwise, we will not succeed.

I give one further example. One of the reasons why local authorities are under such pressure that they behave as Sefton council behaved is local authority planning restrictions. Many of my constituents, and I myself, frequently applaud such restrictions but, when confronted with a particular dilemma, we start wondering about them. They make it difficult for 60-year-olds who want to look after their 80 or 95-year-old parent to adapt their home in ways that would allow the parent to come and live with them.

That is partly because polices such as the green belt—policies of which I am largely in favour—make it difficult to allow extensions to houses, but also partly because there is a residual, inappropriate anxiety among local authorities that, somehow, by improving their home in that way, members of the younger generation are enhancing the value of their houses, and should not be allowed to do so. That is a real difficulty.

The other great pressure on local authorities is that many of them, as we have heard already from many interventions today, have an extraordinary ideological hostility to private care provision. Quite honestly, the way in which local authorities of that persuasion delay assessments, so that a care home has to carry two or three empty beds, when it may be only a six or seven-bed home

[Mr. Rowe]

anyway, until it gets very near to ruin, or the way in which they manipulate the lists in other ways in favour of their own care provision, is an absolute scandal. It all goes back to the core problem: we have a set of contradictory views about the value of people providing for their own care.

Mr. Gray: Is that not particularly disgraceful when county council homes cost significantly more than the private homes that they are competing with, as is the case in Wiltshire? It is even worse when, as in Wiltshire, the county council announces that, ideologically, it is determined to continue to use its own homes unless those homes are sold. Even if they are then sold, they can be sold only to non-profit-making organisations. Is that not a disgrace?

Mr. Rowe: It is a disgrace and it should be made absolutely crystal clear that local authorities that behave in that way are diminishing the number of people whom they can afford to look after and so depriving needy people of care.

There is a real difficulty because people who have been frugal and provident all their lives and who want to provide for their own care and well-being in old age, are terrified of the future. If we cannot do anything else, I hope that the Under-Secretary, the hon. Member for Brent, South (Mr. Boateng), will be able to give us some assurance—when he has stopped his private conversation—that, beyond the narrow confines of this Third Reading, the Government are seriously addressing the tangle that leaves so many old people, who have done all the things that we applaud in trying to create savings for themselves, in a state of fear, confusion and, in many cases, pretty miserable living conditions.

10.56 am

Mrs. Eleanor Laing (Epping Forest): I congratulate the hon. Member for Bradford, West (Mr. Singh) on introducing the Bill, which I thoroughly support. The one point on which I disagree with him is that he said that people do not deal with this subject with passion. On the contrary, at the Conservative party conference a few years ago—

Mr. James Paice (South-East Cambridgeshire): Conservative party conferences are very passionate.

Mrs. Laing: My hon. Friend is absolutely right. I made a passionate speech on this very subject. I found at the party conference that the vast majority of Conservative party representatives throughout the country entirely agreed with what I said. Therefore, I know that I must have been right. It was an excellent example of how democracy works in the Conservative party because, only a few months later, the then Chancellor of the Exchequer announced the changes in the appropriate legislation, which were outlined so well this morning by the hon. Member for Bradford, West. On that day, I urged the then Chancellor to change the limits that are applied when the financial situation of an elderly person is assessed in examining whether their long-term care should be funded by the state, or whether they should have to pay for it themselves.

Although I had the full support of the many thousands of Conservative party members who were there on that day in Blackpool, and the support to a certain extent from the then Chancellor who made those changes, the great importance of this subject to the lives of almost every family has not been fully recognised. It is unfortunate that there is a need for such a Bill, but the hon. Member for Bradford, West is brave and courageous in introducing it.

The need arises because of the disgraceful attitude of certain local authorities that have continued to employ a policy of envy against people who have worked hard, saved and built up their resources, which they are entitled to retain to pass on to their families. It is sad that some local authorities continue to disregard the wishes of the people in their local communities who elected them. Unlike my hon. Friend the Member for North Wiltshire (Mr. Gray), I can commend my local council—Essex county council—on its attitude—

It being Eleven o'clock, MR. DEPUTY SPEAKER *interrupted the proceedings, pursuant to Standing Order No. 11 (Friday sittings).*

London Underground

11 am

The Secretary of State for the Environment, Transport and the Regions (Mr. John Prescott): With permission, Mr. Deputy Speaker, I wish to make a statement about the London Underground.

The underground is part of the lifeblood of London. More than 800 million journeys will be made on the underground this year. London Underground has made great strides since the King's Cross fire 10 years ago. Its management systems have been overhauled, its employment practices modernised, and productivity improved. All that reflects great credit on everyone who has worked for London Underground, but, for many years, investment in the underground has simply been too low to ensure that the worn-out assets are properly replaced. Without the necessary investment, operational efficiency is constantly undermined by old and unreliable infrastructure.

For a very long time, funding plans for the underground have been chopped and changed every year, both under the Greater London council and under the previous Government. I might add that all Governments have been involved in making cuts in investment in the underground at different times. Our analysis shows that such uncertainty and short-termism generally increases the cost of completing the underground's investment programme.

According to London Transport, there is now an "investment backlog" of some £1.2 billion. Despite that, the previous Government in their last Budget announced sharp reductions in the funding available to London Transport for the next two years. Combined with the cost overruns on the Jubilee line extension project, those cuts led to London Transport's planned investment being cut by almost a half.

In our election manifesto, we rejected privatisation and we promised that we would implement a new concept—a public-private partnership—to modernise the underground, to safeguard its commitment to the public interest and to guarantee value for money to taxpayers and passengers. I can now tell the House how we plan to deliver on that commitment.

Over the past 10 months, we have undertaken a thorough and careful analysis of all the options for developing the public-private partnership. We have examined a wide range of options, and have taken advice from a number of expert sources, including financial and engineering advisers, the Health and Safety Commission, the passengers committee and London Transport itself. A summary of the key facts and analysis will be placed in the Library of the House. I also want to mention the expertise that my hon. Friend the Paymaster General has contributed to our work, along with his Treasury colleagues. Their support has been much appreciated.

Our solution represents an entirely new approach—a third way. It is not a privatisation—or even partial privatisation; nor is it an old-style, publicly funded nationalisation. It is a publicly owned, publicly accountable model to get the best from both the public and the private sector.

Our solution has three main elements: first, operation in the public sector; secondly, infrastructure investment in a public-private partnership; and, thirdly, an extra investment now. First, we believe that the operation of London Underground services should remain as a single, integrated entity. We are also convinced that the operations should be firmly and securely a public sector responsibility. The underground network, integrated ticketing, travelcard, the tube map and logo—all the key features of the underground system—are valued by tube users and will remain the responsibility of London Underground, acting in the public interest, publicly owned and publicly accountable. We are convinced that that will be best for reliability, safety and public confidence.

The second element of our plans is to involve the private sector by awarding one, two or three contracts to finance, maintain and modernise the underground's infrastructure. There will be a competitive bidding process. We shall seek expert advice on the best way to structure that competition, including the best length of contracts. We will choose the contractor or contractors and the set of arrangements that will deliver the best value for money. If the best value can be obtained by having a single contractor, that is what we will have.

The infrastructure contractors will be under an obligation to eliminate the investment backlog, and to maintain and modernise the underground's trains and other assets, such as track, signalling, stations and escalators. There will be a performance regime with incentives and stiff penalties. That way, the operating company will be able to ensure that the contractor performs to the required standards. The freehold ownership of the assets will remain with the public sector. At the end of a contract, the assets will be returned to the public sector, in a much improved condition.

The contractor or contractors will be responsible for financing the investment that the underground urgently needs. They will be free to borrow the sums needed from the private sector capital markets, and will not be constrained by the annual public expenditure plans. As a result, they will be able to use their capital much more efficiently. Their constraint will be a practical one of how much work can be done without causing unreasonable disruption to passengers.

I have already paid tribute to the hard work of the London Transport and London Underground work force. The fact that the system runs as well as it does is a tribute to their efforts and, frankly, their efforts alone. Most underground staff will remain employees of London Underground, but it will make sense for staff who currently work on the procurement, installation and maintenance of hardware—track, signalling, escalators and rolling stock—to transfer with their work to the contractors. All this will be subject to detailed future negotiations. A small nucleus of engineering staff will be needed in the operating company to administer the contracts with the infrastructure companies and to ensure that they deliver.

I am today writing to every member of staff in London Transport to explain our policy and the commitments we are giving to reassure them. I will place a copy of the letter in the Library. I want to reassure staff that the rights they have under their contracts of employment—covering pay, hours, union recognition, and so on—will be protected as we move into the new structure. Existing staff will continue to benefit from concessionary travel. We will work with London Transport, the London Transport

[Mr. John Prescott]

pension scheme trustees and the Inland Revenue to ensure that staff have the right to remain in the London Transport pension scheme as contributing members.

We want to make a start on modernising the underground, in preparation for its return to the people of London. On 7 May, Londoners will vote in a referendum, in which they can choose to establish a strategic authority for Greater London to put it on a par with other great capital cities around the world. When the Greater London authority is established, the underground will, with the rest of London Transport, transfer to it. It will then be not only publicly owned, but properly accountable to the people of London, through the mayor and the assembly. Mrs. Thatcher nationalised London Underground: we will return it to the people of London. *[Interruption.]* That is a statement of fact.

Over the next two years, my Department will work closely with London Transport in restructuring London Underground and managing the transition to a public-private partnership. That will involve a lot of work, and I will meet London Transport very soon to agree a programme for implementing our plans. I will also look to set London Underground demanding efficiency targets to achieve over the next two years, before it transfers to the GLA.

London Transport already has extensive powers to let contracts of the kind I have described, but should any additional legal powers prove desirable, we shall invite Parliament to consider giving them as part of the legislative arrangements to establish the Greater London authority.

Safety is, of course, a top priority and we have already consulted the Health and Safety Commission. The commission has confirmed that it believes that it will be possible to implement our proposals in a way that maintains and develops the underground's safety performance. The Health and Safety Executive will take that work forward, and I am writing formally to the chairman of the commission today to ask him to advise me on the outcome as soon as possible.

Our proposals will take a little time to establish and deliver. However, during the period of transition, we cannot allow the situation to deteriorate further. Therefore, as the third element of our policy—thanks to the prudent management of our public finances in the past year, as indicated by the Chancellor in his Budget—I can now announce that the Government will be providing an extra £365 million over the next two years. That additional money is over and above the money that the previous Government planned to provide and will be used for core underground investment, preparing the public-private partnership. By promising London Transport that money now to spend over the next two years, it will be able most efficiently to plan its investment programme.

The additional money will mean that, in the two years from April, total investment in the core underground—including private finance initiative investment—will be £1 billion. The extra funding that I have announced will enable more investment projects to go ahead in the next two years. Such projects will enable us to perform additional track works on the Victoria and Northern lines; to convert the old Jubilee line trains for use on the Piccadilly line—with 10 new trains available by 2001—helping to increase the line's capacity by over 10 per cent; to replace about 15 more escalators, including ones at key stations; and to refurbish 30 stations.

Our public-private partnership plans are based on long-term investment programmes—worth more than £7 billion in today's prices—over 15 years, aimed at creating a first-class underground for London. The investment will bring further benefits for passengers, such as track and civil works to remove speed restrictions, leading to faster journey times; increased train service levels as new signalling systems are introduced; and refurbished and modernised stations.

It is, however, not enough only to have a modern, refurbished, underground: it must be available to everyone, including disabled people. That objective will take time to achieve, but I am asking London Transport to examine how its current plans can be accelerated by the extra funding that I have announced today. I want to involve disability groups in considering our priorities, and will begin with my own advisory group—the Disabled Persons Transport Advisory Committee.

Earlier this week, I announced our plans for a £21 million river boat service for the new millennium and beyond. Today, I am announcing our plans for a £7 billion investment programme over the next 15 years for the Underground. I want London to become a showcase for a modern, integrated public transport system. We have produced a radical, modern and imaginative solution to achieve that goal. I shall be proud to return the underground to the people of London. I commend our plans to the House.

Sir Norman Fowler (Sutton Coldfield): May I first question the manner of this announcement—on a Friday morning in private Members' time? I remind the Secretary of State that the House has been waiting for the statement for almost 12 months, as the underground is of importance not only to London but to the nation. By choosing a Friday morning for the statement, many hon. Members—as is entirely evident in the Chamber—have been excluded from asking questions on it.

The Government's proposals are an unsatisfactory and inadequate compromise. The Secretary of State has accepted the principle of privatisation for infrastructure investment—in total contrast to many of Labour's statements before the general election—but he is content for operations to remain as a nationalised industry, which almost everyone now thinks is an outdated and failed model.

Does the Secretary of State not accept that the split between the public and private sectors is almost bound to lead to in-built conflict, with the public-operated company blaming the private infrastructure companies when things go wrong? If that happens, will not the travelling public lose out?

Does the right hon. Gentleman not realise that one of the great advantages of privatisation is not only the possibility of attracting investment but the way in which it has successfully introduced private sector disciplines into the operation of old public sector organisations? Is that not the lesson of transport privatisations—such as the National Freight Consortium and Associated British Ports—which the Secretary of State personally opposed?

Can the Secretary of State say which of the models of privatised infrastructure companies he is aiming for? He said that he would accept that one company could run the entire infrastructure, but is that his preference—or does he prefer three separate organisations?

Will the Secretary of State make it clear whether the public money that he announced will go to the underground over the next two years will be new money—entirely separate from money that has already been announced in the Chancellor's statement—or is it money that was announced earlier in the week in the Budget statement?

We have always backed private investment. However, is there not a danger that the system announced today will prove to be the most expensive means of attracting private investment into the system? Will the Secretary of State therefore publish the consultants' reports and the options that were available to him? Will he tell the House today how much the Government have spent on those consultancy arrangements?

Is not the main trouble that the policy on the underground has been determined merely to meet the Secretary of State's aim of avoiding the Labour party's pre-election slogan about "wholesale privatisation"?

The prospect is that today's statement will bring us botched-up privatisation that will not serve the interests of the taxpayer or of London Underground staff, and that, above all, it will not serve the interests of the travelling public.

Mr. Prescott: Clearly the right hon. Gentleman has not fully understood the implications of the statement. First, however—to correct him—we have been in government for only 10 months, so he could not have been waiting for the statement for 12 months. Perhaps he was expecting us to take office earlier than we did—*[Interruption.]* I made it absolutely clear that we were rejecting privatisation—*[Interruption.]* May I answer the right hon. Gentleman?

Sir Norman Fowler: Why was the statement on a Friday?

Mr. Prescott: I will deal with that point. *[Interruption.]* Can we stop this sort of harassment? *[Interruption.]* Would the right hon. Gentleman like to huff again? It was a very powerful comment. I should like to deal with the privatisation issue, but I shall deal with the Friday point—I would not miss it out.

We made it clear that we would not privatise the underground, and that we wanted a publicly owned and publicly accountable railway. I think that I have justified that decision in my statement. I would not attempt—having been in office for only 10 months—to try to justify the previous Government's privatisation measures, especially when I am trying to deal with the effects of those measures, such as the channel tunnel rail link, the sale of the rolling stock companies and of Railtrack, and underinvestment.

I shall not go into the sorry history of privatisation as operated by the previous Government; that will be for another time. However, that history is not evidence that such privatisations are the best way forward, and we totally rejected it.

The Government have made the statement today because, as the Chancellor said, statements will be made as a consequence of the Budget. Statements were made on Wednesday and on Thursday, and, today, we are taking the opportunity to make another one. I agree that the underground is a national issue, but it is very much a part of the interests of Londoners and of London Members—as we can see by the number of London Members in the Chamber for the statement. Today was a proper time to make the statement. Moreover, on Monday, I shall be involved in Brussels in negotiations on the Kyoto agreement.

Competing demands are made on the time of Secretaries of State, and I apologise if a Friday statement has caused any inconvenience to hon. Members. Nevertheless, it is quite proper for the Government to have made a statement on Friday. I do not think that Londoners will worry whether the statement was made on a Monday or a Friday—they will just be pleased that someone now has a future and a vision for London Transport, which is what I shall now deal with.

The right hon. Gentleman asked whether our proposals on splitting the underground would cause conflict. The advisers have told us no; as I said, the reports and the analyses of the reports are in the Library. The private sector can make a contribution by providing capital, but our proposals will not result in privatisation.

Although private capital can be invested—and we shall seek such investment—we believe that the model that we have chosen will be the best way of ensuring that taxpayers get the best value. That is our judgment. Once people examine the advice that we have received, and listen to the debate that will follow my announcement, they will make their own judgment. No doubt there will be debates in the House on the Greater London authority Bill and the changes that we may well have to make to meet those requirements, but, at the moment, our judgment is that it is the best way to proceed.

The right hon. Gentleman asked whether I believed that there should be one contractor or three contractors. If I can get the best value out of one contractor, that will be the best way to proceed. However, the choice through competitive bidding of one, two or three contractors will allow us to make a judgment on the best value. It is called the competitive bidding process, and I did not think that it would be challenged by the Opposition. Once we have received the bids, we shall make a judgment; that is the best way to use the taxpayers' resources. We want to get the best value and provide a good underground system.

The right hon. Gentleman asked whether new money was involved. As I said, £300 million of the £365 million was included in my right hon. Friend the Chancellor's statement of £500 million over three years. We have also taken into account money that London Underground was holding back because of the cuts in its investment programme imposed by the previous Administration. If we include the PFI, we shall now be able to invest something in the order of £1 billion over the next two years. The £360 million or so also takes into account the cuts that would have been imposed on London Underground by the previous Administration. It is extra money and it will be very welcome.

I do not believe that it will be the most expensive way to proceed. Checks and balances will be built into the negotiations. It is an excellent opportunity for London

[Mr. Prescott]

Underground. It is a publicly owned and publicly accountable solution, but, above all, it will give Londoners the chance to have a decent underground system.

Mr. Tom Brake (Carshalton and Wallington): I welcome the additional funding that has been secured for the next two years. Will the Deputy Prime Minister clarify how much of the additional £365 million will be spent on privatisation consultancy fees? Will he confirm that safety will be a top priority if Railtrack is successful in bidding for the infrastructure? After all, just over a month ago, Railtrack was criticised for persistently failing to resolve poor track conditions.

Does the right hon. Gentleman believe that an opportunity has been missed to introduce environmental taxes such as congestion charges, which could reduce pollution in London, as well as giving Londoners a first-rate underground?

Finally, does the Secretary of State believe that Londoners will be prepared to wait at least 15 years for the misery on London Underground to be addressed?

Mr. Prescott: I am starting immediately by investing the extra resources. One of the major constraints will be the speed at which we can implement the investment programme without causing massive disruption on the underground. It is a matter of that, just as much as it is a balance of resources. We are investing the money that London Transport says that it requires, and I am aiming to provide the resources. The hon. Gentleman mentioned 15 years. It will take two years to negotiate the contracts and I have already announced the money.

The right hon. Member for Sutton Coldfield (Sir N. Fowler) asked how much was being spent on consultancy fees. We have spent only about £100,000 on such fees, but, considering the sums of money that are involved, it is only right that we should take proper advice. Although it will not be the hundreds of millions of pounds that were involved in previous privatisations and the selling off of under-valued assets, we do not yet have an estimate of how much the contracts will involve. I shall have to discuss that with London Underground. If there are one, two or three companies that will make a difference to how much is involved. Having established the principles in the statement, we will now need to enter discussions with London Transport.

I do not know who the bidders will be or whether Railtrack will be one of them. We shall wait for the bids, examine them thoroughly and consider which will provide the best value.

As to whether we might consider parking charges, environmental taxes and so on, such matters are part of an integrated transport system. We shall publish a White Paper which will address those issues. We are dealing with the problems on the underground immediately and in an effective way which will be welcomed by Londoners.

Mr. Keith Hill (Streatham): First, may I congratulate my right hon. Friend on the sheer scale of the new investment that he is negotiating? This settlement has secured for Londoners a tube system of which they can be proud for a generation. Secondly, I congratulate him on the excellent deal that he has secured for the travelling public. I also welcome the assurance that he has offered the staff of London Underground that their present pay and conditions will be sustained, as will their pension provisions for the future.

Thirdly, while we very much welcome the commitment of private contractors to the partnership, will my right hon. Friend confirm that there will be tough sanctions for any shortfall in services that they pledge to deliver?

Mr. Prescott: I thank my hon. Friend for his words of support. I have made it very clear that staff conditions are extremely important, particularly given that previous privatisations often robbed them of their full benefits and pensions. We do not intend to make the same mistake.

We are clear that there will be tough sanctions in the contractual obligations in respect of the investment programmes. We are doing everything that we can to avoid the mistakes that were made in previous privatisations and were the reasons why we rejected privatisation. Public accountability will mean just that, and public ownership means that we shall have a stronger sanction in making sure that the contracts work.

Mr. Peter Brooke (Cities of London and Westminster): While I join my constituents in Pimlico in thanking the Government for their investment in the Victoria track to address the recent problems, how far will today's announcement improve the signalling defects that have bedevilled London Underground in recent years and, in particular, have held up the Jubilee line extension? Given that there is a limit to the number of questions that we can ask on such occasions, will he promise an early debate, perhaps in Government time?

Mr. Prescott: I should certainly like to have a debate on the matter, but that is a matter for my right hon. Friend the Leader of the House. I shall certainly pass on the right hon. Gentleman's comments.

I shall be discussing with London Transport the many investment priorities. Signalling is extremely important. The right hon. Gentleman mentions it in regard to the Jubilee line, but, to be fair, London Transport was not to blame for the failure in the signalling system; it was the fault of a private company that did not live up to its contract to produce on time. These things can happen in public and private companies. Nevertheless, we want to establish a proper order of priorities, and signalling is very important.

Mrs. Gwyneth Dunwoody (Crewe and Nantwich): Is my right hon. Friend aware that his statement will bring great pleasure not only to Londoners, but to all those who use the grossly overcrowded tube system? It is clear that he has learnt many difficult lessons from the privatisation of British Rail, and I hope that, when the time comes, he will ensure not only that the companies maintain the high contractual obligations that he intends to place on them, but that the public are able to register their approval or disapproval in adequate terms.

Finally, it must have been a pretty incredible team of engineers that built an underground system that is still going after more than 100 years.

Mr. Prescott: I thank my hon. Friend for her support. She is quite right. I have always been impressed by the

sheer scale of disinvestment in the underground system that had continued for decades and the sums of money that were required to replace track, bridges, tunnels and so on. It needed something more radical than reliance on the Treasury to provide resources from year to year, as that can change under different Governments, as we all know.

We have learnt a great deal from previous privatisations, and we shall take that into account in the contracts. We shall make it clear that we shall need tough contracts. As for the public having more of a say in the running of the London underground system, that is an important point and I shall say more about it at a later date.

Mr. Nicholas Soames (Mid-Sussex): Does the right hon. Gentleman agree that it is important that the contractors are given the opportunity to be bold in the works that they will need to carry out? Such is the scale of the work required on some of the lines that it may be important for parts of those lines to be closed completely for a time to allow the contractors to deal with the problems in one go rather than on a bit-by-bit basis. Does he accept from all those who use the tube in London that if he succeeds in pulling this off, we shall want to have him stuffed and put in the British museum?

Mr. Prescott: Presumably that will be after I have died! The hon. Gentleman raises a serious point about how such a programme can be implemented. I said earlier that there are probably more constraints on the implementation of the programme than on the availability of capital resource. We shall consider that at length. Work can be undertaken during the night on the underground. However, we shall have to choose whether to close an entire unit to get the work done faster in the long run or to do it in bits and pieces. As we have seen from the motorway network, tackling a job in bits and pieces can result in a lot of trouble. We shall do our best to deal with the problem.

One of the advantages of the London system is that, because transport is still publicly owned and integrated, we can ensure that buses and trains work together to secure the maximum movement for people and the least disadvantage from whatever programme we implement.

Mr. Neil Gerrard (Walthamstow): May I thank my right hon. Friend for the new investment coming soon to the Victoria line, which I use every day? I should be grateful if he would clarify a detail about the contracts. He has talked about £7 billion of investment over 15 years. Does he envisage the contracts running for the whole of that period, particularly if there is a single contract? I appreciate that value for money will be the key to deciding whether there will be more than one contract. If there is more than one, will lines be put together, or might there be more than one contractor on a line?

Mr. Prescott: Those are matters for further discussion and negotiation with the contractors. My hon. Friend has raised some real problems, to which we hope to find the best solutions. I cannot give an effective answer yet.

My hon. Friend welcomed the investment programme. It is possible because the Treasury gave us new money, against the cuts that had already been imposed on the underground. That is an important reason why we shall be able to get on with investment. When the previous Administration made a statement to the House. a cut of almost 50 per cent. in investment was envisaged because the Treasury thought that if the system was to be privatised—a policy to which the previous Government were committed—the money was not needed at that stage. We have taken a different view. My right hon. Friend the Chancellor has found new money for investment so that we can pass on an improving system to the people of London.

Sir Nicholas Lyell (North-East Bedfordshire): We shall want to study the complex plan carefully. Under the public-private partnership, who will take the tricky decisions on manning levels and fare pricing?

Mr. Prescott: The same people who are taking those decisions now—London Transport. There has been a 10,000 reduction in the work force, with increasing numbers of people using the system and a considerable increase in productivity. The same people will be in control. That is why it will be publicly owned and publicly accountable.

Ms Karen Buck (Regent's Park and Kensington, North): As my constituency includes 10 tube stations, I greatly welcome my right hon. Friend's statement. I hope that some of the investment may be available to deal with the persistent signalling problems on the Bakerloo line and with Ladbroke Grove station, which is literally propped up on stilts.

Does my right hon. Friend agree that the London public will favourably compare the pragmatic, partnership-based investment approach to the underground with the dogmatic approach to privatisation of the Conservatives, who made such a mess of the privatisation of the former British Rail?

Mr. Prescott: I shall leave it to the people of London to make their judgment about that. Every hon. Member has a point to make about their local line. They all have problems of disinvestment. London Transport has estimated the total at £1.2 billion. I am not covering all that, but I am making a start. We hope that the programmes that we plan in the contracts for 15 years and beyond will deal with everybody's problems, because we want a modern tube system that meets the needs of London and the tremendous investment needs of more than £7 billion.

Mr. John Wilkinson (Ruislip-Northwood): Is it not remarkable that, after years of rhetoric in opposition and a policy hiatus of 10 months in government, the Secretary of State has come to the House to give a statement that perpetuates uncertainty rather than clarifying the future of London Transport underground? Is it not highly unlikely that contractors will take on a 15-year infrastructural lease unless they can impose exceptionally high charges to recoup their investment on such a short leasehold?

How will the right hon. Gentleman avoid political interference in the management of London Transport underground if the board is to be appointed by the Greater London authority, as the Labour manifesto proposes?

Mr. Prescott: London Transport will be accountable to the assembly and the mayor. The previous Government

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subjected its investment requirements to one and two-year considerations. In the proposals that I shall negotiate before it is handed over, we shall secure long-term stability in the investment programme. That will result in considerable efficiency gains. If an investment programme lasts for only one or two years and nobody knows what the third year will hold, the capital is not used efficiently. I am advised by people who should know that the new structure could result in considerable gains in efficiency and resources. We shall wait and see. We shall negotiate on those issues. I am advised that 15 years will be adequate. People are already queuing up for the contracts, so I do not accept the hon. Gentleman's advice on that.

As for uncertainty, of course the new third way of a public-private partnership raises many questions. We have rejected privatisation and are going for a new formula that will give us the best of both worlds. If the previous Administration had taken a little more time on some of their privatisation deals, the taxpayer would have been a lot better off.

Mr. Tony McNulty (Harrow, East): Will my right hon. Friend ignore totally the curmudgeonly nitpicking from the Conservatives and the pre-pubescent whining—on time, rather than money, on this occasion—from the Liberal Democrats? Will he take it from me, as an outer London Member, that suburban commuters will welcome his statement? It is long overdue. The only lasting question that my constituents will ask is when they can get on with it and have the improved tube with a stable future that London deserves.

Mr. Prescott: I can tell my hon. Friend: they can get on with it now. That is what I have told London Transport.

Mr. Edward Davey (Kingston and Surbiton): The Deputy Prime Minister has told the House that there will be £7 billion more investment over the next 15 years. Will he explain further how he has arrived at that figure? When the previous Government presented their proposals on public industries, they told us that their measures would produce billions of pounds of extra investment. We were often left waiting for that investment. Why is the right hon. Gentleman so confident about the figure of £7 billion?

Mr. Prescott: That is the assessment of the consultants and London Transport. They are well aware of how much investment is needed. The calculation is easy. They have said that there is £1.2 billion of disinvestment that should have been dealt with years ago. The average consideration is that £500 million or £600 million a year should be invested in the underground system. The £7 billion comes from the consultants' calculation, which has been agreed by London Transport. I have taken that as a proper figure.

Ms Margaret Hodge (Barking): Does my right hon. Friend agree that the one thing that Londoners sought from a new Labour Government was a modern, efficient, safe underground system? Does he agree that, with £500 million of new investment over the next two years and £7 billion over the next 15 years, we are setting about achieving that? Will he assure me that, in the regulatory framework that he sets up to administer the new system, he will ensure that fares remain affordable to Londoners?

Mr. Prescott: Of course fares are important, although whatever the fare, it is difficult to get on the underground at the moment. The top priority is to secure investment so that there is extra capacity for people to travel. To encourage people to use their cars less and use public transport more, it must be comfortable and accessible. Our programme is geared to achieving that.

Sir Michael Spicer (West Worcestershire): Given the copper-bottomed financial guarantees that the right hon. Gentleman seems to be offering, and therefore the low level of risk, why are the arrangements to be outside the normal public sector borrowing rules? I realise that he may want the Paymaster General to answer that question, but perhaps he will have a go.

Mr. Prescott: This deal shows the constraints of public sector borrowing. London Underground has had to compete for resources against hospitals, schools and all the areas in which people think there is a higher priority. By adopting this private sector initiative, we will be able to use the assets and the income stream from London Transport operations to guarantee payments for long-term investment. That is normal in other countries; it is only in this country that we have chosen to operate differently. That is why other countries have better public transport systems than we do.

Mr. John McDonnell (Hayes and Harlington): I am sure that my right hon. Friend agrees that, having sat on the Government Benches listening to report after report of privatisation scandals in recent months, it beggars belief that anyone could urge wholesale privatisation of London Underground. However, he will be aware that a number of us favour wholesale public ownership of London Underground and would therefore welcome assurances that contracts will be under continuous review, so that if they fail, he will intervene directly, as he has elsewhere, to return contracts to public ownership and control.

We must now seize the opportunity to install new management in London Underground, which involves representatives of the work force, passengers and the community as a whole, accountable to the new strategic authority for London and committed to providing a public service and protecting our environment.

Mr. Prescott: I understand my hon. Friend's point about public ownership, but, looking back over the years, as an advocate of it, I realise that one of its great disadvantages is that it is subject to Treasury control. That has meant that services received insufficient resources. I do not think that that is in any doubt any more or a difference between parties. Even under the Greater London council—with which my hon. Friend was involved—there was a failure to get resources for investment, which was at half the level of that achieved by even a Tory Administration some years later.

My concern is to ensure adequate levels of investment. I do not think that we are likely to get that under the PSBR and Treasury rules at the moment. I have enough to say about those on other occasions. I am a practical

politician; I want investment for London Underground, and I have chosen to provide it. It will be publicly owned and publicly accountable. Indeed, the assets will still be owned by London Underground and will be returned. There is no need to worry about that. They are owned by the public sector. The contracts will last for whatever period is negotiated in order to achieve the investment, and, when they are finished, assets will be returned to the London authority.

On staff, management and labour, make no mistake that the process will propose many changes. There are not just easy options. The work force and the management will face a challenge. We will, of course, start proper discussions with them about how we implement the programme, now that I have made the statement.

Mr. Eric Forth (Bromley and Chislehurst): Does the Secretary of State agree with the excellent comments and analysis of his hon. Friend the Member for Brent, East (Mr. Livingstone) on the radio this morning? Will the increase in finance that he has announced today bring the level of public money going to Londoners per head up to the level going to Scots per head?

Mr. Prescott: I did not hear the comments of my hon. Friend, but I have heard about them. I think that he has gone to Scotland to talk to my right hon. Friend the Chancellor of the Exchequer about the matter.

Mr. Martin Linton (Battersea): Will my right hon. Friend reassure my long-suffering constituents who use the Northern line that the end of their misery is in sight and that there is a light at the end of a very long tunnel—at one point, the longest tunnel in the world—especially as they were the first to suffer from the postponement of the track and signalling programme, which was postponed until 2005 as a direct result of the £300 million cut in the previous Government's last Budget presented by the right hon. and learned Member for Rushcliffe (Mr. Clarke)? Will he ensure that everything will be done to relieve their misery and give priority to track works on the Northern line as part of the £365 million package that he has introduced?

Mr. Prescott: That was the line on which I used to travel from Clapham, and it was an uncomfortable experience at peak time. *[Interruption.]* I think that Conservative Members will find, if they go and have a look, that Clapham is on the underground. Travelling from there was most uncomfortable, and persuaded me more of the need to consider capacity and not simply prices.

Conservative Members endorsed the Northern line privatisation, where private money was involved—and it was a complete mess. We must offer people using the Northern line a better opportunity for the future. We must do so not only on the Northern line but for the whole London underground. In 10 months, we have produced a plan to enable us to achieve that.

Mr. James Paice (South-East Cambridgeshire): I think that the Deputy Prime Minister said that he was to take powers to determine matters over the next couple of years before the Greater London authority materialised. Although I am sure we all accept that his entrepreneurial flair will mean that those powers are used benignly and helpfully, is not there a contradiction in giving extra powers to the Government and the Secretary of State—and his successor—which could count against the very development work and the use of private sector enterprise that he is trying to introduce?

Mr. Prescott: It is a bit rich for a member of the previous Administration, who wanted completely to privatise the underground, to talk about powers. I said in my statement that if it was necessary, in the negotiation of the contracts, to amend some of the legislation, we would do so. At the moment, London Underground has the powers. We will be looking at a Greater London authority Bill. That will give everybody an opportunity to discuss the extent of the powers and any changes that we feel it might be necessary to include.

Ms Linda Perham (Ilford, North): I thank my right hon. Friend for taking the time to get this right. My constituents rely on eight Central line stations, some of which were under threat by the previous Government's all-out privatisation proposals, and they will welcome the proposals. The Central line has taken over from the Northern line as the misery line, mainly because of signalling problems. I look forward to the Central line, along with all the other lines, being improved under the proposals.

Mr. Prescott: It is that sort of change that we envisage in the investment programme.

Mr. David Tredinnick (Bosworth): The right hon. Gentleman said that the investment will lead to faster train times, but, in the list of expenditure that he has given us, nothing is said about signalling. For Leicestershire and other midlands constituents who come to London and use the Northern line, are not improvements in signalling the key to faster train times? Will he give some undertaking about signalling?

The right hon. Gentleman referred to the river boat service and proposed new services. Is it not a fact that the river boat service that was introduced some years ago has not been a success? How will he make the new service a success?

Mr. Prescott: I mentioned signalling a number of times in my statement and in answer to questions. I mentioned some improvement in the first stage of investment and the £1 billion that might do something for signalling. The real improvements will come with the £7 billion investment programme. Signalling is absolutely critical to faster trains, as is improvement of track. That was in my statement, and I invite the hon. Gentleman to read it.

There have always been problems with the river boat service. The uncertainty on the river undermined the previous systems. We are introducing more piers, which will mean more pick-up points. About four or five new piers on the river will enable more pick-up places, which are designed to integrate with the bus and underground system.

With the millennium exhibition, more people will want to travel on the river. That will provide an opportunity for sustained demand. If we can fit the service into the integrated transport system, with common, integrated ticketing, another advantage will be gained. I believe that

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the service will be a legacy of the millennium dome, and will not go the way of other services, which have not had sufficient funds to continue.

Mr. Clive Efford (Eltham): I congratulate my right hon. Friend on his announcement. Does he agree that one of the pleasures of having a Labour Government is seeing the faces of Conservative Members who know that they should have made such statements in their 18 years in government, but were too tied up in the dogma of privatisation to be capable of doing so? Will he give a guarantee that targets set in any contract that he lets in the new programme will not leave London underground users open to the spectacle of any operator receiving a bonus for providing a lower standard of service? My right hon. Friend will be aware that under the bargain basement sell-off of British Rail, that is exactly what resulted from privatisation. Will he guarantee that the service will not suffer under private sector involvement in the future plans for London Underground?

Mr. Prescott: I do not think that we will make the same mistakes that were made with rail privatisation, because we are not following the same policy and it is not privatisation. For example, the operator will be publicly owned. It will determine the service and run it—as happens now—until it passes to the GLA in two years' time.

On the point about the competence of contractors, the usual process will be followed and there will be penalties, which will be rigidly enforced. However, I have no reason to think that that might be necessary. We will go to the negotiations and see what we have to agree to get the necessary investment.

With regard to the service, that will be our responsibility for the first two years until we pass it over to the GLA. Then, Londoners will make their own decisions on service, through their assembly and the mayor of London.

Mr. David Chidgey (Eastleigh): I am sure that the Deputy Prime Minister is aware that one of the problems with PFI projects is that they generally attract higher costs for servicing the capital raised, compared with Government borrowing.

The right hon. Gentleman said earlier that he was looking at the possibility of congestion charging in London—he referred to parking charges, but I think that he meant that in the wider sense—and put that in the context of an integrated transport policy. Is he considering how much money could be raised as a charge on congestion or parking in London and what proportion of that would be used to finance the new capital needed for London Underground, as a quasi-public sector contribution to the PFI exercise?

Mr. Prescott: The hon. Gentleman will have to wait for the White Paper to see our judgment on those important issues, which require careful consideration and consultation. We are putting together the White Paper and we want to include those issues in our consideration of an integrated transport system.

The hon. Gentleman said that the costs of servicing capital raised through the PFI would be higher than for Government borrowing. That is true in the sense that the Government can always borrow more cheaply, but we do not always have the resources available to do that. We must also take into account the fact that if we do not invest properly, the cost of disinvestment is very high indeed. If we put that disinvestment cost into the equation, and if long-term investment from the private sector can be guaranteed, the PFI may be a cheaper option in the long run.

Mr. Geraint Davies (Croydon, Central): May I join other Londoners in warmly congratulating my right hon. Friend? Does he agree that it is a bit rich not to have a warm reception from Conservative Members, in view of their legacy of under-investment and the privatisation and cheap sell-off of public assets?

Can my right hon. Friend give me some reassurance about the sophistication of contracts for the private sector? Will they ensure that the evolution of public transport in London—especially guided buses, trams and the possibility of road pricing technology—will be part of an integrated system for the capital? Will the contracts take into account such changes in transport and the environment?

Mr. Prescott: Those are most important issues, and they are an essential part of any integrated transport system. I hope that, through the investment in London Underground and the plans that I have announced for river services, we will have a showcase for integrated transport. That is my intention, and more will be said about that in the White Paper.

Mr. Geoffrey Clifton-Brown (Cotswold): The Deputy Prime Minister said that there would be a £7 billion investment in London Underground over 15 years, of which £2 billion would be invested over the next two years. That leaves a £5 billion gap, which, presumably, the right hon. Gentleman expects the private service operator to fund. In order to get a return on that huge sum of money, will not fares inevitably have to rise substantially over and above inflation over the next 15 years?

Mr. Prescott: First, I did not say that £2 billion would be invested over the next two years; I said £1 billion. The £7 billion relates to the contracts that we will let after two years, once they have been negotiated. We are saying that £7 billion investment is needed to modernise the underground system, and our advisers tell us that there is no difficulty with that. It is not simply a matter of a fare increase. There has already been a tremendous increase in the number of people using the tube. If we can achieve greater capacity, that will bring more money to the underground system. The money does not necessarily have to come from fare rises. Greater efficiencies in the system could contribute to the final solution.

Mr. Andrew Dismore (Hendon): May I tell my right hon. Friend how welcome his announcement will be to my constituents who have suffered the vagaries of the Northern line for far too long? In particular, they will welcome the restoration of the track modernisation programme, which was postponed by the previous Government.

Will my hon. Friend be considering the computerised control system at Euston, which is way out of date, and the modernisation of stations on the Northern line, especially Colindale where there are even holes in the wall?

Mr. Prescott: We are all well aware of the difficulties and the obvious signs of disinvestment in the underground system. One consequence of the decision by the previous Administration to cut the investment programme for London Underground by almost 50 per cent. was that London Transport had to hold back some of the extra resources that it had planned to invest. That meant that about £100 million of investment was cancelled. I have now carried over that money from this year and added it to the £1 billion I announced. We can now get on with dealing the problems that were not dealt with previously because of the mishandling of the finance programme by the Conservative Government.

Mr. Edward Garnier (Harborough): May I welcome the right hon. Gentleman's enthusiasm for the use of the River Thames as a means of transport, not least because it will mitigate the absence of an underground system in north Battersea? I hesitate to trespass on the constituency responsibilities of the hon. Member for Battersea (Mr. Linton), but, as a former resident of Battersea, I can confirm that we noticed the absence of an underground system, so we would very much welcome a river service there. If the right hon. Gentleman can ensure that north Battersea gets one before too long, a great many people will be grateful.

Will the right hon. Gentleman say more about the corporate structure of the new London Underground and about the split in responsibilities between the chairman or chief executive of London Underground and the future mayor of Greater London?

Mr. Prescott: I am grateful for the hon. and learned Member's comments about river services. I am sure that everyone looks forward to the development of the river, as it will unite the two banks, so that there is no longer a separation in the transport system.

On the point about corporate structure and management, we will enter discussions with the parties involved to come to a decision about that. It is clear that there will be changes throughout the system, in one form or another. However, the hon. and learned Gentleman will have to wait to know more until I have had further discussions.

Mr. Andrew Lansley (South Cambridgeshire): I wonder whether the right hon. Gentleman could explain a little more about the relationship between what he is proposing and any decisions that may be made by the GLA and the elected mayor two years hence. What scope will they have to revisit the issue of privatisation of the operation of services across London Underground?

Why has the right hon. Gentleman set his face against the privatisation of services? He advocates integrated transport policies, and there are many commuters into and out of London who want integration between train operating companies on the former British Rail network, with the potential to run services in and across London. That is an example of integration that the right hon. Gentleman appears to be frustrating today.

Mr. Prescott: Public opinion now is even more overwhelmingly against privatisation of the underground than it was before the general election. It made the previous Administration extremely nervous about privatisation. The evidence clearly shows that privatisation is not the way forward, and the advice we have had from consultants has confirmed that.

Privatisation of the underground would involve two or three years preparation and then, if we followed the policy of the previous Administration, selling it at a knock-down price. As it is such a disinvested system, why should we want to sell it now? That would be robbing Londoners of their previous investment in the underground system. This is the best and most practical way to modernise it—using the £1 billion, which I have mentioned, until the GLA takes over, and then using the £7 billion to get on with really modernising it. That is the best, quickest and most practical way of modernising the system so that it can be maintained and passed over to the people of London in a better state. That justifies it being publicly owned and publicly accountable.

Several hon. Members *rose—*

Mr. Deputy Speaker (Mr. Michael J. Martin): Order. I am sorry to disappoint some hon. Members, but we must return to the main business: the Community Care (Residential Accommodation) Bill. Mrs. Eleanor Laing had the Floor.

Community Care (Residential Accommodation) Bill

Question again proposed, That the Bill be now read the Third time.

11.59 am

Mrs. Laing: I should have liked to say something on behalf of my constituents in Epping Forest who depend so much on the underground, but I shall instead take up my speech where I left off. I was speaking on behalf of my constituents and expressing their concerns about the method by which they may or may not have to pay for long-term care.

Essex—unlike Wiltshire, which my hon. Friend the Member for North Wiltshire described earlier—has decided to sell nursing homes into the private sector in order to raise capital to improve them and to provide greater resources to look after people who need care in their later years. I warmly welcome that decision: it means that resources will be used more efficiently. Let us hope that the county councillors of Wiltshire learn something from the county councillors of Essex.

I join other hon. Members in paying tribute to the various organisations that have helped to bring the Bill before the House, notably Help the Aged and Age Concern.

It is an important point of principle that people who work hard and save throughout their lives should not be treated unfairly compared with people who spend their earnings as they get them. It is not surprising that many people feel that they have been disadvantaged because they have worked hard, saved, put their money into their house, wanting something to pass onto their children and grandchildren. That is a perfectly respectable and understandable human feeling.

It is not surprising that many such people resent the fact that a person living next door might have, for example, not bought his council house and instead simply continued to pay rent, not put any of his own resources into looking after his house or his community, not spent money on his family, not taken any steps to save and therefore had plenty of money to spend during his earning years, only to have his bills paid for by the state. Such a situation is patently unfair and widely recognised as such.

My main worry about the effect of the policy of certain councils on people approaching their later years arises from the anxiety in which those people live because of their fear of losing their homes. A home is not just an asset or a financial figure on paper; it is very much part of a person's life and of a family's life, especially as people approach their later years.

About one in five—a large number—of older people find that they have to go into residential accommodation. Professor Hamnett, of King's college, London, in his paper, "Inheritance in Britain: the Disappearing Millions" has estimated that, in recent years, 40,000 homes have had to be sold in Britain in order to meet the costs of long-term care.

We must go further—I hope that the Government will consider the points that I have made and go further—than the Bill suggests. I hope that they will create incentives to encourage people to save by means of pensions and other savings schemes so that they can pay for their own residential care, should that become necessary, and protect their own homes and family assets.

Mr. Tredinnick: My hon. Friend refers to some important statistics. Has she looked at other statistics on the number of elderly people going into residential care? Can we be sure that the figures are accurate, and on what basis does she make her assertions?

Mrs. Laing: I am relying on the figures of Professor Hamnett of King's college, London. I have read other studies. I cannot give my hon. Friend statistics here and now, but I am pretty certain, having examined various academic studies on this subject, as well as figures from Government Departments, that the figures to which I have referred are close to the reality of the situation.

Vast numbers of people are concerned about paying for residential care. It is partly a good-news story: so many more people are going into residential homes because, happily, people are living longer. Many of them can have a good standard of living when they go into residential homes. I am sure that we all welcome that, but there is a problem in paying for such care. It is unfortunate that the Chancellor of the Exchequer did not take up any of those issues in his Budget statement earlier this week. It should be incumbent on the Government to take steps to encourage people to make provision to pay for themselves when they go into residential care.

As I was saying before my hon. Friend the Member for Bosworth (Mr. Tredinnick) made his excellent intervention, Conservative Governments over 18 years created a property-owning democracy of a sort never seen before in western Europe. Conservative Governments gave everyone the chance to own property and to take part in what has become known as the cascade of wealth—*[Interruption.]* Labour Members mock, but, in talking about wealth, I do not mean riches. I mean the little nest egg that everyone in Britain now has the chance to build up for himself and to pass on—I cannot understand why Labour Members mock this idea—to their families. That is an integral part of family life stemming from general ownership of property.

Mr. Grieve: Does my hon. Friend agree that if more wealth cascaded down the generations, the balance of the need for residential care, as against the ability of families to look after their elderly relatives, might change?

Mrs. Laing: My hon. Friend makes a good point. I shall have to consider it more deeply before I can say whether I utterly agree with him. I certainly agree with him about encouraging the cascade of wealth.

I do not know why the Minister mocks the idea. I am talking about wealth, not riches. The House will understand that I am talking about the small nest egg, to which everyone is entitled if he or she has worked hard and paid tax on earnings.

I thoroughly support the principle that lies behind the Bill. When people put the money that they have earned and paid tax on into their own homes, their homes should be protected as far as possible and as far as the Exchequer and the Department of Social Services can afford. The Bill goes some way to help people when they most need it.

It is interesting that clause 1 applies to the National Assistance Act 1948 and clause 2 applies to the Social Work (Scotland) Act 1968. Clause 3 explicitly states that clause 1 should extend to England and Wales only and that clause 2 should extend to Scotland only. The Bill proves that the House—this Parliament, the House of Lords and the Commons put together—is capable of making legislation for England and Wales, and for Scotland, taking into consideration two different legal systems and the different legislation that is in force in the two different parts of the United Kingdom.

Mr. Pound: On another point of order, Mr. Deputy Speaker. I am sorry to trespass on your good nature, but the hon. Lady is guilty of deviation to the extreme on this occasion.

Mr. Deputy Speaker: So far, I have found the hon. Lady to be in order, but I shall listen carefully to what she has to say.

Mrs. Laing: I am speaking precisely to the very words on the Bill. I do not believe that I am deviating at all. It is an important matter. The House is perfectly capable of making legislation—such as the legislation that will result from the Bill—that applies to different parts of the United Kingdom in slightly different ways but which has the same force. Therefore, my point is that a Parliament in Scotland and an assembly in Wales are unnecessary.

12.10 pm

Mr. Peter Brooke (Cities of London and Westminster): I shall be extremely brief. I shall make one point on a subject about which we are all concerned: reducing the anxieties of the elderly.

The present Opposition have on the whole been more generous in letting private Members' Bills through at half-past Two on Friday afternoons. This debate constitutes a first opportunity to speak on the Bill. Bills such as this always represent a quarry to which people can return after the event.

I have paid Sefton borough council the compliment of seeking to understand its logic. Its concern was partly with those who had made prior arrangements for themselves. Such arrangements can include purchasing a flat in a wardened block. My brief speech is based on the experience of a member of my family and the distress that selling one's home always occasions to those who go into residential care. If this obliges me to declare a personal but academic interest, I am happy to do so.

The relevant member of my family bought, at the age of 84, a flat in such a block which, I understand, was regarded as the best block in the town. I shall not embarrass the public company that built and marketed the flats by identifying it, but I gather that that process constitutes its business. When my relative died five years later, it was clear that the resale value of the flats was less than 50 per cent. of the value at which they were originally marketed, and that was in an era when the housing market, with improvements in the economy, was in much better shape than it had been five years previously.

Because of her death, my relative mercifully did not have to go into residential care, but the trauma of selling one's home is enormously exacerbated if private arrangements for not depending on residential care—a subject in which Sefton evinced an interest—lead to so dramatic a loss of capital value. Help the Aged has been congratulated on its help in preparing the Bill and in drawing attention to this subject. It should also be warmly congratulated on setting up a national marketing scheme for the resale of such flats to make up for the failure of the contingent arrangements of the public company's programme.

12.12 pm

Mr. Dominic Grieve (Beaconsfield): I am happy to be able to participate briefly in the debate. I can see the look of relief that has come across the Minister's face after hearing that information.

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): It is unusual for a barrister to be brief.

Mr. Grieve: Barristers can be brief. Indeed, one feature of being a barrister is that, because we are in front of a judge who can pull us up short—with perhaps even greater promptitude than you do, Mr. Deputy Speaker—which encourages brevity, we sometimes make skeleton arguments. If the Minister wants me to elaborate on that, I shall take longer.

The Bill is to be commended. The hon. Member for Bradford, West (Mr. Singh), who introduced it and has steered it through the House, has undoubtedly done a considerable service.

It is interesting to note a change in the approach of Labour Members towards legislation of this kind. To be fair to Sefton borough council, although I cannot think of a good word to say about its conduct in this matter, it was simply applying a strictly financial approach without regard to the emotional suffering that it might cause elderly people in cleaning them of virtually all their assets before it was prepared to step in and help. It is interesting and noteworthy that the Bill marks a change, in that Parliament is setting a benchmark in saying that it is important that elderly people in reduced circumstances, but who nevertheless have saved up capital assets, should be able to keep some measure of those assets when the local authority steps in to help them because they are in need of care. I believe that that is right.

I made a point to my hon. Friend the Member for Epping Forest (Mrs. Laing), who is no longer in the Chamber, about encouraging the cascading of wealth down the generations, by which I mean that people should be able to pass on some inheritance to those who follow them. That is important in setting up a nexus society that may ultimately reduce the need for institutional care. It encourages the younger generation to look after their parents and grandparents wherever possible.

It is clear that the Bill will not get round the problem of rogue borough or district councils failing to assess whether a person is in need of care and attention. I hope that that simply will not arise. The spirit of the Bill is clear. If it were to arise, the possibility of seeking judicial review would always be present.

I now come to my final remark. The Minister will have to accept that I have made probably the briefest speech in the debate. The Sefton case is an interesting example of judicial intervention in regulations. It is noteworthy that

[Mr. Grieve]

no hon. Member has criticised the way in which the Court of Appeal came to its decision either for its logic or for the fact that the decision embodied not only legal but moral considerations. We are considering the incorporation of the European convention on human rights. It is sometimes said against the convention that human rights are a political matter on which the courts should not be able to pronounce. The Sefton case illustrates that the courts are often required to pronounce on matters that have a political dimension and they generally succeed in doing so without difficulty and without causing an excessive number of ruffled feathers among parliamentarians in this Chamber.

I reiterate my thanks to the hon. Member for Bradford, West for introducing the Bill. It is reasonable, it is short and it has commanded support on both sides of the House, which is what I have always been told a private Member's Bill ought to seek to do. It deserves to be given its Third Reading today.

12.17 pm

Mr. Stephen Pound (Ealing, North): I reiterate the apology made by my hon. Friend the Member for Bradford, West (Mr. Singh) for having to leave early. The reason he left says less about his respect for the House than about the length of post office queues in Bradford. He would not have left if he had had any alternative.

My hon. Friend asked me to spend the 24 hours before this morning's debate studying all available documentation on Sefton borough council—actuarial tables and details of the Acts, byelaws and judicial decisions affecting it. I have spent all night poring over tomes and volumes in anticipation of telling, forensic points reaching me from the Opposition Benches. I am relieved, perhaps grateful and possibly disappointed that Opposition Members' comments tended by the minute to be less and less to do with the subject that we are debating. We have heard about the effect of petrol duty on rural gas guzzlers, an exegesis on the Bradford wool trade and we have even wandered off into the byways of the national lottery. If these are friends of my hon. Friend's Bill, Lord protect me from my friends.

We came eventually to passion and the hon. Member for Epping Forest (Mrs. Laing)—an association that many of us in the House would make. She referred to the passion that the Bill should engender. In conversations with my hon. Friend the Member for Bradford, West, I detected his passionate commitment to this vital issue and I hope that hon. Members detected it in his speech. To right a wrong is one of the noblest reasons for seeking election to the House. My hon. Friend's Bill would right a wrong; would that all of us could say at the end of our time here that we had achieved as much.

I am delighted to wind up the debate on behalf of my hon. Friend. I have not had to respond to telling speeches from Opposition Members: most of them were supportive, if a little discursive. I strongly commend the Bill to the House and to the nation.

12.19 pm

Mr. Owen Paterson (North Shropshire): I apologise to you, Mr. Deputy Speaker, and to the hon. Member for Bradford, West (Mr. Singh), the promoter of the Bill, for not being present for the opening speeches. I came down from Shropshire this morning and, foolishly, thought that the statement by the Secretary of State for the Environment, Transport and the Regions would be made first.

I strongly congratulate the hon. Member for Bradford, West on the Bill. I have a little experience in this area and should declare an interest. In 1907, a cottage hospital was built in Ellesmere by Louisa Jebb, sister of Eglantyne Jebb, the founder of Save the Children, to serve the needs of a small rural community. It was confiscated by the state when the national health service was created in 1947 and included in the round of 13 cottage hospital closures in Shropshire in 1987. The concept of the time was to concentrate NHS efforts in large district general hospitals such as those in Telford and Shrewsbury.

There was extraordinary local reaction and I became involved in the local campaign. Ellesmere was the last hospital to close, although it had only 13 beds. The Under-Secretary looks puzzled, but I am bringing the matter up to emphasise the intense feeling in small towns in rural areas about retaining facilities and keeping people near to where they live. There was fierce hostility to elderly people going to Telford or down to Shrewsbury and blocking up high-tech beds when they would have been much better kept at home.

Mr. Boateng: What has this to do with the Bill?

Mr. Paterson: I strongly support—

Mr. Deputy Speaker: Order. We are going wide of the Third Reading debate. The hon. Gentleman should not try to turn the debate into a general discussion of the health service.

Mr. Paterson: I apologise, Mr. Deputy Speaker. I was giving background information, because I must declare my interest. I became involved in the action group that formed a trust and raised £250,000 to buy the hospital and another £250,000 to refurbish and run it as a nursing home. I was deputy chairman of the trust and chairman of the management board that ran the nursing home until I was elected to the House.

That involvement gave me a great deal of experience, and I strongly support the Bill. I could cite numerous cases of elderly couples being forced to separate, such as a couple in the first intake into the nursing home. The lady had to go into the home because of infirmity and the husband was left on his own. They were separated for a traumatic 18 months until she died. He had run down the family finances to pay for her stay in the nursing home and ultimately had to sell their only asset—their house. He also ended up in the nursing home.

The Under-Secretary is kindly listening intently. Will he address the inflexibility of the current rules, which was picked up on by my hon. Friend the Member for Faversham and Mid-Kent (Mr. Rowe)? From 6 April 1998, the Department of Social Security will contribute £318 a week to a person's nursing care; £333 a week to the care of elderly mentally infirm people; £213 a week to low dependency people and £247 a week to high dependency people in residential care; and £262 to the care of elderly mentally ill people.

We should consider the couple I mentioned. I put it to the Under-Secretary that the money would be better spent on home visits by carers. A visit by a carer to a private home costs £5 an hour. An agency might charge £6.50 an hour. Three visits might be made daily. An overnight stay might cost £5 an hour for nine hours, which is £45 a night.

My arithmetic may be wrong—perhaps it should be corrected by an education Minister—but if I am right the total would be £462 a week for a couple. Surely the best reason for spending that money would be to keep couples together in their own homes. Nevertheless, I strongly support the main drift of the Bill—the aim of raising the threshold to £16,000 so that couples are not split.

I should like, finally, to take up a point made by my hon. Friend the Member for Epping Forest (Mrs. Laing): I think it important to ensure that assets are kept in a family and that they can be passed on to the next generation.

12.24 pm

Mr. Patrick Nicholls (Teignbridge): I am delighted to have the opportunity to say a few words about the merits of the Bill. First, however, let me echo the remarks of those who have welcomed the initiative taken by the hon. Member for Bradford, West (Mr. Singh) in introducing it. Any of us who have ever piloted a Government Bill through the House will have found it a fairly challenging experience; to take on a private Member's Bill and steer it through all its processes is a remarkable task, and the hon. Gentleman has performed it with distinction.

The hon. Gentleman is possibly one of life's pessimists. He said that he would be unable to stay because he was opening a post office. I see from his entry in Dod's that he has a majority of 3,877—considerably larger than my own majority. I should have thought that he would not feel it necessary to open a post office, but he clearly sees things differently. That is fair enough, and we all understand why he cannot be here.

As a number of hon. Members have already pointed out, there seems to be a feeling abroad that it is strange that a number of my hon. Friends want to examine more closely a Bill which, so far, has gone through all its stages without any real debate. I think I am right in saying that one organisation with an interest in the subject was slightly concerned that the Bill had been objected to formally on an earlier occasion. That happened, of course, to ensure that it would be debated. [*Laughter.*] The Under-Secretary of State for Health obviously thinks that, if the people have spoken, there is no need to scrutinise legislation. That is an interesting idea, but it is profoundly undemocratic. My hon. Friends and I are deeply wedded to all the principles of democracy, one of which, surely, is that a proper debate should take place.

I shall say more shortly about what the consequences would have been if the matter had not been debated. First, however, let me offer a cautionary tale to hon. Members, and also to people outside who have been concerned. Another measure went through the House with all-party agreement—very quickly, as I recall. That was the legislation relating to the Child Support Agency, which is directly relevant to today's Third Reading. The fact that the legislation was agreed by everyone meant that it was not scrutinised.

There cannot be a Member of Parliament who has not found—from his postbag, in his constituency surgeries or perhaps in the case of his friends and relations—that a good idea that was not sufficiently scrutinised has turned out to be a nightmare in practice. I hope that the Minister will, in due course, join me in saying—after all, he is a fair-minded man on occasion—that this is an excellent Bill, but one which needed scrutiny.

There is another aspect to the Bill, which makes it slightly strange that it has received such a welcome. To an extent, it is retrospective legislation. Normally, the House would not approve of that. At first sight, not many people would feel very comfortable about the idea that a court can come to a settled view and Parliament can simply overturn that view. The fact that that has been done in this instance—and, as I recall, both Front Benches pledged themselves to introduce legislation to reverse the effect of the second judgment—says something important about the underlying principles of the Bill, and about what Sefton really meant. The underlying theme that the Court of Appeal ultimately had to deal with in Sefton was the narrow point—important to the person concerned—about an elderly person's resources being run down in a fairly callous way. That opened up the debate about the state's share of paying for the welfare of the elderly and the role of the private citizen. That debate underlies the Bill and Third Reading.

We cannot begin to assess the Bill's merits and deficiencies, to which I shall return, without addressing the conflict between what the state pays and what an individual should pay. That problem has been inherent and implicit in the welfare state since its conception. It is only fairly recently that the conflict has entered the public domain and has caused the problems that were encountered in Sefton. There are two reasons for the conflict. First, people are living a great deal longer. That is sometimes thought to be a problem for society but as somebody who intends to live for a long time, that concept is fine. However, it has some implications.

In the period between 1951 and 1996, the number of 65-year-olds increased by about 60 per cent. while those over the age of 75 increased by 136 per cent. That is a success story and we all hope to aspire to that, but it carries implications for society. We must take into account the fact that people are living much longer. There is another important but. People nowadays have vastly more resources: there is evidence of that on the Government Benches. At one time, money to leave to one's children was the province of the fairly wealthy. As a result of 18 years of Conservative government—*[Interruption.]* An hon. Member mouths, "We are all Tories now", but I do not accept that.

After 18 years of Conservative government an increasing number of people, who once upon a time would have died after a long and worthwhile life and left nothing to their dependants are living a great deal longer. They have assets to leave behind and they do not want the state apparently to welsh on its deal.

Underlying Sefton and implicit in some of the submissions to it, was the idea that in some way the state—the local authority, call it what we will—was reneging on a deal. That deal was accepted to be, erroneously as I shall show, that when people reached old age, having paid national insurance contributions, they were entitled to be looked after for ever and a day, whether care was needed for one year or three years, or whether people lived to the age of 100 or beyond. The problem with that is that it is based on the false premise

[Mr. Patrick Nicholls]

that, having paid national insurance contributions, people have paid for care in a nursing home, a retirement home or a hospital.

Mr. Boateng: Will the hon. Gentleman give way?

Mr. Nicholls: I shall gladly give way to the Minister.

Mr. Boateng: The hon. Gentleman is talking about the legacy of a Government in which he played a small, brief and not particularly distinguished part.

Mr. Nicholls: The hon. Gentleman indulges in these petty brushes to try to assert a radical agenda. I was delighted to play an all-too-brief but extremely significant part in the previous Administration. I shall deal with it in due course in my autobiography, and I shall give the hon. Gentleman the opportunity to read it so that he may know my contribution.

Mr. Deputy Speaker (Mr. Michael Lord): Order. Let us now return to the Third Reading debate.

Mr. Nicholls: I apologise, Mr. Deputy Speaker. I was led astray, although I should not have been, by the Minister. I should have known better.

Sefton illustrated that the concordat between the citizen and state simply breaks down and it is for this reason. There is no doubt that what gave the applicant the moral right in the Sefton case to say, "I have paid my dues over the years. Now I should be supported," was whatever national insurance contributions had been made during that person's lifetime, but it is not the moral obligation that matters in the end. It is who is going to pay for that person's care. The trouble with national insurance—and it never ceases to amaze me how little this is understood in the public at large—is that it is not a funded scheme.

The level of health care that people receive depends not on the amount of contributions that they will have paid in their lifetime, but on the taxpayer's ability at the time they need it to fund that level of care. We have an increasingly growing and aging population, so more and more people are going to depend on the state's largesse and fewer taxpayers are going to be there to discharge that obligation daily.

Mr. Pound: Will the hon. Gentleman give way?

Mr. Nicholls: I will give way in just one moment. I am grateful to the hon. Gentleman for conceding by his intervention that I am making profound points to which he wants to refer.

The problem that society will have to face is that there will simply not be enough money by conventional means to discharge the state's obligation.

Mr. Pound: I was waiting for the hon. Gentleman to draw breath before I intervened, but, as there seemed little likelihood of his pausing, I interrupted him. He made a remark earlier that Labour Members were mouthing the expression, "We are all Tories now." Having done a quick consultation with the massed ranks of the honest democratic socialists who sit around me, may I say that not one of us will admit to having said anything even remotely like that, so, for the sake of the record of the nation, will he either withdraw that remark or attempt to pin it on someone?

Mr. Nicholls: The hon. Gentleman has made a contribution that has been noted by the hon. Member for Tyne Bridge (Mr. Clelland), the Government Whip, and an off-message remark. I will not get taken too far down that road. The hon. Member for Ealing, North (Mr. Pound) has wrecked what might have been a promising parliamentary career. I compliment him for his bravery. The interesting thing that one should mention is that the Minister of State, Department of Trade and Industry, the hon. Member for Makerfield (Mr. McCartney), described himself as a socialist Member of Parliament on his headed notepaper before the last election.

Mr. Deputy Speaker: I repeat what I said earlier: can we now please return to the Third Reading?

Mr. Nicholls: I am sorry. This is the problem about taking interventions and I must apologise for it.

Going back to the Sefton judgment, there was no great surprise that the matter was going to come before the courts in due course because of the underlying problem about how the state discharges its responsibility to those within its care.

There is another reason why, to an extent, the Sefton judgment was not at all surprising. I wondered whether my hon. Friend the Member for Beaconsfield (Mr. Grieve) was going to go on to that point. He said that, in the debate so far, we had not examined in any great detail the way in which the Court of Appeal had handled the judgment. There is something in that.

Mr. Garnier: I know that my hon. Friend was listening intently to my remarks earlier, when I intended to do precisely that: to analyse what the Court of Appeal had said. Unfortunately and perfectly correctly, Mr. Deputy Speaker advised me to return more closely to the Bill. Although I had a desire to analyse the judgment, unfortunately, the rules of the House prevented me from doing so.

Mr. Nicholls: It is clear that my hon. and learned Friend and I are, as it were, at a crossroads in relation to that point. Whereas he was moving away from the point in hand, I am moving towards it.

The interesting thing about the Court of Appeal's judgment was that this problem had not arisen before. If one considers the words of the statute, one is bound to ask why some inventive council had not looked at section 22 of the National Assistance Act 1948 and said to itself, "This is the sort of thing that we might be able to exploit," if I can put it like that, "to be able to avoid our responsibilities." When preparing for the debate, I was interested in the fact that there had been no attempt to use that provision.

It is obvious from the judgment—and I refer to the report of it by Lawtel—that the Court of Appeal was dealing with the age-old problem of deciding where it wanted to be and then plotting the course to get there. The judgment concluded:

"It was clear from the evidence that Sefton accepted that the applicant, Mrs Blanchard met its own threshold requirements as a person in need of care and attention. Notwithstanding this, what it was seeking to do was to say that because of its lack of resources it was not prepared to meet the duty which was placed upon it by the section. This it was not entitled to do."

When one sets that ruling in the context of the facts and the judgment as a whole, it is clear that the Court of Appeal was saying that it would not put up with the implications of the Sefton case and would do its level best to deal with the problem.

Sir Nicholas Lyell: My hon. Friend makes a point that is highly pertinent to the Third Reading of the Bill, in which we are approving of the Bill's effect, as far as it goes, but are seeking to clarify where that leads us. In the Court of Appeal judgment, Lord Woolf says that the local authority

"was not entitled to do that. Once the authority was satisfied that Mrs Blanchard was 'in need of care and attention' unless it could rely on the words 'which is not otherwise available to them' it was under an obligation to fulfil its duty and a lack of resources was no excuse."

The point that is so relevant to Third Reading is that the local authority—

Mr. Deputy Speaker: Order. This intervention is far too long.

Sir Nicholas Lyell: May I conclude my point?

Mr. Deputy Speaker: Very, very briefly.

Sir Nicholas Lyell: The question is whether the Bill will cover the point exposed by Lord Woolf.

Mr. Nicholls: No, it will not, and my right hon. and learned Friend is correct. The Bill will also not cover another point. Sefton sought to exploit the provision on resources in section 22. My reading of the Bill is that it contains nothing that would stop an unscrupulous council, under the earlier part of section 22, refusing to make an assessment until the person's resources had been wound down to such an extent that the exercise would become otiose.

Mr. Boateng: No.

Mr. Nicholls: I hope that the Minister is prepared, when he winds up, to do more than say no and to address the points that have been made by solicitors, barristers and Queen's counsel sitting on the Opposition Benches. If those points are not addressed, we will have produced a Bill that we all welcome—we will pat ourselves on the back for having done the job that we are sent here to do—but we will have failed. Scrutiny is necessary, and we had to have a Third Reading not to hold matters up, but to ensure that when the Bill is enacted—as I truly hope it will—it is in a fit and proper state. In my short remarks, I hope that I have played my part in flagging up for another place the fact that the Bill is good up to a point, but that much more would could be done on it. We look to the Minister not to indulge the petty brutalisms that he so much enjoys, but to answer the debate. If he did so, it would be the first time that I have heard him do so, but it would be a refreshing experience.

12.43 pm

The Parliamentary Under-Secretary of State for Health (Mr. Paul Boateng): Prevarication and delay are part of the armoury of Opposition. Having listened to Opposition Members today, I see that they have not yet learnt how to use that armoury as effectively as they might. They have certainly chosen an inappropriate target. Right hon. and hon. Members who attend the House on a Friday will have noticed, on previous occasions when the Bill has come before the House for consideration, that objection has been made time and again by Opposition Members. It is no wonder that the innocent onlookers who have written to the Opposition spokesman, the hon. Member for Teignbridge (Mr. Nicholls) have suggested that some Opposition Members perhaps wish the Bill other than well.

Mr. Gray *rose—*

Mr. David Maclean (Penrith and The Border): Will the hon. Gentleman give way?

Mr. Boateng: No, I will not give way to the right hon. Gentleman. He has objected in the past to the Bill without giving reasons for doing so, and there is no need for him to give reasons now.

Mr. Gray *rose—*

Mr. Nicholls: Will the hon. Gentleman give way?

Mr. Boateng: No, I shall finish my point. Conservative Members know very well what has been going on in the Bill's passage. The correspondents of the hon. Member for Teignbridge smelt a rat, but they—the innocent onlookers—smelt the wrong animal: they should have smelt a fox, because that is what has been behind the delay and prevarication characterising—

Mr. Gray *rose—*

Mr. Nicholls: Will the hon. Gentleman give way now?

Mr. Boateng: No; we have to move on.

Mr. Nicholls: Will he give way?

Mr. Boateng: No. The hon. Gentleman will have plenty of time, but not quite now.

The delay and prevarication—I will be the first to say it—has taken some amusing and entertaining forms. If one has nothing better to do with one's time, it might even have been quite pleasant to watch on the cable channel that devotes itself to such matters.

Mr. Garnier: On a point of order, Mr. Deputy Speaker.

Mr. Boateng: But it would be a sad person who had nothing better to do.

Mr. Garnier: On a point of order, Mr. Deputy Speaker. I am not sure whether the hon. Gentleman heard you,

[Mr. Garnier]

Mr. Deputy Speaker, allowing me to make a point of order, which is this. The hon. Gentleman has had the Floor for three or four minutes and has yet to address himself to the Bill's content. I wonder whether I could ask you, Mr. Deputy Speaker, to persuade him to do so, not least because he has made some abusive—

Mr. Deputy Speaker: Order. Those are entirely matters for the Chair to decide.

Mr. Boateng: I am much obliged, Mr. Deputy Speaker. I was doing Opposition Members the courtesy of responding to them. Perhaps I was misguided, and should have ignored them completely by ploughing on? No, I wanted to show them—especially the hon. and learned Member for Harborough (Mr. Garnier)—the courtesy of giving them a response. In this debate, the hon. and learned Gentleman has been his usual, elegant self—I refer more to his figure of speech than to any other aspect of his presentation—treating us to a useful tour de force on the case. In its way, that was quite helpful. I am not sure that it progressed the debate very far, but it was elegantly done.

Other speeches were less elegant, but raised points that were undoubtedly of interest to those making them. If they were mined with a certain zeal, they might even provide something for local newspapers, as they frequently seemed to have some sort of constituency content. However, one or two points made in the debate deserve a serious response. I should like, very briefly, to tackle those.

There is a real issue, which is of the utmost importance and seriousness, which is why all hon. Members owe my hon. Friend the Member for Bradford, West (Mr. Singh) a debt of gratitude in raising the issue in the House. We particularly commend the role of Help the Aged and others in bringing some relief to those who suffered from the actions—or apprehension of possible action—of Sefton borough council and from the uncertainty surrounding the subsequent case.

Safeguarding a set amount of capital is of considerable importance to anyone entering residential or nursing home care and their families. Most people entering such care are very elderly and vulnerable and have saved all their lives to prepare for their old age. The Government certainly believe that we owe it to those senior citizens to protect a modest amount of their life savings and/or proceeds from the sale of the family home from being swallowed up entirely in care home fees. That can matter so much to older people, for whom being able to pass something on to their families or having a small nest egg for a rainy day is a source of pride. We do not refer to that as a cascade of wealth; it is the modest outcome of a life of prudence which ought to be recognised and rewarded, and certainly ought not to be penalised in the way it was by Sefton's actions, which, by taking away the last small amount of savings, threatened self-respect, independence and a sense of self-worth on the part of vulnerable individuals. We are determined that that should be protected. Indeed, that is why we welcome the Bill, and I am glad that my Department has been able to be of some assistance to my hon. Friend the Member for Bradford, West, as he graciously recognised. That is why I can give an assurance to Opposition Members who raised some concerns as to whether the Bill would achieve the purpose for which it was intended. I feel sure—and there is no reason to believe otherwise—that this modest and uncontroversial measure will achieve the purpose for which it was intended.

Sir Nicholas Lyell: I am grateful to the Minister, and I am encouraged that he feels sure that the Bill will succeed. Do I take it from him that he believes that this short Bill deals not merely with the narrow point in the Sefton case, but overcomes the rather broader case that I highlighted earlier so that, in future, a local authority will not be able to get out of its responsibilities by telling elderly people that they must spend any savings between £16,000 and £1,500 on home helps, for example, before they can be taken into residential care? Will the Minister clarify his view on that?

Mr. Boateng: I am happy to do just that. As Opposition Members will understand as many of them were in government at the time, although we maintain that it has always been clear that the intention of the policy was to do just that, if we left the Court of Appeal's judgment to stand on its own, there would always be the danger that some local authority would seek to use the law—either by leapfrogging the Court of Appeal and asking the House of Lords to revisit the matter or by some other ingenious attempt to get round what was a fine and useful judgment on the part of a distinguished court, as the hon. and learned Member for Harborough said—to thwart what we maintain is the intention of Parliament and what we understand to have been the policy underpinned by the decision of the Court of Appeal.

We already apprehend—which is why we welcome the Bill—from anecdotal evidence provided by Help the Aged and Age Concern that some local authorities are seeking to ignore the capital limits by using waiting lists, as the right hon. and learned Member for North-East Bedfordshire (Sir N. Lyell) suggested they might. That could result in elderly and disabled people being forced to enter residential care to spend any capital savings below the limit of £16,000 to pay for their care. That is why we felt it necessary to ensure that that should not happen by writing it into the law, as the Bill does.

The Bill makes clear the policy intention that anyone entering residential accommodation should be able to retain a nationally set amount of their capital, as determined by Parliament. Clause 1 amends section 21 of the National Assistance Act 1948 so that local authorities will have to disregard a person's capital up to the limit set out in the regulations when considering whether care and attention are "otherwise available" to them. That meets the point raised by Conservative Members, while retaining Parliament's right to review the £16,000 limit, which should not and will not be fixed in stone. That is important.

We are satisfied that the Bill serves a modest but useful purpose. My hon. Friend the Member for Bradford, West is to be congratulated on bringing it before the House.

We all understand why he is unable to be with us as the Bill reaches its final stages. The House has given the Bill a thorough investigation and runaround.

Mr. Nicholls: Examination.

Mr. Boateng: It certainly cannot be said that the Bill has passed without examination. All reasonable points have been satisfied. We wish the Bill well and a speedy entry into law.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Employment Rights (Dispute Resolution) Bill *[Lords]*

As amended (in the Committee), considered.

New clause 9

MATTERS PROVED ON EVIDENCE BEFORE THE TRIBUNAL

'.—In proceedings brought before tribunals established under the Employment Tribunals Act 1996, issues in dispute between the parties shall not be treated as if proved, or not proved, unless the Tribunal concludes that they are so proved, or not proved, on the basis of the evidence presented to the Tribunal.'.—*[Mr. Lansley.]*

Brought up, and read the First time.

12.56 pm

Mr. Andrew Lansley (South Cambridgeshire): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Michael Lord): With this, it will be convenient to discuss amendment No. 1, in clause 6, page 4, line 39, leave out from beginning to end of line 45.

Mr. Lansley: We shall have further opportunities to congratulate the hon. Member for Wentworth (Mr. Healey), but I do not want to proceed without thanking him on behalf of all those who support the Bill for the time, trouble and expertise that he has brought to steering it through the House. Lord Archer of Sandwell introduced it in another place, where it underwent constructive discussion and amendment. It has been amended in Committee and we now have the first substantive opportunity to discuss some issues that arise from it. I hope that we can do that crisply and effectively, without undermining its cross-party support.

The new clause and the amendment would provide that when employment tribunals have to decide matters of fact or issues presented to them, they will conclude that those issues are proved, or not proved, in the light of the evidence presented to them and, as is customary for such tribunals, on the balance of probability. The central principle is that the balance of probability—not proof beyond reasonable doubt—is a proper test in a dispute between parties.

In some circumstances, which I shall touch on briefly, the Bill and other legislation dealing with disputes brought before employment tribunals—as they will be renamed—undermine the principle of neutrality between the parties, imposing obligations on the employment tribunal to regard certain matters as assumed or to be judged not on the balance of probability but as proved unless the contrary is established. That is to undermine what ought to be the basis of justice that many people perceive when they present their disputes dispassionately to be decided in a hearing.

That will occur, for example, under the National Minimum Wage Bill, which will bring a substantial new class of actions before tribunals. The Bill requires employment tribunals to make several assumptions, such as that a person making a complaint be regarded as qualified for the national minimum wage, and that a person making a complaint that they have not been paid the national minimum wage has indeed not been paid it. In such circumstances, the Bill requires employment

[Mr. Lansley]

tribunals to assume that the complaint is proved unless the employer is able to establish the contrary. A decision will not be made on the evidence or on the balance of probabilities. I shall not dwell on that, because we have had the opportunity to debate the merits of that provision in other legislation.

It would be much to the advantage of the employment tribunal system generally if tribunals were required under this Bill always to examine issues of fact, and make decisions not on the basis of assumptions or bias but on the balance of probabilities and in the light of evidence presented.

I am afraid that there have already been several instances where such a principle has been undermined. For example, under both race and sexual discrimination legislation, it is assumed that complaints are effectively proved unless the employer is able to assert otherwise and refute the complaint with evidence to the contrary. The new clause would not undermine cases presented to employment tribunals even in such difficult and often vexatious circumstances, because there is nothing to stop employment tribunals drawing inferences from the evidence, as long as to do so seems, on the evidence, to be justified and the employment tribunal is able to exercise its judgment on the balance of probabilities.

If the employment tribunal is to make a general assumption about the conduct of employers or circumstances in which racial or sexual discrimination might occur by inference rather than on specific evidence or context, it is entirely possible for the employment tribunal to continue to apply presumption, but to do so not as a response to legislative injunction that it should, effectively, be biased, but on the basis of evidence and the probabilities that it assesses. By their very nature, tribunals rest on the judgment not only of lawyers but of lay members.

Under the Bill and related national minimum wage legislation, the operation of tribunals is moving towards the reflection of the burden of proof directive, which the Community is wishing on us, such that employers will be regarded as engaging in sexual discrimination unless they can prove the contrary. That seems a pretty damaging presumption.

Amendment No. 1 relates precisely to that point, but is concerned with a very particular instance. Clause 6(3) refers to circumstances where somebody makes a complaint about the refusal of an employer to deduct union dues that relate to a political fund contribution. Where such a complaint is made, the employer would have to satisfy the tribunal that the reason for not making such a deduction was connected to matters other than the duty to deduct the political contribution. The employer has therefore to prove the contrary of the assumption made in the legislation. Amendment No. 1 would delete such an assumption.

The purpose of this group of amendments is to touch on the issues surrounding burden of proof and to try to establish in the Bill, in a more concrete way, that the intention is that parties should bring their disputes before a tribunal on the basis that it will exercise a neutral principle—that of examining a case on the basis of the evidence presented. We must disapply some of the other provisions in the Bill that would result in employers being regarded as guilty even before the evidence has been presented and proved.

On that basis, I commend the new clause and the amendments to the House.

Mr. John Healey (Wentworth): I welcome the debate on new clause 9 and amendment No. 1, but not the reasons that lie behind them. The tabling of 10 new clauses and more than 50 amendments suggests that the purpose of Conservative Members is to impede rather than to improve the Bill. That has less to do with this Bill and more to do with another Bill which, like a will-'o the-wisp, will disappear before their eyes next Friday.

What will not disappear is the widespread desire for my Bill—as it stands, without new clause 9 or amendment No. 1—to reach the statute book. The Bill has had a long gestation and very thorough pre-parliamentary consultation—including on the question of burden of proof before tribunals, which is the subject of the new clause and the amendment. Employers want the Bill, unions want the Bill, the Tribunal Service wants the Bill and the 100,000 people who, by the year 2000, are projected to put cases to tribunals, need the Bill.

I was impressed by the genuine interest in and the strong level of support for the Bill, including on questions covering burden of proof, that I found in personal discussions in the run up to the Bill with the National Association of Citizens Advice Bureaux, the Trades Union Congress, the Confederation of British Industry and the new president of the Tribunal Service, Mr. John Prophet—who, I am happy to say, hails from Yorkshire and was previously regional chairman of the Yorkshire tribunal service. All understand that the Conservative party supports the Bill. Today will be a test of that support—a test of whether Conservative Members mean what they say or whether, as the early signs suggest, they are more interested in manoeuvres to delay the Bill than in helping employers and individuals to get a better system for settling disputes and differences.

New clause 9 has its roots in the National Minimum Wage Bill. It may help hon. Members if I briefly explain the background. There are few hon. Members who are as familiar with that Bill as the hon. Member for South Cambridgeshire (Mr. Lansley). Clause 28 provides, for the purposes of the National Minimum Wage Bill, that an employee is a worker unless the employer can prove otherwise. It also provides that it is presumed that an employee is being paid less than the national minimum wage unless the employer can prove otherwise.

In Committee and in the House, during the long hours of debate on that Bill, the Opposition spoke to a number of amendments they had tabled to probe the issue. I fear that the hon. Member for South Cambridgeshire is returning yet again to the subject. It is surely sensible that the burden of proof should rest with employers. After all, it is the employer who has access to all the information and proof necessary to show the tribunal that the person is a worker and how much he is being paid. It is the employer who holds all the necessary information about

remuneration, national insurance records and pay-as-you-earn. It is the employer who is responsible for the contract of employment.

Mr. Peter Atkinson (Hexham): If it is a question of an employer not deducting union contributions, surely the employee, of all people, would know whether or not his wages included that deduction.

Mr. Healey: The hon. Member for Hexham (Mr. Atkinson) and his hon. Friends start from a misapprehension about the nature of the burden of proof. We are not talking about a presumption of guilt or culpability; it is a question of who is best placed to settle a dispute about the facts, one way or the other. Surely it must be right that the party with access to information should have responsibility for proving its validity. Surely that approach makes common sense and is practical and correct. It does not contain the in-built bias to which the hon. Member for South Cambridgeshire referred or any presumption of guilt before proceedings get under way.

Mr. Lansley: I shall not replay the whole argument, but does not the hon. Gentleman recall that the national minimum wage legislation makes it clear that all the information in the hands of the employer can, by law, under pain of penalty, be taken out of the hands of that employer and given to an enforcement officer? The employer does not have the only access to the records and information.

Mr. Healey: That is correct, but the source of information is the employer. In such circumstances, it makes practical sense for the employer to hold the principal burden of proof where facts are disputed.

It is not simply the national minimum wage that is at stake here. New clause 9 would affect the way in which tribunals operate in a number of other cases. Contrary to the assertion of the hon. Member for South Cambridgeshire, under current legislation, in most cases tribunals require one of the parties to prove his case to them; they require one of the parties to undertake the burden of proof.

Usually, that burden of proof rests with the employee. For example, in unfair dismissal claims, it is for the employee to prove that he is an employee and that he has been unfairly dismissed. However, in certain limited circumstances, that burden rests with the employer. For example, under section 98(1) of the Employment Rights Act 1996, it is for the employer to show the reason for a dismissal and that it falls within one of the reasons under which dismissal is justified. If the employer satisfies those requirements, under section 98(4) of the same Act it is for the tribunal to establish whether the dismissal was fair or unfair. On the ground of reasonableness, the burden of proof in that case is neutral.

I have given three examples of the range of burden of proof under current legislation. Essentially, it is a way of directing the tribunal's attention to the most appropriate source of information. I dwelt on that issue and have perhaps given a fuller explanation than was needed in the hope of anticipating and answering questions that Conservative Members may have on the new clause. The burden of proof proposals in the Bill are the same as those contained in the legislation produced by the Conservative party when it was in power and which were put out to wide consultation in 1996.

Amendment No. 1 makes changes to clause 6, which deals with cases where a worker alleges that his employer has wrongly deducted a political fund contribution or has wrongly refused to deduct union subscriptions from pay. The purpose of the clause is to transfer the jurisdiction for such hearing cases from a county or sheriff court to the tribunal. That is its only purpose. Since the Trade Union Act 1984, when, as Conservative Members will know only too well, the current law on political funds was established, it has been for employers to prove that any refusal to deduct union subscriptions was unconnected with the action of a person to withdraw from paying the political levy.

In other words, it is for the employer to prove that his intentions and motives are in accordance with the law. Amendment No. 1 would remove a long-standing arrangement. It would, in effect, shift the burden of proof on to the worker. It would be difficult, therefore, for the employee to divine his employer's motives or underlying intentions. It would make it difficult, if not impossible, for a worker to prove such a case. That cannot be reasonable.

Neither new clause 9 nor amendment No. 1 has my support or the Government's. I hope that Conservative Members will seriously consider not pressing either the new clause or the amendment.

1.15 pm

Mr. Edward Garnier (Harborough): I do not want to detain the House for very long, but I want to highlight some of my concerns. When I first read the new clause of my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), I was minded not to support him, not least because I found it somewhat difficult to cope with the English. If I may say so, I consider the clause to be inelegantly drafted. I hope that my hon. Friend will not take that as a personal criticism.

I fully understand the purpose behind the new clause. Having listened to what my hon. Friend had to say in explanation of it, I am more persuaded to accept the arguments that lie behind it. I am not convinced by the argument of the hon. Member for Wentworth (Mr. Healey). I congratulate him, of course, on bringing the Bill before the House. I am not yet convinced that his argument on the burden of proof meets the legitimate concerns expressed by my hon. Friend the Member for South Cambridgeshire.

I fully accept that there are different types of case where the burden of proof may rest on the plaintiff, the complainant or the respondent. In some instances, the position is neutral. Under the current system, the law accepts that the burden of proof is not a static concept.

I suggest to the hon. Member for Wentworth and to my hon. Friend the Member for South Cambridgeshire that, by and large, in civil cases—let us for present purposes assume that employment tribunals are related to civil and not criminal law—the tribunal is not too fussed about where the burden of proof lies. It is far more interested in the evidence and how that evidence can be applied to the relevant law. With great respect to both the hon. Gentleman and to my hon. Friend, I do not intend to get too hung up on where the burden of proof should lie in any given dispute. I believe that the courts are capable of assessing what is important and what is not and reaching a fair and just conclusion.

My hon. Friend the Member for South Cambridgeshire is right to point out through his new clause the creeping movement away from placing the duty on the person

[Mr. Edward Garnier]

making a complaint to satisfy the court that his complaint is made out. I accept that in continental jurisdictions, especially when dealing with criminal law, the defendant—the accused person in a criminal case—must satisfy the court that he is innocent before the court will be prepared to acquit him. That is not our tradition. Our tradition is worth investigating to see why we have it, and it is worth examining before we overturn it wholesale.

I fully accept that the hon. Member for Wentworth is not seeking wholesale to overturn the system that we have come to respect on the burden of proof. However, I urge caution on the House. The new clause highlights—and clause 6 amply demonstrates—yet another example of where the burden of proof is moving away from the person making the complaint to the person who is required to answer it. We must remember that the complainer is a volunteer. He is the one who brings the proceedings. He brings the machinery of law to bear. It is the defendant, the respondent or the employer who is there, as it were, involuntarily. It is unjust that an involuntary party to a dispute should have to deal with the burden of proof.

Mr. Edward Leigh (Gainsborough): It seems to me that the amendment proposed by my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) is otiose. I wonder whether I can get some free legal advice from my hon. and learned Friend, as he speaks with great knowledge on these matters. The definition in the "Oxford Companion to Law" says:

> "The basic rules are that a party asserting an affirmative must prove it, and that a party relying on a fact peculiarly within his own knowledge must establish it. The onus of proof may shift at various stages in a case."

Nothing in the Bill as drafted goes contrary to what is in the "Oxford Companion to Law".

Mr. Garnier: I know that there is a tradition at the Bar that we help each other out, but I am certainly not giving my hon. Friend any free advice. I am not sure whether the point he makes assists or hinders our discussion. Unless the Bill makes it clear, the usual rules will apply.

Clause 6(3) specifically says that it falls on the employer to satisfy the burden of proof. There is an express change in where the burden of proof lies.

I fully accept that, under the current law that deals with the recovery of assets of criminals who have already been convicted of drug crime, the burden is on the convicted criminal to demonstrate that what he owns or what he has is not the fruit of any criminal activity.

The constitutional difference is that that man has already been convicted. I think that I am right in saying that the convict, having been convicted under the traditional system, whereby he is innocent until proved by the prosecution to be guilty beyond all reasonable doubt, has to demonstrate that his assets are not the fruit of criminal activity. *[Interruption.]*

I am not sure that the mutterings from Ministers are terribly helpful, as they may not be well informed. If the Minister cares to respond on behalf of the Government Whip, I am happy to be corrected.

The hon. Member for Wentworth dealt with section 98 of the Employment Rights Act 1996. He is right, but all he demonstrates is that the law is fluid and adjusts itself to meet the circumstances of a given case.

The short point that I make to my hon. Friend the Member for South Cambridgeshire, apart from the rather pompous remark about the English of his new clause, is that I congratulate him on highlighting an important issue. The burden of proof is not something which we should lightly move around or dispense with without the most careful thought.

Mr. Geoffrey Clifton-Brown (Cotswold): My hon. and learned Friend is making an extremely important point. Burden of proof is even more important in relation to tribunals and arbitration because there is no appeal on those except on a point of law, whereas if it were a normal case in the courts, recourse to appeal would be readily available.

Mr. Garnier: That is another point which the House is entitled to bear in mind. I shall not develop it now, as a number of hon. Members wish to speak. I am simply highlighting the issues between the hon. Member for Wentworth and my hon. Friend the Member for South Cambridgeshire. I trust that, before the Bill goes much further, a good deal more thought will be given to that question.

Mr. Owen Paterson (North Shropshire): I congratulate the hon. Member for Wentworth (Mr. Healey) on bringing the Bill this far on behalf of Lord Archer of Sandwell. It is a great privilege to introduce a private Member's Bill.

I strongly urge the House to support new clause 9. I should declare an interest, as I had been in industry all my life until 1 May. I regret to inform the House that employers are disillusioned about their chances in industrial tribunals, and that leads to the nub of the new clause: there must be no dilution or weakening of the mechanism by which proof is brought to a tribunal.

We have had an interesting contest between learned lawyers on the Opposition side. I want to give the House two or three examples of real life. The current system is unsatisfactory. A company that I know well had a redundancy programme. One employee was made redundant, along with a large number of others. He had worked satisfactorily for a long time and there had never been any complaint about him. Simply, the world market had changed, demand had dropped and a substantial number of people sadly had to be made redundant.

In the course of the redundancy programme, things changed. The employee was called back in, given a personal interview by the managing director, and offered a job. The managing director kept a written diary of events every day. He wrote down that the interview had taken place, and an offer was made in writing at the same level of remuneration. Amazingly, the company was sued for unfair dismissal and, rather than go through with the tribunal, it settled out of court. That cost the company several thousand pounds. On the strength of that, several others in the programme pulled off the same trick.

Mr. Healey: Perhaps the hon. Gentleman could explain how his example relates to the burden of proof. I made it clear that, in unfair dismissal cases, the primary burden of proof is on the employee rather than the employer. Does the hon. Gentleman agree that that runs contrary to the points being made by his hon. Friends?

Mr. Paterson: The point that I am trying to make is that the current system is not entirely satisfactory. The

new clause tabled by me and my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) will prevent any further dilution. I shall give a couple more examples in a second. I am concerned that the burden is slipping more and more onto the employer to prove that he is not guilty, as my hon. and learned Friend the Member for Harborough (Mr. Garnier) has said.

An employee of a business that I know in the modular building sector stole some wire. He admitted it to the personnel director. He was dismissed on the spot, as per the rules agreed by the work force and the company. Amazingly, he went to a tribunal and, because there were no witnesses when he was interviewed by the personnel director, he won the case. A self-confessed thief received compensation of £6,000, which seems bizarre. It is most disheartening for employers.

In another company in the telecommunications industry, an employee had an appalling attendance record. It was a big, well-organised business. It was unionised. The union did not support the plaintiff's case. The man had gone through all the rigmarole of verbal and written warnings and was dismissed because he had not provided a medical certificate as per the rules laid down by the company. The medical certificate turned up seven days after he had been dismissed. He took the company to a tribunal. Great analysis was made of the stamp and the time of posting. Common sense would say that the employee had a weak case, but, again, he won. Common sense suggested that right was not on his side, but the tribunal went against the company. The matter is critical. Proof in such cases depends on all the evidence being presented. Our new clause requires that it be provided.

The other massive disadvantage to employers is that a date is fixed for a tribunal. If members of the management cannot attend, another date is arbitrarily fixed on which members of the management have to attend.

A senior salesman in the robotics industry was made redundant by a sales director, who then went to the United States on a three-month secondment. The salesman complained, the tribunal laid down a date for a hearing, and the company had to decide whether to bring the sales director back from the United States to attend the tribunal. Tribunals usually start at 10 am, and sometimes run over into the next day, so the sales director might have had to stay in the United Kingdom for two days before flying back to the United States. The case could have taken up a whole week of a senior sales director's time.

1.30 pm

The case was dropped, and settled outside the tribunal. For the company, it was not worth the bother of bringing the sales director back from abroad. Cases involving production staff are much worse, because several senior managers may have to attend a tribunal, which might take up more than a day of their time if they are not called until late afternoon on the opening day. The cost of tribunals to continuous process industries can be horrendous, because senior technicians have to be away from work. Managers, especially those in smaller companies, are worried that going to tribunal is not worth the candle. Therefore, they settle out of court, which cannot be right.

The alternative is a civil court, but such proceedings take too long. A tribunal can pay a maximum compensation of £25,000, so senior executives are forced to go to law and employ the services of people such as my hon. and learned Friend the Member for Harborough and my hon. Friend the Member for Gainsborough (Mr. Leigh). Civil court proceedings are far too costly and take far too much time, so I am in favour of the tribunal system. I strongly support new clause 9, because it is vital to provide maximum evidence if employers are not to become disillusioned with the Tribunal Service.

Mr. Anthony Steen (Totnes): When I was asked to take on this Front-Bench job for today—

Mr. Graham Allen (Lord Commissioner to the Treasury): A long overdue promotion.

Mr. Steen: That is absolutely right.

It is an honour and a privilege to have been asked to take on this Front-Bench job. The only snag is that hon. Members have ensured that I have not spoken until 1.31 pm, knowing that the debate would end by 2.30 pm. They had a different agenda: they wanted to give me the honour and privilege of sitting on the Front Bench without having the opportunity to hear me speak.

My contribution will be short, but pithy. I want Labour Members to realise that we not only support the Bill and want it to go through the House as effectively and efficiently as possible but were designing such a Bill before the unfortunate events of 1 May. It is no good their thinking that we are opposed to the Bill and are trying to talk it out. Nothing could be further from the truth.

Hon. Members will appreciate the quality of the speeches and arguments of my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) and my hon. and learned Friend the Member for Harborough (Mr. Garnier). Conservative Members are engaged in high-quality debate, which may be why so many Labour Members are absent: they may feel that the debate is of such high quality that they cannot grasp the arguments.

I am glad that the hon. Member for Wentworth (Mr. Healey) is present. He clearly can follow the debate, although he may be struggling a little.

The relationship between employer and employee can be difficult and in a civilised society it is important to have an effective system for the hearing and satisfying of grievances. There is, however, a certain irony in our legislating for a quicker, cheaper and less formal way of removing the burden from the system of tribunals—which was itself a way of removing pressure from the courts. We hope that we shall not have to devise a system to remove pressure from voluntary arbitration. That is what the Bill is about, but new clause 9 deals with the burden of proof—an issue which strikes at the root of our legal system.

This country can proudly say that a man is presumed innocent until he is proved guilty. That is what the new clause is about: it is about ensuring that the employee is not in a privileged position as against the employer; it is about producing neutrality. I understand that, without the new clause, the employee will be privileged: it will be presumed that he is innocent and the employer is guilty. That is why members of my party are so keen for the new clause to be accepted. Although we support the Bill—and, perhaps, have been the architects of it over many years—there is growing concern, as can be heard, that this problem needs to be put right.

Mr. Leigh: I have some difficulty with my hon. Friend's argument. Traditionally, the whole point of the

[Mr. Leigh]

tribunals that we are discussing has been their informality and accessibility. I must tell my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), with respect, that the wording of his new clause could benignly be described as dense or difficult to understand, and that it could even be described as near gobbledegook. How will it further the informality and accessibility of tribunals?

Mr. Steen: It is always a joy to see my hon. Friend in the Chamber—although on this occasion I would have preferred him not to be present.

My answer to my hon. Friend is simple. If I may say so, I do not think that he entirely understands the thrust of the Bill, which, as I understand it, is to provide an informal arbitration arrangement. The industrial tribunal—which is being renamed—is just one of the methods that an employee can use in an attempt to claim his rights. Employers have rights as well, however.

The Bill provides three ways in which an employee can claim his rights. First, he can use the system that his company may have for dealing with disputes. Many large companies have their own internal processes. That way of seeking redress is very informal. The employee approaches his company, with or without the help of the union, and presents his problem. Secondly, with the agreement of his employer, the employee can ask for arbitration. The whole point of the Bill is to enable employees to take advantage of an informal arrangement simply because the industrial tribunal has become too formal. What was established as an informal procedure has become over-formal. All that my hon. Friend the Member for South Cambridgeshire seeks to do is correct the burden of proof in relation to more formal proceedings. I suggest that my hon. Friend the Member for Gainsborough (Mr. Leigh), whose skill, intelligence and ingenuity are respected in all parts of the House, considers the Bill in the round and does not worry too much about the burden of proof provision in the new clause. I hope that he is satisfied with that answer.

I am concerned about the time that will be available to debate the excellent amendments and new clauses that have been skilfully and responsibly formulated by my hon. Friends. It would be discourteous to the House to say more on the new clause. We are debating a splendid Bill. We got it right and the Government have taken it on and, perhaps, made some changes. The new clause would make it even better. If the Government cannot accept the rather skilful, but perhaps not entirely clear, wording of the new clause, perhaps my hon. Friend will withdraw it on the basis of the Government's agreeing to produce better wording.

The Minister of State, Department of Trade and Industry (Mr. Ian McCartney): I welcome the hon. Member for Totnes (Mr. Steen) to the Dispatch Box. Over the past 11 years, his attempts to get there have ended in abysmal failure and I am pleased that on this occasion, albeit for a short time, he is able to speak from the Opposition Front Bench. I hope he gets an opportunity to do that more often so that I can engage in debates with him—as I have for many hours in Committee.

As the hon. Gentleman said, the Bill's proposals were put out for public consultation by the previous Administration, but they failed to act. That has been left to us. We have the full support of the Confederation of British Industry, the Institute of Directors and employee and employer organisations throughout the country. The previous Government put the burden of proof provision in the proposal that went to consultation and was accepted in principle.

The hon. Gentleman said that the Conservatives got the Bill right when they were in government. It is therefore nonsense to ask us to amend a clause which, under the previous Government's consultation, was accepted by both sides of industry as an acceptable way to proceed.

Hon. Members are under a misapprehension: the Bill is not a threat to employers. There is no presumption of guilt. The hon. Member for Gainsborough (Mr. Leigh) got it right in the best and shortest summing up that I have heard in the House in 11 years: the hon. Member for South Cambridgeshire (Mr. Lansley) was talking gobbledegook. I can put it no better than that. He and I spent some time debating the National Minimum Wage Bill and it is obvious that he is not prepared to forget the fact that, despite his attempts to encourage us to do so, we were not prepared to change the concept of the burden of proof as it relates to that Bill or to this one. It does no more and no less than identify for the purposes of the process who is best responsible for providing factual information on which decisions are based. I ask hon. Members to resist new clause 9 and to leave the Bill as it stands, because, as I have said, it has the support of both sides of industry.

Mr. Lansley: I think that my hon. Friend the Member for Gainsborough (Mr. Leigh) was criticising the drafting of new clause 9. In that respect, I fear that I am not a lawyer and perhaps did not explain the matter well enough. However, the point, which was made in the debate, is that, as my hon. Friend the Member for Totnes (Mr. Steen) made plain, there will be a natural presumption for the burden of proof to be established in tribunals or courts on the basis of the evidence. Increasingly, and in too many cases, the burden of proof rests on one party and a presumption is required of the tribunals by way of statutory injunction rather than on the basis of the evidence that is presented by the two parties.

I am grateful to the hon. Member for Wentworth (Mr. Healey) for the spirit in which he contributed to the debate. On that basis, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 2

DETERMINATIONS WITHOUT A HEARING OR FULL HEARING

Mr. Garnier: I beg to move amendment No. 14, in page 2, leave out lines 7 to 10.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 3, in page 2, line 9, leave out

'(whether or not they have subsequently withdrawn it)'.

No. 16, in page 2, line 10, at end insert

'provided that such consent was given at a time when all relevant parties have had a fair opportunity to obtain competent independent advice'.

1.45 pm

Mr. Garnier: Amendment No. 16 adds a safety mechanism to employment tribunal proceedings, especially where the regulations, as amended, allow for disputes to be resolved or determined without any hearing.

I invite the House to consider clause 2, which refers to "section 7 of the Employment Tribunals Act 1996 (which authorises the making of employment tribunal procedure regulations)".

Clause 2 allows an insertion into that Act in these terms:

"(3A) Employment tribunal procedure regulations may authorise the determination of proceedings without any hearing (and in private) where the parties have given their written consent (whether or not they have subsequently withdrawn it)."

I fully understand the need for speed in the delivery of justice in certain circumstances. There are some cases where a good dose of adversarial justice is required to get to the nub of the dispute, whether it is a dispute of law or of fact. We see that in magistrates courts day in, day out, where motoring cases are often dealt with without a full hearing. Indeed, the Magistrates' Courts (Procedure) Bill, which has completed its Committee stage upstairs and is due for Report here, I dare say a little after Easter, is another example of where a much speedier version of events can be arrived at without any detraction from the justice required in any given motoring case.

This Bill authorises the determination of proceedings without any hearing. I have a little concern, which amendment No. 16 may alleviate, about the words "and in private" because justice, if it is to be done—I can see my hon. Friend the Member for Gainsborough (Mr. Leigh) groaning at the use of yet another cliché—must be seen to be done. The words "and in private" would cause me even more concern if my amendment were not allowed into subsection (3A).

The subsection continues:

"where the parties have given their written consent (whether or not they have subsequently withdrawn it)."

The words in parenthesis again underline the need for the amendment. It is one thing to do away with the need for a hearing; it is another to have the proceedings held in private. It is one thing to allow parties to give their written consent to the disposal of the matter without a hearing and in private, but quite another for disadvantaged, possibly not very well educated, people to have their claim decided in private, without the benefit of competent independent advice.

The House has, I hope, noticed that, although I speak as a lawyer, I do not require the words "competent and independent legal advice" or "independent legal advice" to be entered into the Bill. What is important is that the person making the claim can obtain competent independent advice.

Many of the cases that have come before industrial tribunals and will come before the new employment tribunals have and will be brought by individual employees without the assistance of a trade union. I know that the Minister is a doughty supporter of trade unions and their rights and the way they have assisted employees. There is a place for trade unions and they have played a valuable part in the history of the 20th century and the economic growth of this country. However, not everybody, for reasons good and bad, has the benefit of trade union advice and representation.

Such hearings involve both sides of the employment divide. I do not mean to be controversial by using that phrase; perhaps I should talk of both sides of the employment table. Employment in my constituency is predominantly provided by small family companies with annual turnovers well under £1 million—under £100,000 in many cases—not by one huge international company. Small family employers do not necessarily have the time, money or resources to employ a firm of solicitors, whether in Leicester, London or one of the conurbations convenient to my east Midlands constituency.

My hon. Friend the Member for North Shropshire (Mr. Paterson), in his remarks on new clause 9, highlighted examples of individual employers who feel that they have been placed over a barrel by the way the system is stacked against them. I seek to protect those employers—and the employees I mentioned earlier—from being railroaded into a result with which they feel no connection. Unless people are able to give informed consent, in this as in many other areas of dispute, it will be difficult for the public to be satisfied with the legislation we have provided and the way in which the tribunal system works.

I urge the House to consider carefully the need for independent and competent advice. The genesis of the Bill stems from the work of the previous President of the Board of Trade, now Lord Lang, and the consultation process that accompanied his draft Bill in 1996. That consultation produced some interesting conclusions, and I am grateful to the Library staff for their assistance in my research.

The consultation document published in July 1996 explained that the aim of the proposal was to streamline the procedures by allowing the chairman to determine a case on the basis of written evidence and without a hearing. The consent of both parties would be required. The parties could opt for that procedure or the tribunal could of its own volition ask the parties whether they agreed that their case could be determined on written advice alone.

Some 67 responses were received in favour of the proposal and only 33 against. Importantly, 101 of those responding failed to express a view. That underscores my point that parties in proceedings need competent independent advice. If people are not prepared, when they are handed a consultation paper, to express a view about whether a dispute should be handled without a proper hearing, that highlights the need for independent advice to be available. Obviously, if advice is available but people do not take it, that is their hard luck. The Bill should ensure that advice is available to those who are invited to attend the hearing.

Mr. James Gray (North Wiltshire): Does my hon. and learned Friend agree that—for two reasons—the Minister was being particularly unfair when he attacked the previous Administration for not turning the consultation paper into legislation? The first reason is that the consultation period was last autumn, after the Queen's Speech, so it would not have been possible to introduce legislation based on the consultation paper before the fast approaching general election. The second reason is that the new Government also have not included such legislation in a Queen's Speech. We are debating a private Member's Bill.

Mr. Garnier: I take those points, but the Minister is incapable of malice and I would not wish to cast more aspersions on him.

Mr. Clifton-Brown: Does my hon. and learned Friend agree that legislation passed by the House should be clear and unambiguous? Does he agree that the proposed new subsection (3A)—

"(whether or not they have subsequently withdrawn it)"—

is ambiguous, as it can be read both ways? Does he agree that amendment No. 14 should be passed because most small firms in particular come up against this type of employment legislation only once in a blue moon? Both parties should have access to properly qualified advice.

Mr. Garnier: I think that I understand my hon. Friend's point. I have tabled my amendment because the wording in brackets is not ambiguous. I want the clause to be amended to provide greater assistance to those who do not have advice but who should have it. I think that I have made that point, and making a good point several times does not improve it.

Mr. Lansley: I should like briefly to speak to amendment No. 3, which touches on the point that has just been made on clause 2. The wording in brackets—

"(whether or not they have subsequently withdrawn it)"—

would enable the tribunal to proceed on the basis of written submissions without a hearing, even if one party subsequently concluded that that would not be in its interest. I have tabled amendment No. 3 specifically—only—to protect people in those circumstances.

I acknowledge that there is a danger that people might vexatiously withdraw consent only to prolong proceedings or to incur additional costs. Nevertheless, one can conceive of circumstances in which parties to proceedings, particularly—as my hon. and learned Friend the Member for Harborough (Mr. Garnier) clearly explained—parties that are at a disadvantage against a well-financed employer who has produced very good evidence. I think that all hon. Members will acknowledge that there are circumstances in which an employee, in particular, may be far better able to expand a case in person—orally, and in cross-examination—than in written proceedings.

If amendment No. 14 is not accepted, we should leave that small opportunity for people to withdraw their consent to proceeding on the basis of written evidence alone—to give them their day in court.

Mr. Healey: It was remiss of me earlier not to welcome the hon. Member for Totnes (Mr. Steen) to the Opposition Front Bench. I enjoyed his distinctive speech, and welcomed his confirmation of the Conservative party's backing for the Bill.

This group of amendments deals with the power provided in clause 2 for tribunals to determine a case, when both parties agree, on the basis of written evidence alone and in private. All three amendments are unacceptable. If they were accepted, they would waste the time of both the tribunal and the parties to the tribunal.

Amendment No. 14 would not prevent determinations based on written evidence, but would merely prevent such determinations being made in private. As such determinations are made according to the papers on the file, there is no need for a public hearing. The proper principle outlined by the hon. and learned Member for Harborough (Mr. Garnier) that justice must be seen to be done does not come into play in this respect. Amendment No. 14 would be a waste of the tribunal's time.

Amendment No. 3 would enable parties who had given their consent for a written determination in private to withdraw that consent at any stage in the subsequent proceedings. That would unnecessarily waste the time of the tribunal and the other party.

2 pm

Amendment No. 16 touches on a much more important point that was eloquently set out by the hon. and learned Member for Harborough. It seeks to insert a requirement for the parties to have had the opportunity to receive advice before agreeing to such a determination. Although it is important for parties to seek advice at each stage in taking a case to a tribunal, particularly when waiving a right, for instance in seeking a compromise agreement, we cannot reasonably require them to do so before deciding to have their case dealt with in a certain way. Parties are not giving up their right to have their case determined by the tribunal; they are merely choosing to have it dealt with in a particular way.

In conclusion, the amendments do nothing to achieve the aims of the Bill in streamlining the tribunal system of justice or to make it easier for employees and employers to use it.

Mr. Garnier: I was hoping that the Minister might be able to help us out of this difficulty, but he appears to be glued to the Front Bench. It seems that I am not getting the support that I had hoped to get for the amendment, despite its merits. I am grateful to the hon. Member for Wentworth (Mr. Healey) for explaining his view on the matter and I fully take the point that the absence of a requirement to take advice, which he clearly does not want in the Bill, does not prevent anyone from doing so. Clearly, anyone who is faced with such a problem ought to seek competent independent advice before taking any decision about his rights.

I am sorry that the House is not with me on this matter, and, as I understand the mathematics of the House of Commons, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 4

HEARINGS BY CHAIRMAN AND ONE OTHER MEMBER

Mr. Lansley: I beg to move amendment No. 2, in page 3, line 46, leave out from 'means' to 'consent' in line 48.

Amendment No. 2 is very straightforward and I shall not detain the House long in explaining its purpose. In circumstances where a tribunal, which normally consists of a chairman and two lay members, is reduced to two members—the chairman and one lay member—by virtue of the failure to attend on the part of one lay member, for example, the amendment would prevent the proceedings going ahead, save with the consent of both parties. That would include circumstances in which one of the parties was not present at the hearing.

Whether or not the parties to a hearing are present, they will have consented or presented evidence to a hearing with legitimate expectations about the character of that

hearing. It may be, for example, that an employee is assuming that the tribunal will consist of two lay members, one of whom may have a trade union background. If that trade union person fails to attend, the legitimate expectations of the employee, whether or not he or she is present, will have been frustrated. Under those circumstances, the amendment would provide that the proceedings could not go ahead. Of course, if both parties are there and give their consent, the tribunal could proceed as intended.

Mr. Ian McCartney: Those who serve on tribunals are not there to represent employer or employee interests. The two lay members are independent and are appointed for their skills. The chairman always has a legal standing. They do not represent employers or trade unions. The tribunal is there to hear the facts and make a determination on them.

Mr. Lansley: I am grateful to the Minister for that. I presume that when a hearing is constituted, those attending will be aware of the background of the members appointed to the tribunal and will have legitimate expectations because of that.

Mr. McCartney: I hope that that is not the case. If people whom we appointed were acting in a partisan way, I would consider it unacceptable conduct. We do not want people to act in a partisan way. We want them act independently and make judgments on the basis of fact.

Mr. Lansley: I understand the Minister's point, but I hope that he accepts that—as we debated on the National Minimum Wage Bill in relation to a chairman sitting alone—there are legitimate expectations about the character of a tribunal and the background of its members. The legally qualified chairman should sit with two wing members who bring a range of expertise. That is how tribunals are constructed. If one of those members is not there, whatever their background, the expectations on the spread of experience available may be frustrated. If the parties are prepared to consent to that, they should be able to proceed. However, if a party is not there and there were expectations about the structure of the tribunal, it would be wrong for the tribunal to proceed.

Mr. Patrick Nicholls (Teignbridge): There is a problem. Initially, it sounds fine to say that if both parties consent, the tribunal can go ahead. However, bearing in mind the costs that may have already been incurred, there could be considerable pressure. Both parties may apparently consent to the tribunal going ahead in a truncated form, but that could be a difficult judgment, perhaps made with some misgiving, mindful of the costs that would otherwise be incurred.

Mr. Lansley: I understand my hon. Friend's point. If the parties are there, they have to balance those considerations. They may feel under pressure of costs. If they are not there—this is where the amendment would be particularly relevant—they are not in a position to weigh up the consequences of the failure of one member of the tribunal to attend. Tribunals may take a long time. Considerable resources may be at stake. The establishment of the tribunal and its balance between the legally qualified chairman and the lay members can be significant in such circumstances. I commend the amendment.

Mr. Steen: I hope that the Labour party is not programmed to reject all the amendments and new clauses tabled by the Conservatives. My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) has made a serious point. I hope that it can be squeezed in without too much fuss. I hope that it will be seriously considered and not just rejected out of hand.

Mr. Healey: The purpose of clause 4 is to deal with a particular circumstance that may arise from time to time. Tribunal proceedings may currently be heard in the absence of one lay member—for example, if they are ill—but only if all the parties agree. All those parties must agree, regardless of whether they are present.

If a tribunal is scheduled to proceed and one of the parties has said that they do not wish to be present, they must still be consulted on whether they are content for the proceedings to go ahead if one of the lay members is unable to attend because they are ill or have had a crash on the way. It is not always possible to contact the absent party in such circumstances. As a result, hearings have to be postponed, rescheduled and listed for another day. The amendment would negate the entire change proposed in clause 4. Indeed, it would have been clearer if the amendment had said, "Delete clause 4", because that is its effect.

Clause 4 was a response to a request by tribunal chairmen in England, Wales and Scotland during the 1994 round of consultation. It was then overwhelmingly supported by respondents to consultation on the draft Bill. Clause 4 will lead to a swifter resolution in a few cases, and to that extent it is worth having. I urge Conservative Members to withdraw amendment No. 2.

Mr. Lansley: I have neither support from the Government Front Bench nor from the hon. Member for Wentworth (Mr. Healey), the Bill's promoter. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 5

Legal Offices

Mr. Leigh: I beg to move amendment No. 18, in page 4, line 19, at end insert—

'(6D) In this section a "legal officer" means—

(a) as respects England and Wales, a barrister of not less than two years call (whether in practice as such or employed to give legal advice), a solicitor admitted for not less than two years who holds a practising certificate, or a person other than a barrister or solicitor who is an authorised advocate or authorised litigator (within the meaning of the Courts and Legal Services Act 1990)

(b) as respects Scotland, an advocate of more than two years standing (whether in practice as such or employed to give legal advice), or a solicitor of more than two years standing who holds a practising certificate.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 24, in schedule 1, page 14, line 41, after 'barrister', insert

'of not less than two years call'.

No. 25, in page 14, line 42, after 'solicitor', insert

'admitted for not less than two years'.

No. 26, in page 14, line 46, after 'advocate', insert

'of more than two years standing'.

No. 27, in page 14, line 47, after 'solicitor', insert

'of more than two years standing'.

No. 28, in page 15, line 39, after 'barrister', insert

'of not less than two years call'.

No. 29, in page 15, line 40, after 'solicitor', insert

'admitted for not less than two years'.

No. 30, in page 15, line 44, after 'advocate', insert

'of more than two years standing'.

No. 31, in page 15, line 45, after 'solicitor', insert

'of more than two years standing'.

No. 32, in page 17, line 16, after 'barrister', insert

'of not less than two years call'.

No. 33, in page 17, line 17, after 'solicitor', insert

'admitted for not less than two years'.

No. 34, in page 17, line 21, after 'advocate' insert

'of more than two years standing'.

No. 35, in page 17, line 22, after 'solicitor' insert

'of more than two years standing'.

No. 36, in page 18, line 14, after 'barrister', insert

'of not less than two years call'.

No. 37, in page 18, line 15, after 'solicitor', insert

'admitted for not less than two years'.

No. 38, in page 18, line 19, after 'advocate', insert

'of more than two years standing'.

No. 39, in page 18, line 20, after 'solicitor' insert

'of more than two years standing'.

No. 40, in page 20, line 49, after 'barrister', insert

'of not less than two years call'.

No. 41, in page 20, line 50, after 'solicitor', insert

'admitted for not less than two years'.

No. 42, in page 21, line 3, after 'advocate', insert

'of more than two years standing'.

No. 43, in page 21, line 4, after 'solicitor', insert

'of more than two years standing'.

Mr. Leigh: I have been asked to speak to this group of amendments. They are very clear and I hope that the hon. Member for Wentworth (Mr. Healey) will think that they are useful additions to the Bill. All that they seek to do is ensure that the legal officer is someone of appropriate standing and experience—because his duties will be very onerous.

The Bill specifies that a legal officer can be appointed to relieve chairmen of some of their duties. The introduction of the concept of a legal officer has long been envisaged by those who wanted to promote the Bill—indeed, by the previous Government, whose consultation paper in July 1996 said:

"The aim of the proposals is to relieve tribunal chairmen, particularly in the large offices, of some of the interlocutory duties they currently are required to fulfil by appointing 'legal officers'."

The duties that will have to be undertaken by the legal officer are very wide ranging. They could include granting postponements, making witness orders and carrying out pre-hearing reviews. As a practising barrister, I can say that such pre-hearing reviews are becoming increasingly important. It will therefore be immediately apparent to the House that the duties of legal officers will be very heavy.

Mr. Garnier: Is it of help to my hon. Friend to put to him the similarity of the work that it is proposed will be done by legal officers with that already done by district judges and Queen's Bench and Chancery Division masters in litigation with which he and I will be very familiar?

Mr. Leigh: My hon. and learned Friend makes a very interesting point. Only this year, I was engaged not in civil proceedings but in criminal proceedings, where pre-trial reviews were very onerous and difficult as they appertained to a long fraud trial. Such matters really have to be considered by a very experienced judge. That shows some of the problems. Although the proposals concern interlocutory proceedings, pre-hearing reviews could deal with quite complex matters. Therefore, the duties that we are placing on a legal officer are very important.

Notwithstanding that, consultation took place. Of the respondents, 49 were in favour of appointing legal officers, 19 were against and 133 expressed no view. Like my hon. and learned Friend the Member for Harborough (Mr. Garnier), who was at the time referring to a previous group of amendments, I am rather worried that 133 expressed no view. One assumes that those who take an interest in these matters have come down in favour of the appointment of legal officers.

The trouble is: are we absolutely convinced that legal officers will have the necessary experience? Will they be of appropriate standing? Addressing such questions is the purpose of the amendments.

2.15 pm

Mr. Nicholls: If I have understood the purpose correctly, the legal officer will not simply be appointed by qualification, because of the point about time spent. Also incorporated is the possibility of authorised advocates and authorised litigators, which is perhaps a concept with which many people outside the House will not be immediately familiar.

Mr. Leigh: I am very glad that my hon. Friend has made that point. That is why the amendments are so appropriate. Amendment No. 18 says that a legal officer in England and Wales should be

"a barrister of not less than two years call (whether in practice as such or employed to give legal advice)",

or

"a solicitor admitted for not less than two years who holds a practising certificate".

It seems to me that this is an entirely proper amendment.

If a barrister has two years' call, we might assume that he has the necessary experience to undertake this sort of work. The House may not be familiar with the way in which barristers are trained. One can become a barrister before having any practical experience of court work, providing written advice or anything else. Indeed, there are some barristers in the House—distinguished Members of Parliament—who have never pleaded in the courts and have no direct practical experience of legal work. Therefore, if we are to appoint legal officers to carry out these onerous duties, it is entirely sensible to stipulate that they have the basic experience of two years' call.

I hope that the hon. Member for Wentworth, when he stops walking around the Chamber seeking advice, will accept what I have said. I commend the amendments to the House.

Mr. Ian McCartney: The amendment raises an important point and I want to respond in a positive way. It is right that the legal officers are fully able to carry out the important responsibilities that will be assigned to them. My officials are considering this carefully and will consult those with an interest, most important, the presidents of the industrial tribunals. We gave an undertaking in the other place to do that, and I reaffirm that now.

The concept of legal officers is new, so it is important that it is tested to see whether it is feasible. In order to do that, a pilot scheme is being prepared. It would entirely defeat the object of that scheme if matters such as qualifications, tasks, and so on were set out in primary legislation at this stage. It is also unnecessary, because matters relating to tribunals are set out in the regulations dealing with their constitution. Legal officers will not be able to carry out pre-hearing reviews or determine proceedings, except where a case has been withdrawn or settled.

I hope that I have reassured the House that we intend to deal with these matters in a competent, effective way—through consultation, by piloting and, having learnt from the piloting, by bringing in appropriate schemes. By "appropriate", I mean subject to consultation. The whole purpose of the Bill is to ensure that the partners in the case consent to the process. It is important to handle the matter carefully.

As there was a good deal of support for the principle of the Bill during consultation, and as it is our intention to move forward in a careful and measured way, I hope that the hon. Member for Gainsborough (Mr. Leigh) will withdraw the amendment. His points were genuine and effective, but we have already considered them and our proposals should therefore satisfy him.

Mr. Lansley: I understand that there are some lawyers with employment expertise who, because they do not require rights of audience in court, are not authorised advocates or litigators. Is it intended to include that sort of employment law specialist?

Mr. McCartney: Given the time, I will write to the hon. Gentleman fully setting out our intentions.

Mr. Leigh: I am grateful for what the Minister has said. He responded helpfully and positively to the amendments and the purport of them. I am delighted that he intends to undertake further consultation and that it is not envisaged that the legal officers to whom I referred will carry out pre-hearing reviews. In those circumstances, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Order for Third Reading read.

Motion made, and Question proposed, That the Bill be now read the Third time.—[*Mr. Healey.*]

2.19 pm

Mr. Lansley: I will not take up a great deal of time, but, having moved a new clause and tabled a number of amendments for Report stage, I want to take the opportunity to extend a general welcome to the principle of the Bill. My hon. Friend the Member for Totnes (Mr. Steen), who spoke eloquently to the new clause—rather more eloquently than I did earlier—gave the Bill a general welcome from Conservative Members.

The Bill was very much the product of lengthy consultation and it would be remiss of the Minister to chide the previous Government for failing to bring in the Bill. We proceeded with the Bill through means of exhaustive consultation—rightly so, given that it relates to the administration of justice and, therefore, has to command the utmost confidence of the parties involved.

There is also a slight sense that we wish that we had not arrived at this point. Tribunals were initially established to offer a speedy, effective and cheaper route of justice than that provided by the courts. Yet we have alternative disputes resolutions and mechanisms because parties to the dispute can perceive the tribunals procedure as being relatively expensive.

Notwithstanding the fact that delays in tribunals are less now than when the Bill was conceived, a considerable volume of business passes through them.

Mr. Steen: I hope that my hon. Friend will comment on another point. The Government are creating increasing amounts of legislation that will result in industrial tribunals being even more blocked. Also, there is more legislation coming from Europe, which will create another blockage. Does my hon. Friend agree that, for those reasons, the Bill is necessary?

Mr. Lansley: My hon. Friend knows well that the Bill was contemplated by the previous Government as a way of dealing with the considerable and growing volume of business passing through industrial tribunals at that time. It was not contemplated to deal with the additional cases that will be brought before employment tribunals as a result of the national minimum wage legislation. However, it would not be wrong to expect that that legislation will bring additional business before the tribunals, so everything that can be done to ease progress should be done.

My hon. Friend rightly said that the Bill should also try to buttress internal appeals procedures wherever possible within companies. Some amendments have been tabled on that subject, but time has not permitted us to debate them in detail. Parties should seek, wherever possible, to deal with their disputes through internal company procedures. Where that is not possible, it must be in the interests of the companies and the participants to deal with disputes through compromise agreements. We have a useful

[Mr. Lansley]

measure that allows more compromise agreements to be entered into, using not just legal advice, but wider advice and arbitration procedures.

The Government have largely followed the path set down in previous consultation and in the document published in July 1996 by Lord Lang, the then Secretary of State for Trade and Industry. One omission is that the Government have chosen not to use private arbitration schemes in addition to those arranged through ACAS, which is a pity. I acknowledge that, if they wish, the parties to a dispute can go to arbitration. However, the parties entering into private arbitration cannot, as I understand it—I stand to be corrected by the hon. Member for Wentworth (Mr. Healey) and the Minister, who understand such matters better than I do—do so in ways that take advantage of powers contained in the legislation. One such power involves setting aside an appeal against that arbitration. The legislation circumscribes the circumstances in which parties are likely to use arbitration. I think that both parties will probably find it risky to use arbitration, except through the procedures devised by ACAS. That is not to say that ACAS itself is the arbitrator or that ACAS will not necessarily be using some of those people who are best qualified to undertake such arbitrations. They may not necessarily be legally qualified, but they could come from a range of people with appropriate experience—from the workplace, trade unions, personnel, management or wherever. None the less, they will do so in the context of a scheme established by ACAS rather than one that is established by bodies other than ACAS. It is in the nature of the private route for resolution procedures that bodies other than ACAS may be able to devise cheaper, less bureaucratic, more accessible and altogether more user-friendly routes to arbitration.

It would have been within the spirit of the way in which the measure has been brought about—essentially on an all-party basis—if the Government had proceeded on the basis of the consultation that took place before the election, rather than resting on the bureaucratic body that they know best. That is not to decry or diminish the role of ACAS, which I accept has an established role in collective disputes, though less so in individual disputes. It may well be that, by using pilot procedures and permissive legislation, it would have been possible for private schemes to be established, which would have worked effectively and might have built up rising confidence on the part of the parties that, unfortunately, enter into disputes.

Notwithstanding that criticism, I take the opportunity on Third Reading to welcome the Bill and to offer congratulations to the hon. Member for Wentworth on steering it through the House. He has done so with a wealth of expertise and experience, which is practical, pragmatic and, it is to be hoped, proved in the event.

2.26 pm

Mr. Gray: I add my voice to those of my right hon. and hon. Friends in offering congratulations to the hon. Member for Wentworth (Mr. Healey) on having the sound good sense to introduce the Bill and pilot it through its various stages in the House. I congratulate the hon. Gentleman also on having the sound good sense to take up a proposal that was first thought up by the Conservative Administration, which ended on 1 May 1997. It was the brainchild of the then President of the Board of Trade, Ian Lang. I am sure that he deeply regrets that, because the consultation procedure took place in the autumn of last year, he was not able to introduce a Bill to enact the proposals on which he had consulted.

It was slightly ungracious of the Minister to upbraid the Conservative party for not having introduced the proposals set out in the Bill into law; the Labour party has equally failed to do so. There has been a Queen's speech following the election of the Labour party into government, yet it failed to include the proposals in that programme. As I have said, I congratulate the hon. Member for Wentworth. I hope that he will be successful in introducing the Bill.

Mr. James Paice (South-East Cambridgeshire): My hon. Friend will know that the previous President of the Board of Trade produced a general consultation paper and a draft Bill. Does he agree that it is a great tribute to Ian Lang that he introduced a draft Bill, because it gave an opportunity for everybody involved to consider the rights and wrongs of the proposals and to get future legislation right? The Bill is slightly different from the draft Bill. That draft Bill gives the lie to the Government's suggestion that, by introducing draft Bills, they are developing a new policy. We have already seen draft Bills.

Mr. Gray: My hon. Friend makes a good point. The Conservative party conceived the notion of introducing draft Bills. It is slightly irritating or upsetting to hear the new Government crowing about how clever and democratic they are being in introducing such Bills. I welcome the fact that the previous President of the Board of Trade introduced a draft Bill.

The Opposition broadly support the main thrust of the Bill. However, the hon. Member for Wentworth and the Minister will have heard valid and important concerns expressed by us during our debates. We naturally massively support the notion of industrial tribunals. I understand that there have been 1 million hearings and 30,000 cases so far. They have been a significant and accessible route for settling industrial disputes.

We are wholly supportive of industrial tribunals and the main thrust of the Bill. We are concerned that they became clogged up towards the end of the previous Parliament because of the volume of cases that were brought before them. Therefore, any means that can be found to make them more efficient; that allow more cases to be heard; and allow the rights and worries of employees and employers to be heard is important. I am glad that my right hon. and hon. Friends support the main thrust of the Bill.

There are two or three areas of particular concern, which we have raised during the debate. They concern—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on Friday 27 March.

Remaining Private Members' Bills

FIREWORKS BILL

As amended in the Standing Committee, considered; read the Third time and passed.

WEIGHTS AND MEASURES (BEER AND CIDER) BILL

Order read for consideration (not amended in the Standing Committee).

Hon. Members: Object.

To be considered on Friday 24 April.

LOCAL AUTHORITY TENDERS BILL

Order read for consideration (as amended in the Standing Committee).

Hon. Members: Object.

To be considered on Friday 27 March.

PRIVATE HIRE VEHICLES (LONDON) BILL

Order read for consideration in Committee.

Hon. Members: Object.

Dr. Jenny Tonge (Richmond Park): On a point of order, Mr. Deputy Speaker. I do not understand how it can be possible that such an important measure that affects the safety of women and elderly people in this city can be delayed by a single hon. Member who has not taken any interest before now—

Mr. Deputy Speaker (Mr. Michael Lord): Order. These are not matters for debate today. We are carrying out the procedures in the normal way.

Committee deferred till Friday 27 March.

GENEVA CONVENTIONS (AMENDMENT) BILL [*LORDS*]

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

Dr. Tonge *rose—*

Mr. Deputy Speaker: I am sorry; we have moved on.

BRITISH NATIONALITY (ST HELENA) BILL [*LORDS*]

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

LOCAL GOVERNMENT (EXPERIMENTAL ARRANGEMENTS) BILL [*LORDS*]

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 24 April.

WATER CHARGES (AMENDMENT) BILL

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

ELECTIONS (VISUALLY IMPAIRED VOTERS) BILL

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

CHRONICALLY SICK AND DISABLED PERSONS (AMENDMENT) BILL [*LORDS*]

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

COMPANIES (MILLENNIUM COMPUTER COMPLIANCE) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 27 March.

REFORM OF QUARANTINE REGULATIONS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 27 March.

PROHIBITION OF BULL BARS BILL

Order for Second Reading read.

Mr. Deputy Speaker: Not moved.

VOLUNTARY PERSONAL SECURITY CARDS BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 27 March.

HOUSING SERVICE CHARGES (AMENDMENT) (No. 2) BILL

Order for Second Reading read.

Hon. Members: Object.

Second Reading deferred till Friday 3 July.

Mr. Deputy Speaker: For the convenience of the House, we will take motions Nos. 18 and 19 together.

OFFICE COSTS ETC. ALLOWANCES

Resolved,

That, in the opinion of this House, the following provisions should have effect—

(1) The limit on the office costs allowance in relation to Miss Anne Begg should be 1.33 times that determined in accordance with paragraph (1) of Part A of the Resolution of the House of 13th July 1994 for any quarter beginning with 1st January 1998;

(2) The limit on the additional costs allowance in relation to Miss Anne Begg should be 1.33 times that determined in accordance with paragraph (1) of Part C of the Resolution of the House of 13th July 1994 for any year beginning with 1st April 1997;

(3) The limit on the Members' staff travel in relation to Miss Anne Begg should be thirty four return journeys determined in accordance with paragraph (f) of the Resolution of the House of 19th July 1983 in the period of 12 months beginning with 1st January 1998.

BICYCLE ALLOWANCE

Resolved,

That, in the opinion of this House, the following provision should be made for the payment of a bicycle allowance to honourable Members in respect of journeys which they have undertaken by bicycle while on Parliamentary duties within the United Kingdom—

(1) In respect of journeys commenced in the year starting with 1st April 1998, the allowance shall be paid at a rate of 6.2 pence per mile increased by the percentage (if any) by which the retail prices index for March 1998 has increased compared with the index for March 1997.

(2) For each subsequent year starting with 1st April, the rate shall be increased by the percentage (if any) by which the retail prices index for the previous March has increased compared with the index for the March before that.

(3) The rate shall be calculated to the nearest tenth of a penny (with exactly one twentieth being rounded up).

(4) Arrangements shall be made by the Fees Office for ensuring that claims are supported by appropriate particulars.

(5) In this Resolution 'the retail price index' means the general index of retail prices (for all items) published by the Office for National Statistics (or any index or figures published by that Office in place of that index).—*[Mr. Dowd.]*

WELSH LANGUAGE IN PARLIAMENTARY PROCEEDINGS IN WALES

Resolved,

That this House approves the First Report from the Procedure Committee on use of the Welsh language in Parliamentary Proceedings in Wales, Session 1997–98 (HC 461).—*[Mr. Dowd.]*

SCOTTISH GRAND COMMITTEE

Motion made, and Question put forthwith, pursuant to Standing Order 100(1) (Scottish Grand Committee (sittings)),

That the Scottish Grand Committee shall meet on Tuesday 7th April at half-past Ten o'clock at Westminster to consider a substantive Motion for the adjournment of the Committee pursuant to Standing Order No. 100 (1)(*e*) (Scottish Grand Committee (sittings))—*[Mr. Dowd.]*

Question agreed to.

ADJOURNMENT (EASTER)

Motion made, and Question put forthwith, pursuant to Standing Order No. 25 (Periodic adjournments),

That this House, at its rising on Wednesday 8th April, do adjourn till Monday 20th April.—*[Mr. Dowd.]*

Question agreed to.

Hospitals (East Kent)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Dowd.]*

2.34 pm

Mr. Julian Brazier (Canterbury): I am most grateful for the opportunity to hold this Adjournment debate on the future of the Kent and Canterbury and the Whitstable and Tankerton hospitals. I am grateful to the Minister for Public Health, who has had to come, at the end of a long, hard week, to an empty Chamber to reply to the debate.

As I speak, my hon. Friend the Member for Faversham and Mid–Kent (Mr. Rowe) is on his way to the Kent and Canterbury hospital to hear its plans for reconfiguring the services in east Kent. I am grateful for the expression of concern from my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) and to the hon. Member for Dover (Mr. Prosser), who was visiting Buckland hospital in his constituency this morning. He has sent me a courteous note in which he expresses concern about the future of the Kent and Canterbury.

There is extreme concern. Since the middle of December, I have received well over 2,000 letters from constituents. There were no standard letters; they were each individually written. Many of them gave testimony of lives saved and conditions healed at these two splendid hospitals. I have also received literally hundreds of letters that I have had to redirect to neighbouring Members of Parliament.

Although it would be out of order for me to make any reference to the Public Gallery, the fact that many hundreds of people from many different communities in east Kent and all political parties have taken the trouble to come up to London today is a sign of the level of support for these two fine hospitals.

The new document produced by the Kent and Canterbury hospital, entitled "Tomorrow's Health Care for East Kent: A New Direction", offers hope in what was an extremely dark situation. Before I outline my reasons for supporting this exciting new proposal, I want to touch briefly on the four principal reasons why the Kent and Canterbury is critical for health care in east Kent as a whole. I do not intend to make, and I never have made, any narrow constituency points about employment or other local issues. I argue solely that the hospital is vital to acute health care in east Kent as a whole. I shall make some brief remarks later about the Whitstable and Tankerton hospital, which is also extremely important on the community side.

The first of my four reasons is the critical importance of east Kent's five regional specialties—cancer, renal, neonatal intensive care, haemophilia and neurophysiology. All five are based at the Kent and Canterbury, and their move would involve breaking up recognised centres of excellence. For example, the cancer unit is one of only three in the country to have received a recent chartermark for excellence.

East Kent health authority has admitted that breaking up the teams involves a considerable risk, but their move from the current site near the middle of east Kent would in all five cases reduce accessibility. In the cases of the cancer and neonatal units, the service would move right out of east Kent. Radiotherapy patients would have to travel all the way to Maidstone for daily treatment.

The second reason is a wider loss of access to a broad range of acute medical services. For many of the people with cars who live in the Canterbury city council area, which on its own has a far larger population than Thanet and extends well beyond my constituency, for the people who live in Faversham and for the tens of thousands of people who live in villages in east Kent, Canterbury, as the hub of the public transport system, is the only accessible acute hospital in east Kent.

It is ironic that some of the strongest representations about the closure of the Kent and Canterbury have come from communities in the Thanet, North and Thanet, South constituencies, such as Herne Bay, Sandwich and Wingham, where some of the best-attended meetings opposing closure have been held. Margate is inaccessible even to the people there, especially those who rely on public transport.

The third argument concerns quality. There is an increasingly tight national and international market in key medical skills. The Kent and Canterbury has every consultant post filled and every junior doctor post accredited for training. Its consultants include several of national distinction. The view of general practitioners is the best measure of quality, and their overwhelming support for the Kent and Canterbury hospital is reflected across many communities by the fact that those representing 240,000 people have given their backing to that hospital.

The fourth reason why the Kent and Canterbury is critical to health care is co-operation. Sadly, Margate hospital faces a recruiting crisis: six consultant posts are unfilled despite the fact that 19 Kent and Canterbury consultants regularly help out there. The recent reorganisation of paediatric services in east Kent has shown that the necessary critical mass for doctor training can be provided if departments in our three acute hospitals operate on three sites, but as one unit. However, if the Kent and Canterbury is removed from the picture, the extreme distance between sites—40 miles along one of the most congested roads in the United Kingdom—would mean that Ashford, on its own, would be unable to support Thanet.

The Kent and Canterbury proposal is positive. I am delighted that it has the backing not only of medical, nursing and support staff at the Kent and Canterbury hospital, but of a huge number of local GPs and a growing number of consultants and other staff at Ashford. The essence of the document's proposal is that all three sites should continue to operate, but on a unified basis under one management structure.

The proposal emphasises that retention of the five core services—acute medicine, acute surgery, accident and emergency services, and maternity and paediatric provision—on all three sites is pivotal. At the same time, financial savings could be made in three key areas: first, through cutting management overheads by amalgamating the three trusts—a cynic would suggest that it is obvious why doctors at Ashford, who realise that the proposal is the right way ahead, and their management, who strongly oppose it, are divided; secondly, by cutting clinical costs by significantly increasing efficiency on individual sites—especially, as the EKHA has noted, at Ashford and at Thanet; and thirdly, by cutting support costs through rationalising certain supporting services, which do not directly interface with patients, on to individual sites at the hospitals.

Two of the most exciting Kent and Canterbury proposals—improvements in education and training, and improvements in research and development—would take advantage of the Kent and Canterbury's proximity to the university. That would add critical mass by allowing continuing activity on all three sites, but under a common, tri-site umbrella.

The package would provide east Kent with a hospital configuration that would attract top-quality staff, continue to offer maximum accessibility to patients, and protect key regional specialties, and would achieve savings on individual overheads and retain the necessary critical mass for doctor training.

This model may help to pave the way for future debates in areas throughout the country where tension is developing between patient accessibility and the continuing demand for more centralisation to deal with doctors' training. I note that three hospitals in Surrey and Sussex are moving towards a similar model. I welcome the re-establishment by the EKHA of a steering committee to examine the proposal in detail. I am particularly pleased about the appointment of Dr. Sue Atkinson as chairman of the clinical co-ordinating group, which will include general practitioners as well as a much wider range of consultants than were involved in the original document. Obviously, much detailed work remains to be done.

Whitstable and Tankerton hospital, which really deserves a debate of its own, was built after the first world war as a memorial to the dead of the area, to care for the living. That excellent community hospital is in an unfortunate position. In December, the EKHA arbitrarily said that it was thinking of closing the hospital. Although that proposal has been removed from the consultation document—rightly, in my view—concern inevitably remains among the staff. The hospital is very popular. It is in the centre of a town that contains many elderly people, a number of whom have no access to public transport. Huge sums have been raised by the league of friends, which means that much of the hospital's building is new.

Let me draw a rather unhappy analogy. In the context of mental health, care in the community has in many ways proved a disaster. The Government are now rightly returning to a residential arrangement—an arrangement which, in many instances, is more expensive than the original provision of beds in the old hospitals. Any proposal to replace community hospitals such as Whitstable and Tankerton with alleged extra provision—care in the community—would, to say the least, have an unhappy provenance. In my view, it would lead to disaster in Whitstable.

There are two drives behind the proposal for Kent and Canterbury, and the possible proposal for Whitstable and Tankerton. There is the need for critical masses in the training of doctors—the need to recruit and train doctors of the best quality—and there is the inevitable shortage of resources. Kent and Canterbury hospital has come up with a proposal that deals with both problems.

The EKHA's original options both involve radical change. One proposal is to close Kent and Canterbury hospital, or run it right down; the other is to do the same in Thanet. Even in principle, those moves would secure only small financial savings, and in practice they would lead to huge costs—hidden costs that are just starting to

[Mr. Julian Brazier]

emerge, as always happens with radical change. The Kent and Canterbury document, "Tomorrow's Health Care for East Kent", offers the hope of a new direction.

2.47 pm

The Minister for Public Health (Ms Tessa Jowell): I congratulate the hon. Member for Canterbury (Mr. Brazier) on securing the opportunity to debate a matter of such evident importance to his constituents. He referred to other hon. Members who have represented their constituents' interests in a matter that is obviously important to east Kent. I am grateful to him for doing so, but I want to add the name of my hon. Friend the Member for South Thanet (Dr. Ladyman) who, as the hon. Gentleman may know, took part today in the farewell to Ramsgate hospital.

This is the second occasion in a matter of weeks that we have had an opportunity to debate the review of hospital services in east Kent. That is a testament to the amount of local interest in the review and, more fundamentally, to the commitment of the people of east Kent to securing a high-quality national service for themselves and their families. It is proof that the national health service is as relevant to the lives of people in east Kent and, indeed, the rest of the country as it was when it was established 50 years ago.

The hon. Gentleman spoke about some developments that have taken place during the short time since the House previously debated this matter. Before I touch on them I should like to reiterate some of the key points that were made by my hon. Friend the Minister of State in the previous debate. They provide the context in which hon. Members who represent east Kent will consider the review of hospital services and take account of their constituents' views.

I remind the House that the health authority's proposed reorganisation in east Kent is not financially driven. The Government have already provided extra money for health and social services. In east Kent, we have provided £1.66 million to help alleviate winter pressures that, in the past, have caused suffering and difficulty in local hospitals. We are anxious to relieve those pressures. We have also announced an increase of £5.3 million in real terms for next year.

Even with extra investment, change is needed in east Kent and the review is about the ability to deliver safe and effective care to patients in the district. As the hon. Member for Canterbury said, the relevant factors include the supply of doctors and their training needs and working practices. They are of the essence in delivering high-quality health care. Clinical quality requires a minimum work load, which is important in building up experience. In an acute hospital without a minimum work load, doctors cannot be properly trained, and senior doctors cannot maintain the expertise to ensure the best treatment and care for patients. Money alone cannot resolve those issues.

Since the previous debate on this subject, NHS chief executives and leading doctors have written to all NHS staff in east Kent confirming their acceptance of the need for change. That change is necessary to meet the pressures that face the NHS locally, and it reflects the broader and continuing need for national change. We applaud their efforts to explain to staff and local people the underlying rationale for change. Those people are undoubtedly anxious about what the future holds for services in the district. We do not for a moment underestimate the anxiety and concern about the prospect of any change for whatever reason.

The second important point about the consultation is that it is an attempt to establish the best way forward in the long term for services in East Kent. The consultation is genuine. I assure the House that no decisions have been taken or can or will be taken until the consultation period ends on 8 May. The debate provides an important opportunity for Ministers to be made aware of the developing concerns and views of hon. Members from east Kent.

At the end of the consultation period it will be the duty of the health authority to take account of the comments that it has received and, in the light of them, to weigh different options. Local accountability is especially important, because the way in which services are run and developed must be in tune with local needs and views, and inspire the confidence of the people who use them. That is why we hope the consultation can proceed in a spirit of consensus and with the objective of delivering a broad consensus about the right way forward. That would be in the spirit of our recently published White Paper about the NHS's future.

Should the final option chosen by the health authority be contested by either of east Kent's community health councils, the final decision will rest with Ministers. If that should happen, Ministers' responses will be fully informed by the health authority's detailed consultation and will be based on a balanced assessment of the proposals, which should themselves reflect the NHS White Paper that made clear that services should be based on integrated care and on partnership between NHS bodies and local agencies, all intended and designed to deliver a better service to patients through improved quality and efficiency.

It is important to offer, and to have the capacity to offer, prompt, high-quality treatment and care that is built around individuals' needs. It is important, too, that the new arrangements provide prompt access to specialist services that are linked to local surgeries, but we must preserve the integrity of consultation. That imposes a real discipline on Ministers.

At this stage, the discipline must be to listen rather than to comment on any of the proposals that are the subject of consultation, but I assure the House—I hope that hon. Members will make this absolutely clear to their constituents—that no decisions have been taken by Ministers, no minds have been made up and no commitments have been given. However, the need for change is, as I have said, recognised by all parts of the NHS. Of course, when consultation comes to an end in the next few months, it will be the time for discussion and debate to stop, for decisions to be made and for the East Kent authority to work together to implement the decisions, putting the uncertainty of the review behind it.

The hon. Member for Canterbury referred to the role of Whitstable and Tankerton hospital. I should like to make it clear that the services provided by community hospitals form a vital part of the comprehensive network of NHS care but that their future does not form part of this current consultation.

As the consultation document makes clear, the future of individual community hospitals will be the subject of separate detailed discussions with local general practitioners and local communities. Those discussions will also help future primary care groups to focus their attention on the role that community hospitals play in improving the health of their local populations.

I understand that the health authority has established an elderly strategic planning group with representatives from primary and secondary care sectors and social services that will help to mastermind strategic development of community services. We welcome that. I understand that the community trust has also established local groups to review in detail the operational implications on local services in Faversham, Whitstable and Tankerton.

East Kent health authority has also emphasised that the aim of any change is to provide the best quality care in the right surroundings, that patients will not be transferred inappropriately to nursing homes and that beds will not be closed until new services are available and are shown to be working effectively, which is extremely important in underpinning the contract of trust between local health services and the local community.

If proposals emerge that constitute a substantial change to service provision, of course that would require public consultation. The health authority has given, and we expect it to meet, that commitment.

The hon. Member for Canterbury also referred to concerns about care in the community and mental health. We agree that the shift from institutional care to care in the community has failed to deliver the necessary levels of support in a number of areas. That is a cause for concern. Public confidence in the policy and its implementation by the previous Administration is low, but we can have no return to the grim Victorian asylums that never were community hospitals.

Mr. Brazier: At this very moment, admissions to the Kent and Canterbury hospital are having to be restricted, and the Whitstable and Tankerton hospital is full. I am relieved to hear the Minister say that, before we let go of any beds, acute or community, the Government will make certain that we have enough beds.

Ms Jowell: That assurance is an important part of building public confidence in change. People become ill and need care day by day and it is important that treatment is available, regardless of the point reached in the cycle of change.

I come now to the major issue raised by the hon. Member for Canterbury—the proposals set out in "Tomorrow's Health Care" by the steering group. The steering group's purpose was to ensure that a joint mechanism existed to assess alternative proposals to the authority's preferred option. Things have moved on. Doctors from Kent and Canterbury have developed an alternative option, set out in a companion document—and it should be seen as such—called "Tomorrow's Health Care for Kent: A New Direction". Their proposal is to retain in-patient services at Margate, Ashford and Canterbury. I commend the doctors at Kent and Canterbury for the spirit in which they have put forward their option. Papers recently presented to the "Tomorrow's Health Care" steering group committed it to further exploration of the option. That exercise will be conducted thoroughly.

I understand that a co-ordinating group of leading doctors from all the trusts in East Kent, under the chairmanship of the regional director of public health, will ask doctors—both specialists and general practitioners—from across East Kent to consider this proposal in the light of the other proposals on which consultation is taking place. The intention is that the "Tomorrow's Health Care" steering group will consider the results of that work in about six weeks.

It would be wrong to speculate about the future. However, it is important that hon. Members have the opportunity to debate those important proposals and their consequences for their constituents. Representing the interests and concerns of their constituents is one of the most important tasks that face hon. Members, and the hon. Member for Canterbury has responded actively to the proposed reorganisation of health care for his constituents. Whatever happens in the House, the important debate will take place locally.

I am confident that every opportunity has been extended to local people to take part in local meetings and lobby Members of Parliament to ensure that, when the decisions are taken, nobody is in any doubt about the strength and balance of local feeling. We will ensure that the NHS executive continues to work closely with the NHS in east Kent to protect the interests of patients, to put them first and to build together, based on a true understanding of the issues that face the NHS locally.

We are determined to ensure that the result of the consultation is high-quality treatment offering high-quality care to the people in the district so that they have a health service fit for the 21st century. I know that local trusts and the health authority share that commitment. I assure the hon. Member for Canterbury that Ministers will do everything they can to ensure that interested parties work constructively together to find the best way forward that inspires local confidence.

The motion having been made after half-past Two o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at four minutes past Three o'clock.

Written Answers to Questions

Monday 9 March 1998

TREASURY

Inward Investment

Mr. Alan Campbell: To ask the Chancellor of the Exchequer if he will list the inward investment projects located in intermediate status areas for which his Department has permitted the higher development area job subsidy limit to apply and the dates on which the permission was given. [30977]

Mr. Geoffrey Robinson: HM Treasury has granted no such permission during the present Administration.

Income Tax

Mr. Evans: To ask the Chancellor of the Exchequer how many people are currently paying income tax at *(a)* the basic rate and *(b)* higher tax rates in each county of England and Wales. [29480]

Dawn Primarolo *[pursuant to her reply, 19 February 1998, c. 794–95]:* The table shows estimates of the number and percentage of basic and higher rate taxpayers by county in England and unitary authority in Wales in 1995/96, the latest year for which there is information.

	Number of basic rate taxpayers (thousands)	*Percentage of all taxpayers*[1]	*Number of higher rate taxpayers (thousands)*	*Percentage of all taxpayers*[1]
North East				
Cleveland	170	69.3	10	4.2
Durham	161	66.5	13	5.5
Northumberland	107	70.4	12	8.0
Tyne and Wear	309	71.7	22	5.1
North West and Merseyside				
Cheshire	310	67.6	39	8.5
Cumbria	177	71.1	14	5.8
Greater Manchester	735	72.2	58	5.7
Lancashire	416	69.6	29	4.9
Merseyside	361	67.0	29	5.4
Yorkshire and The Humber				
Humberside	275	68.6	23	5.7
North Yorkshire	244	66.9	31	8.5
South Yorkshire	367	71.3	21	4.1
West Yorkshire	613	70.5	51	5.9
East Midlands				
Derbyshire	308	71.9	21	5.0
Leicestershire	306	69.9	33	7.5
Lincolnshire	199	70.1	13	4.5
Northamptonshire	204	70.2	24	8.2
Nottinghamshire	298	68.5	26	6.0
West Midlands				
Hereford and Worcester	255	69.2	30	8.2
Shropshire	151	68.6	17	7.8
Staffordshire	354	73.3	34	7.0
Warwickshire	157	68.5	20	8.7
West Midlands	755	72.1	58	5.6
Eastern				
Bedfordshire	194	74.1	19	7.3
Cambridgeshire	232	71.9	29	9.1
Essex	480	68.1	79	11.2
Hertfordshire	335	65.9	77	15.2
Norfolk	239	70.1	23	6.7
Suffolk	159	72.5	18	8.4
London	2,100	69.9	374	12.4
South East				
Berkshire	260	67.0	58	15.0
Buckinghamshire	259	68.7	52	13.8
East Sussex	207	61.8	28	8.4
Hampshire	551	69.5	83	10.5
Isle of Wight	44	72.7	[2]—	[2]—
Kent	501	68.2	60	8.2
Oxfordshire	203	67.2	37	12.3

	Number of basic rate taxpayers (thousands)	Percentage of all taxpayers[1]	Number of higher rate taxpayers (thousands)	Percentage of all taxpayers[1]
Surrey	341	62.5	95	17.4
West Sussex	210	69.5	34	11.3
South West				
Avon	315	68.5	34	7.3
Cornwall	129	68.7	13	6.8
Devon	328	74.3	25	5.8
Dorset	204	65.5	23	7.5
Gloucestershire	185	67.0	19	6.9
Somerset	154	66.7	13	5.5
Wiltshire	201	70.1	23	8.2
Wales				
Aberconwy and Colwyn UA	27	50.6	2	3.8
Anglesey UA	[2]—	[2]—	[2]—	[2]—
Blaenau Gwent UA	[2]—	[2]—	[2]—	[2]—
Bridgend UA	58	79.0	[2]—	[2]—
Caernarfonshire and Merionethshire UA	31	71.8	[2]—	[2]—
Caerphilly UA	39	69.6	[2]—	[2]—
Cardiff UA	72	66.3	11	10.2
Cardiganshire UA	14	65.1	[2]—	[2]—
Carmarthenshire UA	48	66.8	4	5.2
Denbighshire UA	19	62.2	[2]—	[2]—
Flintshire UA	55	73.3	5	6.3
Merthryr Tydfil UA	[2]—	[2]—	[2]—	[2]—
Monmouthshire UA	26	66.8	3	8.9
Neath and Port Talbot UA	35	73.9	[2]—	[2]—
Newport UA	47	74.4	[2]—	[2]—
Pembrokeshire UA	31	72.5	[2]—	[2]—
Powys UA	46	71.8	1	2.0
Rhondda, Cynon, Taff UA	59	67.0	[2]—	[2]—
Swansea UA	44	65.3	5	7.2
Torfaen UA	27	68.6	[2]—	[2]—
Vale of Glamorgan UA	31	69.6	5	11.0
Wrexham	40	69.0	1	2.2

[1] All taxpayers includes people liable to tax at the lower rate as well as basic and higher rate.
[2] Sample size too low to make reasonable estimate.

AGRICULTURE, FISHERIES AND FOOD

BSE

Judy Mallaber: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the progress of the BSE Inquiry. [33694]

Dr. John Cunningham: The BSE Inquiry, chaired by Lord Justice Phillips, started its public hearings today. After having considered the volume of material to be assessed and the complexity of the issues under review, the Inquiry has requested an additional six months in which to complete its work. The Government have agreed, and set a revised date for delivery of the Inquiry's report of 30 June 1999.

Pigs

Ms Shipley: To ask the Minister of Agriculture, Fisheries and Food what steps he plans to take to ensure farmers provide indoor-housed pigs with at least the space allowances recommended by the European Commission's Scientific Veterinary Committee in its 1997 report on the welfare of intensively kept pigs; and if he will make a statement. [32626]

Mr. Morley: The EU Scientific Veterinary Committee report is the first stage of the review of Directive 91/630 on the welfare of pigs. We are now awaiting the Commission's proposals, based on the Committee's advice, on how the Directive should be revised. The Committee's recommendations on space allowances, and any Commission proposals, will need careful study and discussion with other Member States, before decisions are taken. We remain committed to working with the industry to improve the welfare of pigs.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Marine Pollution

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to limit damage to the marine environment from hormone-disrupting chemicals. [31924]

Mr. Meacher *[holding answer 2 March 1998]:* The scientific evidence surrounding effects linked to hormone

disruption and the possible role of exposure to man-made chemicals in the environment is far from certain. We and other Government Departments are putting in place a coordinated research programme to address the uncertainties which will also address the marine environment.

At present the best example of chemical mediated hormone disruption is the masculinisation of female molluscs resulting in their inability to reproduce caused by exposure to tributyl tin (TBT). The Government have banned the use of TBT in fish farms and on vessels under 25 metres in length. Further international controls of use on larger vessels are being developed through the framework of the International Maritime Organisation. The need for controls on other chemicals currently suspected of hormone disruption will be pursued should research demonstrate that these are justified.

The Oslo and Paris Commissions have been developing an Objective and Strategy on Hazardous Substances which will identify priority hazardous substances in the marine environment for subsequent risk reduction programmes and measures. The UK is actively supporting the prioritisation of hormone disrupting chemicals in this exercise.

Empty Properties

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on trends in the number of empty *(a)* local authority homes, *(b)* private homes, *(c)* Government properties containing residential accommodation and *(d)* flats above shops in each of the last 12 years. [32319]

Mr. Raynsford *[holding answer 3 March 1998]:* Estimates of the numbers of vacant dwellings in England on 1 April are given in the table. No data are collected centrally on vacant flats over shops.

We will continue to encourage local housing authorities to develop effective empty property strategies to help make the best use of existing housing stock across all tenures.

	Local authority[1]	*Other public sector*[2]	*Registered Social Landlords*[3]	*Private Sector*[4]
1986	113	n/a	26	552
1987	112	n/a	24	570
1988	103	n/a	24	580
1989	101	21	22	589
1990	99	17	20	587
1991	83	15	16	638
1992	74	14	16	706
1993	71	16	[5]17	765
1994	70	17	21	737
1995	72	20	21	690
1996	80	20	24	667
1997	81	19	27	640

[1] Source: HIP1 returns from local authorities
[2] Mainly government departments and, since 1993 Housing Action Trusts. Sources: Government Departments and HIP1 returns.
[3] Source: Housing Corporation HAR 10/1 returns from housing associations and other Registered Social Landlords. The figures for 1986 to 1988 are for England and Wales.
[4] Source: HIP1 returns from local authorities. There are doubts, particularly for the earlier years, about the quality of some authorities' estimates of the number of private sector vacants; independent survey data suggest that the HIP1 figures may over-estimate total of these vacants.
[5] Excludes some 10,500 dwellings that were purchased as a result of measures to boost the housing market announced in the 1992 Autumn Statement.

Code of Practice (Conservation)

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will list the water companies that have not produced an annual report on the Code of Practice on Conservation, Access and Recreation; and what plans he has to ensure that all water companies produce such reports; [32846]

(2) what plans he has to consult non-governmental organisations on the review of the Code of Practice on Conservation, Access and Recreation; and when he plans to publish the revised code. [32847]

Angela Eagle: The following water companies have not yet submitted their Conservation, Access and Recreation reports for 1996–97:

Bournemouth and West Hampshire Water Plc
Cholderton and District Water Company
Essex and Suffolk Water Plc
Mid Southern Water Plc
Portsmouth Water Plc
South Staffordshire Water Plc
Yorkshire Water Plc

We are pursuing reports from those companies.

We propose to consult all interested bodies, including non-governmental organisations, on a draft revision of the Code of Practice, with a view to publishing a revised Code later in the year.

Core Regeneration Programme

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the total amount spent on core regeneration programme funding in each of the last five years and planned spending in the next three financial years. [32845]

Angela Eagle: The table details the amount spent on regeneration programmes in the period 1992–93 to 1996–97, forecast spend in 1997–98 and planned spend in 1998–99. Figures for 1999–2000 and 2000–01 will be agreed at the conclusion of the Comprehensive Spending Review.

Regeneration expenditure 1992–93 to 1998–99

£ million

	1992–93 Outturn	*1993–94 Outturn*	*1994–95 Outturn*	*1995–96 Outturn*	*1996–97 Outturn*	*1997–98 Forecast*	*1998–99 Planned*
Single Regeneration Budget:							
Challenge Fund	—	—	—	136.4	277.5	479.3	566.8
English Partnerships[1]	153.3	164.9	191.7	211.1	224.0	260.3	298.4
Residual SRB	1,431.4	1,472.9	1,266.5	1,008.1	834.5	628.8	247.9
Commission for the New Towns	−168.9	−200.2	−135.3	−125.0	−100.0	−105.0	−103.1
European Regional Development Fund[2]	26.9	147.1	159.4	112.8	159.1	226.8	231.5
Other Regeneration	18.3	37.2	41.5	10.5	9.1	8.5	10.2
Total	1,461.0	1,621.9	1,523.8	1,353.9	1,404.2	1,498.7	1,251.7

[1] and predecessors.
[2] The figures quoted relate to DOE expenditure for 1992–93 to 1995–96 and DETR expenditure for 1996–97 to 1998–99.

A419/A417

Mr. Clifton-Brown: To ask the Secretary of State for the Environment, Transport and the Regions (1) what performance indicators were included in the DBFO contract in relation to the new A419/A417 road scheme regarding the quality of the concrete road surface; at what stages and to what extent these performance indicators were monitored during the laying of the concrete; and if all the performance indicators were successfully achieved by the contractor before final payment was made; [32970]

(2) what was the precise specification of the DBFO contract in relation to the new A419/A417 road scheme regarding the smoothness of the concrete surface of the road; how this was specified in relation to the noise generated; and if the surface which has been provided meets that specification; [32969]

(3) how many representations his Department and Highways Agency have received regarding noise generated by the new A419/A417 road scheme; and what further noise abatement measures are proposed; [32968]

(4) what was his Department's advice regarding road surfaces and noise to the Public Inquiry Inspector on the new A419/A417 road scheme; and in what respects that advice differed from the departmental standard for a normal public procurement process for a new road. [32971]

Ms Glenda Jackson: I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to write to the hon. Member.

Letter from Lawrie Haynes to Mr. Geoffrey Clifton-Brown, dated 9 March 1998:

The Transport Minister, Glenda Jackson, has asked me to reply to your recent Parliamentary Questions about the new A419/A417 road scheme.

Over 70 representations have been received about noise from the new road. The DBFO Company have agreed to extend the mounding at the Basin overbridge, with the agreement of a local landowner, and we have agreed to upgrade 200 metres of anti-dazzle fencing at Latton to a 2 metre high noise fence.

The road surface specification of the DBFO contract is listed in the Construction Requirements as "Specification for Highways Works" (SHW) published by HMSO in August 1993. This is the specification normally used for Trunk Roads in England, Scotland, Wales and Northern Ireland. The specific clauses in relation to this scheme about the smoothness of the concrete surface of the road as 1026, 1029 and 1031. Copies of which have already been placed in the House of Commons Library.

The Specification does not relate smoothness of concrete finish to the noise generated.

The Construction Certificates issued by the DBFO Co, and signed by the Contractor and Designer, certify that the pavement satisfies the Construction Requirements.

The performance indicators included in the DBFO Contract regarding the quality of the concrete road surface are included in the Specification and include the clauses mentioned earlier.

The monitoring of these performance indicators is specified in Appendix 1/5 of the Specification. The Construction Certificates issued by the DBFO Co, and signed by the Contractor and Designer, certify that the pavement provided has been tested in all respects so as to satisfy the Construction Requirements.

The advice given to the Inspector, and to the general public, at the respective Public Inquiries was that the future contractor would be able to choose the road surfacing material from the alternatives allowed within the Specification for Highway Works.

The choice is the same as usually allowed under normal procurement procedures.

Train Drivers

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions how many train drivers are currently diagnosed as suffering from post-traumatic stress syndrome. [32843]

Ms Glenda Jackson: There is no requirement for this to be reported to the Health and Safety Executive (HSE) under current reporting requirements.

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions what measures are in place to rehabilitate train drivers who suffer psychological damage as a result of being involved in fatalities on railways. [32844]

Ms Glenda Jackson: The Health and Safety Executive (HSE) does not keep records of what measures are in place to rehabilitate train drivers who suffer psychological damage as a result of being involved in fatalities on the railway. However, it is known that some train operating companies offer the services of professional counsellors and medical support to those drivers following involvement in a fatality on the railway.

Mrs. Curtis-Thomas: To ask the Secretary of State for the Environment, Transport and the Regions how many train drivers are currently suspended from duty as a consequence of the Driver at Risk Register. [32842]

Ms Glenda Jackson: This is a matter for the individual train operating companies and no central records are kept. Drivers placed on these Registers are not suspended from

duty. They may either be put on alternative work or drive trains under specific restrictions in order to ensure both their safety and that of the travelling public.

Boundary Hedges

Helen Jackson: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will publish regulations regarding the maximum height for boundary fences, walls or hedges between gardens; [33147]

(2) if he will ensure that leylandii hedging is restricted to six feet in height when used to separate small gardens. [33148]

Angela Eagle: There are no current regulations to control the height of leylandii or other hedges between gardens. However, under the Town and Country Planning (General Permitted Development) Order 1995, a planning application is required to erect a boundary fence or wall over one metre high next to a highway used by vehicles or over two metres elsewhere.

I am still considering whether any form of Government intervention is necessary to help resolve the problems people encounter with high hedges.

Environment Agency (Register of Masons)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that the Register of Masons being compiled by the Environment Agency is made available for public scrutiny. [33023]

Angela Eagle *[holding answer 6 March 1998]:* The Environment Agency has asked members of its Board, chairmen of its statutory committees and all its staff to inform the Agency is they are members of the Freemasons or other secret societies. Declarations by Board members and statutory committee chairmen will be entered on the register of their interests, which is open to public inspection. Declarations by staff will inform the Agency's Board and senior management, and will be taken into account by them where appropriate. The Agency does not intend to make staff declarations public. It will make information publicly available in April 1998 on the number of staff, Board members and statutory committee chairmen who have declared that they are Freemasons.

Green Belt

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the guidance in PPG2 (Revised) in respect of the circumstances in which the development of land entirely enclosed by buildings can be regarded as inappropriate in the context of its impact on the Green Belt. [33263]

Mr. Raynsford: *[holding answer 6 March 1998]:* Planning Policy Guidance note 2 sets out the types of development which are not inappropriate in Green Belts. There remains a general presumption against inappropriate development which is harmful to the purpose of the Green Belt. The fact that land is entirely surrounded by buildings does not mean that development on that land is appropriate, or that it will have no impact on the Green Belt. Application of the guidance in PPG2 is a matter for local planning authorities taking account of the individual circumstances of each case.

Vehicle Licence Duty

Mr. Blizzard: To ask the Secretary of State for the Environment, Transport and the Regions what was the total income to the Treasury from vehicle licence duty in each of the last three years. [33346]

Ms Glenda Jackson: Total Income to the Treasury from vehicle excise duty (net of refunds) in the last three complete years was as follows:

Year	*£*	*Rounded (£m)*
1994–95	3,805,889,208	3,806
1995–96	4,043,599,430	4,044
1996–97	4,217,507,503	4,218

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33553]

Angela Eagle: All the Department's executive non-departmental public bodies (NDPBs) and nationalised industries publish annual reports and accounts. All but three of these bodies were established by means of primary legislation, and for all those bodies, the legislation lays a requirement on the Secretary of State, rather than the body itself, to lay the annual reports before Parliament. The relevant bodies are:

Executive NDPBs

Audit Commission for Local Authorities in England and Wales
Commission for the New Towns
Countryside Commission
English Nature (Nature Conservancy Council for England)
English Partnerships (Urban Regeneration Agency)
Environment Agency
General Lighthouse Authorities:
- Northern Lighthouse Board
- Trinity House

Health and Safety Commission
Health and Safety Executive
Housing Action Trusts:
- Castle Vale, Birmingham
- Liverpool
- North Hull
- Stonebridge, Brent
- Tower Hamlets
- Waltham Forest

Housing Corporation
Joint Nature Conservation Committee
Local Government Commission for England
Local Government Residuary Body (England)
London Pensions Fund Authority
London Regional Passengers' Committee
Rural Development Commission
Traffic Director for London
Urban Development Corporations:

Birmingham Heartlands
Black Country
London Docklands
Merseyside
Plymouth
Trafford Park
Teesside
Tyne and Wear

Nationalised Industries

British Rail
British Waterways Board
Civil Aviation Authority
London Transport

Civil Servants

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33065]

(2) if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector; [33066]

(3) if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33067]

Angela Eagle: The Department does not record this information centrally and it could be obtained only at disproportionate cost.

Railway Industry

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 2 February 1998, *Official Report*, column *454*, if he will make it his policy to take an equity stake in the railway industry equivalent in value to the amount of subsidy planned for the next three years. [33497]

Ms Glenda Jackson: We have no plans to make this our policy. As I made clear in my earlier answer renationalisation of the railways would be extremely costly and cannot be a priority given the other pressures on public expenditure. Our main task is to improve the railways as we found them, not as we would have wished them to be.

Building Regulations

Angela Smith: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to extend part M of the building regulations to new dwellings; and if he will make a statement. [33901]

Mr. Raynsford: Further to my answer on 11 June 1997, *Official Report*, column *472* to a similar question from the hon. Member for Sutton and Cheam (Mr. Burstow), I am pleased to announce that Part M of the Building Regulations, covering access and facilities for disabled people, is to be extended to include new dwellings. This decision has been taken following a thorough consideration of the responses to the consultation on the subject issued by the previous administration in January 1995 and discussion with the Joseph Rowntree Foundation and the House Builders Federation. The purpose of these proposed measures is to allow people to be able to invite disabled people to visit them in their own homes, and for home owners to be able to remain in their own homes longer as they become less mobile as they get older.

The benefits of these changes will be very considerable—more than 10 million people will benefit. In particular there will be direct benefits of increased convenience, accessibility and sociability for disabled people. The measures will also help significantly those people who are temporarily disabled through accident or injury, the elderly and those with young children in prams and pushchairs.

The extension of Part M is an important measure that complements this Government's commitment to implement the remaining duties as Part III of the Disability Discrimination Act. Part III will improve disabled people's access to goods and services and Part M will ensure better access to new domestic dwellings. This is, therefore, a key obligation for this Government, which is committed to social inclusion. It is better and more cost effective for new homes to be designed and built with proper facilities—as already happens with new public and commercial buildings—than to rely on later piecemeal adjustments.

The measures to be included in the approved document will cover:

- level entry to the principal, or a suitable alternative, entrance
- an entrance door wide enough to allow wheelchair access
- WC provision on the entrance or first habitable storey
- adequate circulation and wider doors within the entrance storey
- switches and socket outlets at appropriate heights from floor level
- level or gently sloping approach from the car parking space to the dwelling, or where this is not possible, easy-going steps, but not a stepped ramp
- where a lift is to be provided in flats, minimum lift capacity and dimensions will be recommended
- where a lift is not provided the common stairs to be designed to suit the needs of the ambulant disabled.

These measures reflect those set out in the original consultation paper, although it is not proposed to make provision for a 300 mm offset inside, and next to the entrance door.

Amendment Regulations will be laid later this year which will extend Part M of the Building Regulations to cover new dwellings. A new Approved Document will be

prepared in readiness for publication at the same time which will set out ways in which the requirements of the Regulations can be met, and will suggest circumstances where certain of the measures may not be appropriate.

To allow adequate time for guidance to be developed in support of the proposals, and in particular that for level thresholds, and also to allow time for building workers to become trained in the new techniques that will be necessary, it is proposed the Amendment Regulations will come into force one year after they are laid.

If, however, those building new dwellings in the intervening period were to incorporate the proposed measures voluntarily it would greatly benefit the stock of accessible housing.

Regional Airports

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions if he will place in the Library all responses to his Department's consultation on international access to regional airports. [30310]

Ms Glenda Jackson *[pursuant to the reply, 27 February 1998, c. 400]:* Following representations from regional airports, the Department has written to airlines and organisations who either operate to, or in the case of airports have regular services, to international destinations beyond the European Economic Area, seeking views on the liberalisation of access to regional airports. In conducting this exercise the Department made it clear to those airlines and organisations consulted that their responses would be treated on a commercially confidential basis. To place those responses in the House Library would breach that undertaking.

Mr. Stringer: To ask the Secretary of State for the Environment, Transport and the Regions if he will place in the Library a list of *(a)* airlines and *(b)* other organisations which have been consulted by his Department for their views on international access to regional airports. [30309]

Ms Glenda Jackson *[pursuant to the reply, 27 February 1998, c. 400–01]:* The following airlines and organisations were included in the consultation exercise, on the basis that they either operated to, or in the case of airports had regular services to, international destinations beyond the European Economic Area:

Airtours International Limited
Air 2000 Limited
Air UK Limited (now KLM uk)
Birmingham International Airport Limited
Britannia Airways Limited
British Airports Authority plc
British Airways plc
British Mediterranean Airways Limited
British Midland Airways Limited
Caledonian Airways Limited
Civil Aviation Authority
Easyjet Limited
GB Airways Limited
Manchester Airport plc
Monarch Airlines Limited
Prestwick Airport
Virgin Atlantic Airways Limited

The consultation letter was passed, at the Department's request, by Manchester Airport to the Airport Operators Association.

HOME DEPARTMENT

Civil Servants

Mr. Jenkins: To ask the Secretary of State for the Home Department if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector. [33081]

Mr. Straw: This information is not collected or recorded centrally in the Home Office and could be obtained only at disproportionate cost.

Mr. Jenkins: To ask the Secretary of State for the Home Department if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33080]

Mr. Straw: Figures for the non-Prison Service Home Office are given in the table. The information requested could be provided for the Prison Service only at disproportionate cost.

Grade	*Number who attended university[1] (a)*	*Percentage who attended university (a)*	*Number who attended Oxford or Cambridge (b)*	*Percentage who attended Oxford or Cambridge (b)*
Senior Civil Service (SCS)[2]	80	55.9	40	28
SCS and equivalent grades[3]	82	55	40	27
Grade 6	42	51.2	8	9.6
Grade 6 and equivalent grades[3]	53	54.6	13	13.4
Grade 7	192	48.5	42	10.6
Grade 7 and equivalent grades[3]	262	50.4	44	8.5
Senior Executive Officer (SEO)	80	25.6	6	1.9
SEO and equivalent grades[3]	233	34.8	20	3
Higher Executive Officer (HEO)	232	26.3	15	1.6
HEO and equivalent grades[3]	542	31.4	41	2.3

[1] The definition of university is that used in Cabinet Office Mandate statistics and excludes Colleges of Advanced Technology, Polytechnics, Further Education Colleges, Colleges of Education and Professional Institutions.
[2] Data on 8 members of the SCS is unavailable as it has not yet been placed on the Personnel Information Manpower Management System.
[3] Including specialists and other grades held to be equivalent to the core administrative grades.

Mr. Jenkins: To ask the Secretary of State for the Home Department if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33082]

Mr. Straw: The available information for the non-Prison Service Home Office is given in the table. The information requested could be provided for the Prison Service only at disproportionate cost.

Information on the nature of recruits' previous employment is not recorded centrally in the Home Office and could be provided only at disproportionate cost. Since all recruitment into the Home Civil Service is governed by the Civil Service Commissioners' Recruitment Code, information about recruits who were previously employed in the private sector will be included within the figures given.

Year[1]/Mode of Entry	*Number who attended Oxford or Cambridge University*	*Percentage who attended Oxford or Cambridge University*
1998		
(a) Regular[2]	2	1.5
(b) Fast Stream[3,4]	0	0
1997		
(a) Regular[2]	5	1.4
(b) Fast Stream[3]	4	40
1996		
(a) Regular[2]	12	0.8
(b) Fast Stream[3]	4	40
1995		
(a) Regular[2]	11	0.9
(b) Fast Stream[3]	5	50
1994		
(a) Regular[2]	8	1.1
(b) Fast Stream[3]	10	62.5

[1] Years shown are calendar years. Thus 1998 covers 01/01/98–06/03/98

[2] Individuals who did not join the Home Office as, nor have since become, fast stream staff.

[3] Individuals who did join the Home Office as, or have since become, fast stream staff.

[4] The majority of fast stream recruitment will take place later in the calendar year.

Millennium Compliance

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department what is his assessment, based on the most recent information from the Association of Chief Police Officers, of *(a)* the cost and *(b)* the timetable for all police forces in England and Wales achieving millennium compliance. [32304]

Mr. Michael *[holding answer 3 March 1998]:* It is the responsibility of each police force to ensure that its information technology (IT) systems are Year 2000 compliant. In addressing the problem, forces are being assisted by the Police Information Technology Organisation (PITO), which issued guidance to all forces in May last year. The guidance was augmented by PITO-sponsored conferences for police IT managers in May and November 1997.

Information about the cost to forces of achieving compliance is not held centrally by either the Home Office or the Association of Chief Police Officers (ACPO). All forces are actively working to achieve compliance by the millennium. Progress is regularly reviewed by ACPO and by Her Majesty's Inspectorate of Constabulary as part of its regular inspections.

Public Appointments

Mrs. Lait: To ask the Secretary of State for the Home Department how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33253]

Mr. Straw: The information requested is not held centrally within the Department, and could be assembled and collated only at disproportionate cost. Candidates for public appointments may come from a number of sources, including the Public Appointments Unit (PAU), but the fact that a person may be on the PAU list does not mean that he or she might not separately apply for an appointment, for example in response to an advertisement for a specific appointment.

Prison Places

Helen Jones: To ask the Secretary of State for the Home Department, pursuant to his oral statement of 30 July 1997, *Official Report*, column 341–44, on criminal justice, what estimate he has made of the likely change in the number of prison places required in England and Wales over the next 10 years. [32863]

Ms Quin *[holding answer 5 March 1998]:* The latest estimate of the likely change in the number of prison places required in England and Wales over the next eight years is provided in the Home Office Statistical Bulletin "Revised Projections of Long Term Trends in the Prison Population to 2005" published on 29 January 1998. Projections are not currently available beyond this eight year period.

The Bulletin estimates that the prison population will increase from the current level of around 65,000 to an average of 82,800 by 2005. This will require the Prison Service to increase capacity to hold an additional 17,800 prisoners. In addition, alternative scenarios in the projection estimate a population for 2005 of between 64,400 and 92,600.

The projections do not take into account the provisions contained in the Crime and Disorder Bill, such as home detention curfew, or the effect of the extension of electronic monitoring on a national basis.

Voluntary Sector

Mrs. Virginia Bottomley: To ask the Secretary of State for the Home Department what plans he has to follow up the recommendations of the Diaxone Commission Report on the future of the voluntary sector; and if there have been changes in the Government's policy on the matters in the report since publication of the Government's response in "Raising the Voltage". [32878]

Mr. Michael: Working with the voluntary sector is a high priority for this Government. We have studied the findings of the Deakin Commission on the Future of the Voluntary Sector in England and consider its Report is a valuable contribution to debate about the relationship between Government and the voluntary and community sector. We agree with many of its conclusions.

We are taking a number of steps to develop this relationship. Our main vehicle for this relationship will be a Compact between Government and the voluntary sector on which we are currently collaborating with principles which should govern the relationship, and progress is being made through a Working Party of Ministers which has also considered progress towards Compact arrangements in Scotland, Wales and Northern Ireland. In the longer term, the Government will monitor the Compact, and relations in general, through a Taskforce of Ministers chaired by my right hon. Friend.

Political Parties (Funding)

Angela Smith: To ask the Secretary of State for the Home Department what evidence the Government have submitted to the inquiry on the funding of political parties by the Committee on Standards in Public Life. [33903]

Mr. Straw: We have submitted a memorandum on the funding of political parties, by way of background evidence, to the Committee chaired by the Lord Neill of Bladen QC. Copies have been placed in the Library.

European Parliament

Angela Smith: To ask the Secretary of State for the Home Department if he will make a statement on the electoral system for elections to the European Parliament. [33900]

Mr. Straw: It is fundamentally important that any voting system is appropriate to the nature and functions of the body which is being elected. On Second Reading of the European Parliamentary Elections Bill on 25 November 1997, *Official Report*, column 803, I stated that the Government believed the regional list system set out in the Bill to be the most appropriate system for elections to the European Parliament in Great Britain. Under such a system, an elector may cast his vote in one of two ways—for a party list or for an independent candidate. However, having received separate representations from the Liberal Democrats and Charter 88, I undertook to listen to the arguments for adopting a system similar to that which operates in Belgium, whereby an elector may cast his vote in one of three ways—for a party list, for an individual candidate on a party list or for an independent candidate.

I have studied the matter very carefully. As part of the consideration process, I commissioned a study of voter opinion by National Opinion Polls, the results of which have been placed in the Library.

I have concluded that there is no advantage in adopting in Great Britain a system of the kind used in Belgium.

The type of system which is in use in Belgium has some superficial attractions. An elector may express a preference for a particular candidate, rather than simply endorsing all the candidates on a party's list. However, the system suffers from a fundamental and incurable weakness, in that voters' preferences for individual candidates are not necessarily translated into electoral success.

I am placing in the Library some numerical examples to illustrate how the system works in practice. These indicate that even where votes for individual candidates amount to as much as 40 per cent. of a party's total vote, those candidates receiving the fewest individual votes can be elected while those receiving the most are not. I believe that such an outcome could lead to substantial disillusionment among the electorate following an election.

The overwhelming majority of citizens in the European Union elect their Members of the European Parliament using a system of the kind for which the Bill currently provides. This seems to me to be the most suitable one to use in a situation where (as the National Opinion Poll study demonstrated) most people vote for parties rather than individuals.

The Government are committed to fulfilling their manifesto promise to put in place a proportional voting system for elections to the European Parliament. I remain convinced that the simple regional list system in the European Parliamentary Elections Bill is the most appropriate way of delivering that commitment.

ATTORNEY-GENERAL

Civil Servants

Mr. Jenkins: To ask the Attorney-General if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33097]

The Attorney-General: The full information requested is not readily available and could be provided only at disproportionate cost. However, in the case of lawyers in my office, the Treasury Solicitor's Department and the Serious Fraud Office who have in the last 5 years joined the Government Legal Service, I am advised that in 40 cases (32%) Oxford or Cambridge Universities have been attended and that in 85 cases another university or polytechnic has been attended.

For the same reason it is not possible to provide the further figures requested but I am advised that the great majority of new recruits come from outside the Civil Service and are selected through regular Civil Service procedures.

Mr. Jenkins: To ask the Attorney-General if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector. [33096]

The Attorney-General: Figures in relation to my Departments are not readily available and the information could be obtained only at disproportionate cost.

Mr. Jenkins: To ask the Attorney-General if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher

executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33095]

The Attorney-General: The information provided below relates only to lawyers in my own office, the Treasury Solicitor's Department and the Serious Fraud Office. I am advised that there are 237 such lawyers and that the information held in respect of them shows that between them they have completed 280 courses at various universities and polytechnics; some having attended more than one institution. In 89 cases (32%) the institution attended was Oxford or Cambridge University.

Figures in relation to other staff (at HEO level and above) and figures in relation to the Crown Prosecution Service could be provided only at disproportionate cost.

PRIME MINISTER

Ministerial Accommodation

Mr. Forth: To ask the Prime Minister (1) if he will list the Government Ministers currently occupying publicly owned accommodation, giving the *(a)* precedents, *(b)* rationale for such use and *(c)* total annual cost in each case; [24478]

(2) when he expects to reply to the question from the right hon. Member for Bromley and Chislehurst of 16 January 1998 (reference 24478) relating to Government Ministers occupying publicly owned accommodation. [33347]

Mr. Duncan: To ask the Prime Minister if he will list the living accommodation provided out of public funds to members of the Government; and to whom it has been granted. [26791]

Dr. Lynne Jones: To ask the Prime Minister if he will list those Ministers provided with official residential accommodation in London. [27320]

The Prime Minister: Official residences are assigned to Ministers either on grounds of security or in order to allow them to perform better their official duties.

No 10 and No 11 Downing Street have traditionally been the residences of the Prime Minister and Chancellor of the Exchequer.

Carlton Gardens has traditionally been the residence of the Foreign Secretary. The Secretary of State for Northern Ireland has also traditionally been provided a flat at Hillsborough.

Other Northern Ireland Ministers have the use of Government accommodation while on duty in Northern Ireland. These costs are not separately identifiable.

Admiralty House and the Government house in Pimlico have in the past been assigned to a wide variety of Ministers including the President of the Board of Trade, the Attorney-General, the Chancellor of the Duchy of Lancaster, the Lord President of the Council, the Chief Whip, the Lord Privy Seal, the Secretary of State for the Environment, Transport and the Regions, the Paymaster General, the Minister without Portfolio, the Minister for Overseas Development, the Secretary of State for Defence, the Home Secretary and the Secretary of State for Northern Ireland. Accommodation is currently occupied by the Deputy Prime Minister, the President of the Board of Trade, the Secretary of State for Defence and the Secretary of State for Northern Ireland.

In addition the Prime Minister, the Chancellor of the Exchequer, the Foreign Secretary and the Secretary of State for Scotland also have the use of Chequers, Dorneywood, Chevening and Bute House, although none of these is owned by the Government.

The Lord Chancellor has an official residence in the House of Lords which is provided in his capacity as Speaker of the House of Lords. The running costs are met by the House of Lords authorities and do not fall to Government.

The total cost to Government this year of maintaining and refurbishing all Ministerial residences is estimated at £1.1m compared with expenditure last year of £1.2m.

Millennium

Mr. Mitchell: To ask the Prime Minister on what basis he stated that Greenwich is the place where the millennium begins. [31845]

The Prime Minister: Greenwich is known internationally as the home of time and is the site of the zero of longitude which passes through the Millennium Experience site. The universal day starts at midnight at zero longitude and therefore the year 2000 will start at this point for all the world at midnight on 31 December 1999.

Student Loans

Mr. Willis: To ask the Prime Minister, pursuant to his oral answer to the right hon. Member for Richmond, Yorks (Mr. Hague) of 4 March 1998, *Official Report*, column 1049, on what basis he stated that Lord Dearing recommended that students should commence the repayment of loans when their incomes reached £5,000. [33485]

The Prime Minister: The National Committee of Inquiry into Higher Education costed a number of options, including their preferred option, on the basis that repayment of student loans would commence once a borrower's income reached £5,000 per annum.

US Visiting Forces

Mr. Baker: To ask the Prime Minister what discussions he has had with President Clinton concerning the presence of United States visiting forces in the United Kingdom; and if he will make a statement. [33569]

The Prime Minister: I have had no such discussions. However, my right hon. Friend the Secretary of State for Defence and his Department conduct regular discussions with the US authorities on a wide range of issues and I am kept appropriately informed.

LORD CHANCELLOR'S DEPARTMENT

Civil Servants

Mr. Jenkins: To ask the Parliamentary Secretary, Lord Chancellor's Department (1) if he will estimate the

number of civil servants in his Department, at each grade, who received their schooling in the independent school sector; [33093]

(2) if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33092]

Mr. Hoon: My Department does not hold this information.

Mr. Jenkins: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33094]

Mr. Hoon: *(a)* My Department does not hold this information. *(b)* The number of staff joining the Department through the fast stream each year is so small that to give this information would allow personal information regarding individuals to be identified. *(c)* My Department does not hold this information.

Courts (Shrewsbury)

Mr. Paul Marsden: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will undertake a feasibility study into constructing a new county court building adjacent to the Shrewsbury Crown and Magistrates Courts. [32411]

Mr. Hoon: There are no plans to undertake a feasibility study into building a new county court in Shrewsbury. For a number of years the cost of construction has prevented us from building purpose-built county courts. Instead the Department has investigated alternative methods of meeting our requirements, dependent on the availability of local accommodation.

Mr. Paul Marsden: To ask the Parliamentary Secretary, Lord Chancellor's Department what estimate he has made of the level of unused capacity at Shrewsbury County Court. [32412]

Mr. Hoon: The two judge's chambers are unused for 50 per cent. of the available time. No Circuit Judge sits at the court, but the one courtroom is used occasionally by district judges.

Human Rights (Legal Aid)

Mr. Denzil Davies: To ask the Parliamentary Secretary, Lord Chancellor's Department what estimate he has made of the cost in a full year of providing legal aid for those who take action under the provisions of the Human Rights Bill [*Lords*]. [32404]

Mr. Hoon: The Government's policy is to promote compliance by public authorities with the terms of the European Convention on Human Rights. My Department is still considering the lessons to be learned from international experiences of implementation of human rights legislation, and is consulting with other Government Departments, judges, the professions and practitioners on the practical arrangements for implementation. The aim is to manage implementation effectively, including ensuring that the judiciary and practitioners can handle human rights issues appropriately where they arise, in order to keep to a minimum any increase in court workload and legal aid costs.

Lord Chancellor's Residence

Ms Roseanna Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the number of applications he has received for official tours of the Lord Chancellor's official residence to date, and from whom they were received. [33498]

Mr. Hoon: 35 written requests to visit the Lord Chancellor's official residence had been received by 6 March 1998 by the Lord Chancellor or his officials. Of these, 18 are requests by members of the public, 5 are requests from Members of Parliament on behalf of constituents and 12 are requests from societies or groups with an interest in art and architecture.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33551]

Mr. Hoon: The bodies for which the Lord Chancellor's Department is responsible and which are required by legislation to lay a report before Parliament are listed:

The Council on Tribunals

The Court Service

Her Majesty's Chief Inspector of the Magistrate's Courts Service

Her Majesty's Land Registry

The Law Commission

The Legal Aid Board

The Legal Services Ombudsman

The Lord Chancellor's Advisory Committee on Legal Education and Conduct

The Lord Chancellor's Legal Aid Advisory Committee (Northern Ireland)

The Public Record Office.

CULTURE, MEDIA AND SPORT

Piers

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport how many piers in the North West of England have been awarded heritage lottery funding *(a)* during the last 12 months and *(b)* since the inception of the National Lottery. [32889]

Mr. Banks: No seaside piers in the North West of England have been the subject of an award by the Heritage Lottery Fund during the last twelve months. Southport pier, which was awarded a grant of £34,000 on 5 February 1997, is so far the only pier in the North West to have received a grant from the Fund.

Tourism

Dr. Kumar: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the money allocated for tourism per head for *(a)* England and *(b)* the Northern Region for the years 1995 to 1998. [32260]

Mr. Tom Clarke: My Department supports tourism in England through grant-in-aid support to the English Tourist Board, which in turn allocates funding to the ten regional tourist boards. The money allocated for tourism per head for *(a)* England and *(b)* the Northern Region for the years 1995 to 1998 are as follows:

England

Financial year	*Population*	*Grant-in-Aid to the English Tourist Board (£)*	*£ per head of population*
1995/96	48,903,440	10,000,000	0.20
1996/97	49,089,085	10,000,000	0.20
1997/98	49,279,000	9,866,000	0.20
1998/99	49,440,000	9,732,000	0.20

Source:
Office for National Statistics, Government Actuary's Department and the English Tourist Board

Northern Region

Financial year	*Population*	*English Tourist Board grant to Cumbria and Northumbria Tourist Board (£)*	*£ per head of population*
1995/96	2,536,260	828,000	0.33
1996/97	2,533,374	505,840	0.20
1997/98	2,550,177	[1]—	—
1998/99	2,552,741	[1]—	—

[1] Figures not yet available
Source:
Office for National Statistics and English Tourist Board

These figures do not include funds allocated to tourism by local authorities in England, or the funds generated by the English Tourist Board and Cumbria and Northumbria tourist boards from the private sector.

Government Spending (National Lottery)

Mr. Gibb: To ask the Secretary of State for Culture, Media and Sport how many Government spending programmes to date have been, or have been proposed to be, funded by the National Lottery; and if he will list each programme. [32967]

Mr. Banks: None. The Government have made it clear that the money raised by the Lottery for good causes was, and is, intended to be additional to public expenditure.

INTERNATIONAL DEVELOPMENT

Export Licences

Mr. Faber: To ask the Secretary of State for International Development how many applications for export licences were circulated to her Department by the Export Control Organisation during each of the four week periods beginning (i) 3 May 1997, (ii) 31 May 1997, (iii) 28 June 1997, (iv) 26 July 1997, (v) 23 August 1997, (vi) 20 September 1997, (vii) 18 October 1997, (viii) 15 November 1997, (ix) 13 December 1997, (x) 10 January 1998 and (xi) 7 February 1998. [33372]

Clare Short: The number of Standard Individual Export Licence Applications circulated to the Department for International Development by the Export Control Organisation for the four weekly periods beginning 3 May 1997 and ending 6 March 1998 are as follows:

Date	*Number*
3 May 1997	[1]0
31 May 1997	[1]0
28 June 1997	[1]0
26 July 1997	[1]0
23 August 1997	24
20 September 1997	124
18 October 1997	155
15 November 1997	109
13 December 1997	88
10 January 1998	108
7 February 1998	[2]175

[1] DFID did not consider export licence applications prior to 11 September 1997
[2] Licences sent after Wednesday 4 March have not been included

Pakistan

Sir Alastair Goodlad: To ask the Secretary of State for International Development what requests for assistance her Department has received following the recent floods in the Baluchistan province of Pakistan; and if she will make a statement. [33458]

Clare Short: The Federal Government of Pakistan have indicated that the flood situation in Baluchistan province is now under control in terms of immediate relief and supplies, but search and rescue operations are continuing. We understand from the United Nations Office for the Co-ordination of Humanitarian Affairs that the Pakistan Government have no intention of launching an international appeal for assistance as it considers the provincial Government of Baluchistan fully able to cope. The British High Commission in Islamabad is continuing to monitor the situation.

Forestry

Mr. Soley: To ask the Secretary of State for International Development if she will make a statement on her Department's policy towards forestry projects. [33106]

Clare Short: The Department for International Development's (DFID) approach to forestry is to support work to improve management of forest resources in ways that lead to a range of benefits to poor communities. My Department's aim is to help people, in particular poor people, in developing countries gain long-term benefits from their trees, while also helping secure the global environmental benefits that forests offer. For the world's poor, trees and forests are vital for everyday survival.

DFID is presently working on over 150 projects with partners in 34 countries. DFID's approach towards forestry projects is explained in "*forests* MATTER", a

publication prepared by my Department last autumn. DFID-supported forestry projects are described in our publication "Forest Sector Projects, January 1998". Copies of both documents are being placed in the Libraries of the House.

Mr. Soley: To ask the Secretary of State for International Development what assistance her Department has given to the Indonesian government towards forestry programmes; and if she will take steps to offer assistance in respect of the recent fires in Borneo. [33107]

Clare Short: We currently support one forestry project in Indonesia which is helping develop a sustainable model of forest management which will give poor forest-dependent people greater influence, and will be seeking changes to the incentives that encourage forest to be converted to other uses. We are not involved with forests in Borneo and elsewhere in Indonesia, who are affected by the fires.

Phare and Tacis Programmes

Mr. Faber: To ask the Secretary of State for International Development if she will list those United Kingdom NGOs currently in receipt of funding under the Phare and Tacis Democracy Programmes, together with the projects concerned and the level of funding. [33303]

Clare Short: This information is not readily available. The European Commission's inventory of projects is organised on the basis of partner NGOs in Central, Southern and Eastern Europe and Central Asia, rather than on the basis of participating NGOs from European Union Member States.

Terrorism

Mr. Blunt: To ask the Secretary of State for International Development if she will make it her policy not to give development assistance to countries that sponsor terrorism. [33130]

Clare Short: This Government believe that political stability both within and between countries is a necessary pre-condition for the elimination of poverty. Helping governments and societies to build the will and the capacity to resolve disputes non-violently is a central part of our international policy.

Weapons of Mass Destruction

Mr. Blunt: To ask the Secretary of State for International Development if she will make it her policy not to give development assistance to countries developing a ballistic missile capability and weapons of mass destruction which are not signatories to the Non-Proliferation Treaty. [33129]

Clare Short: This Government urge all countries which have not yet done so to accede to the Nuclear Non-Proliferation Treaty. My Department takes account of a number of factors in deciding on aid allocations. A full, longer-term partnership will be established only with countries who are committed to the elimination of poverty and are pursuing appropriate economic, social, environmental and political policies. That includes partner countries not diverting limited resources into excessive military expenditure.

Civil Servants

Mr. Jenkins: To ask the Secretary of State for International Development (1) if she will estimate the number and percentage of civil servants in her Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33098]

(2) if she will estimate for each of the last five years, the number and percentage of new civil servants in her Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector; [33100]

(3) if she will estimate the number of civil servants in her Department, at each grade, who received their schooling in the independent school sector. [33099]

Clare Short: I regret that this information is not held centrally and could be collected only at disproportionate cost by a file by file search.

Zimbabwe

Mr. Faber: To ask the Secretary of State for International Development if she will list those meetings attended by her Department with other EU ministers or officials since 1 January at which Zimbabwe was discussed. [33395]

Clare Short: I spoke to Commissioner Pinheiro about Zimbabwe and other issues on 8 January. Officials of Department for International Development and the High Commission in Harare keep in close touch with other EU representatives on a range of projects and issues.

Mr. Faber: To ask the Secretary of State for International Development, pursuant to her answer of 2 February 1998, *Official Report*, column *471*, on Zimbabwe, if she will list those meetings between her Department and *(a)* the World Bank and *(b)* the IMF since 1 October at which Zimbabwe was discussed. [33398]

Clare Short: There are regular meetings of officials in Washington, concerning Zimbabwe and other countries. Most recently, these have included a meeting with Michael Camdessus of the IMF, who also called on me on 20 February, and with the World Bank Vice-President for Africa on 14 January. The President of World Bank also called on me on 20 February. Officials of the Department for International Development (DFID) and the High Commission in Harare also keep in touch with the IMF and World Bank local representatives, and on 22 January attended the debriefing for Heads of Mission by the IMF mission appraising a Stand By Arrangement.

Public Bodies Reports

Ms Roseanna Cunningham: To ask the Secretary of State for International Development if she will list the bodies within the responsibility of her Department currently required by legislation to lay a report before Parliament. [33560]

Clare Short: The following bodies within the responsibility of my Department are currently required by legislation to lay a report before Parliament:

The Commonwealth Development Corporation

The Commonwealth Scholarship Commission.

Intellectual Property Rights

Mr. Stunell: To ask the Secretary of State for International Development (1) if she will press for the Convention on Biological Diversity to safeguard intellectual property rights pending completion of the WTO agreement on trade-related intellectual property rights in 1999; [31989]

(2) what assessment she has made of the implications for biodiversity of the current Uruguay Round measures on agriculture and trade-related intellectual property rights; and if she will press for the Fourth Conference of the Parties on Biological Diversity to make a full evaluation of this matter. [31986]

Mr. Battle: I have been asked to reply.

In its provisions on technology transfer, the Convention on Biological Diversity specifically acknowledges the need for adequate and effective protection of intellectual property rights. The Convention also calls on parties to co-operate in ensuring that such rights are supportive of and do not run counter to the objectives of the Convention. My Department will continue to work in close collaboration with other departments to ensure that the United Kingdom plays an active and positive role in addressing the issues at the forthcoming Fourth Conference of Parties to the Convention as well as in other international negotiations.

NORTHERN IRELAND

Schools

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many pupils were enrolled in each of the *(a)* primary, *(b)* secondary and *(c)* grammar schools in the constituency of Strangford in each of the past three years. [31954]

Mr. Worthington: The information requested is as follows:

Strangford

Schools[1]	*1995–96*	*1996–97*	*1997–98*
Primary			
Abbey PS	590	603	598
Academy PS	315	329	325
Alexander Dickson PS	215	219	217
Andrews Memorial PS	522	522	517
Ballycloughan PS	81	84	79
Ballykeigle PS	59	53	57
Ballywalter PS	153	165	165
Braniel PS	417	418	432
Brooklands PS	668	683	675
Carrickmannon PS	82	80	80
Carrowdore PS	133	137	130
Carryduff PS	293	315	286
Castle Gardens PS	408	419	416
Comber PS	394	388	375
Darragh Cross PS	78	86	84
Derryboy PS	79	81	77
Dundonald PS	553	587	588
Greyabbey PS	70	69	73
Killinchy PS	243	240	217
Killyleagh PS	146	140	137
Kircubbin PS	68	79	79
Kirkistown PS	58	58	59
Londonderry PS	315	305	317
Loughries PS	89	83	83
Millisle PS	172	159	150
Moneyarea PS	136	143	141
Newtownards Model PS	388	400	404
O'Neill Memorial PS	41	43	36
Portaferry Integrated PS	54	48	60
Portavogie PS	132	133	136
Regent House Preparatory Department	165	161	159
St. Linian's PS	161	144	144
St. Joseph's PS	593	653	675
St. Mary's PS (Portaferry)	281	277	270
St. Mary's PS (Killyleagh)	150	137	133
St. Mary's PS (Saintfield)	62	66	67
St. Mary's PS (Ballygowan)	50	50	48
St. Mary's PS (Kircubbin)	224	211	222
St. Patrick's PS	104	112	110
Victoria PS (Newtownards)	553	572	568
Victoria PS (Ballyhalbert)	106	101	101
West Winds PS	181	179	196
Secondary			
Comber HS	422	416	452
Dundonald HS	625	609	645
Glastry HS	560	531	582
Lagan College	933	948	964
Movilla HS	834	858	888
Saintfield HS	314	326	339
Scrabo HS[2]	309	283	0
St. Columba's HS	348	345	324
Grammar			
Regent House	1,444	1,441	1,422

[1] Includes pupils in reception and nursery classes at primary schools. Also includes pupils in preparatory departments of grammar schools.
[2] Scrabo High School closed in June 1997.

Mr. MacKay: To ask the Secretary of State for Northern Ireland what is the estimated cost per pupil of creating new places in education board schools. [32561]

Mr. Worthington: Based on latest available construction costs, it is estimated that the cost of creating a new place in a primary school is approximately £4,220 and in a secondary school is approximately £7,640.

Mr. MacKay: To ask the Secretary of State for Northern Ireland what was the average cost to the public purse in 1996–97 per pupil, of *(a)* pupils in education board primary schools, *(b)* pupils in voluntary grammar schools and *(c)* pupils supported by the state in independent preparatory schools. [32562]

Mr. Worthington: The table details the average recurrent cost per pupil in 1996–97:

	£
Education Board Primary Schools	1,691
Voluntary Grammar Schools	2,329
Independent Preparatory Schools	nil

Mr. MacKay: To ask the Secretary of State for Northern Ireland how many pupils in 1997 were in independent preparatory schools and supported by public money. [32559]

Mr. Worthington: In 1997 there were 180 pupils in the only independent preparatory school in Northern Ireland. None was supported by public money.

Investors (Grants)

Dr. Ladyman: To ask the Secretary of State for Northern Ireland what grants other than regional selective assistance were made available to industrial and business investors in Northern Ireland in 1997. [32555]

Mr. Ingram: Apart from selective financial assistance, which is broadly equivalent to GB's regional selective assistance, support is made available to industry and business in Northern Ireland for training, for research and development and for tourism-related purposes.

Regional Selective Assistance

Dr. Ladyman: To ask the Secretary of State for Northern Ireland how many grants of regional selective assistance were made in Northern Ireland in 1997; how many were made at the maximum level; what was the average level; and how many jobs she estimates were created. [32554]

Mr. Ingram: The Industrial Development Board (IDB) made 91 offers of Selective Financial Assistance (SFA) with the potential of promoting 6,005 new jobs and safeguarding a further 5,577 jobs in the financial year 1996/97. The average amount of assistance offered per project was £1.74m representing an average contribution of 25% towards total project costs.

The Local Enterprise Development Unit (LEDU) made 3,774 offers of assistance to 2,652 small businesses in the financial year 1996/97. The average amount of assistance offered per project was £10,678 representing an average contribution of 19% towards project costs. In 1997 LEDU's net job creations after contractions and closures was 3,525.

There is no absolute maximum level of assistance; each case is judged on its merits.

Playing Fields

Mr. MacKay: To ask the Secretary of State for Northern Ireland what measures she is taking to retain existing playing fields for school use and to expand such facilities. [32563]

Mr. Worthington: This approval of the Department of Education for Northern Ireland is required for the disposal of school playing fields. Such approval would not be given if the facilities were required to enable schools to meet curriculum responsibilities.

The Lottery Sports Fund's "Dual Use School Sports Initiative" enables schools and other educational institutions to apply for funding towards the development of sporting facilities which would be available also for regular use by the local community.

Students

Mr. Moss: To ask the Secretary of State for Northern Ireland what has been the contribution from her Department, in each of the last five years, for the education budget for students from Northern Ireland attending Scottish universities *(a)* for tuition fees and *(b)* for maintenance grants. [32266]

Mr. Worthington: Information for 1992/93 is not available. The information for the last 4 financial years is as follows:

£

Year	*Tuition Fees*	*Maintenance Grants*
1993–94	6,375,881	3,771,512
1994–95	4,597,639	4,246,903
1995–96	5,092,062	4,212,957
1996–97	5,494,920	4,034,137

Mr. Moss: To ask the Secretary of State for Northern Ireland what is the estimated proportion of students from Northern Ireland attending Scottish universities who will have to pay full tuition fees when the policy of means-testing tuition fees is introduced. [32646]

Mr. Worthington: It is estimated that some twenty-five per cent. of Northern Ireland new entrants overall will pay the full fee; it is not possible to disaggregate for those attending Scottish Universities.

Mr. Moss: To ask the Secretary of State for Northern Ireland what proportion of the students from Northern Ireland attending Scottish universities claim the full maintenance grant. [32647]

Mr. Worthington: It is not possible to identify the number of students who claim full grant since it is determined by whether or not there is a parental, spouses or student's contribution.

Mr. Moss: To ask the Secretary of State for Northern Ireland how many students from Northern Ireland, in each of the last five years, began their degree courses in Scottish universities, broken down *(a)* by gender, *(b)* by individual university and *(c)* by maintained or controlled school at which the student sat A levels. [32265]

Mr. Worthington: Information for 1992–93 and 1993–94 is not available. The figures for the last three years are as follows:

(a)	*1994–95*	*1995–96*	*1996–97*
Male	840	972	911
Female	851	969	1,039
Total	1,691	1,941	1,950

(b)	*1994–95*	*1995–96*	*1996–97*
University of Abertay Dundee	166	129	160
Edinburgh College of Art	17	38	39
Glasgow School of Art	3	8	14
Moray House Institute of Education	12	15	31
Northern College of Education	6	6	6
Queen Margaret College	90	77	105

(b)	1994–95	1995–96	1996–97
The Royal Scottish Academy of Music and Drama	5	12	12
St. Andrews College of Education	16	22	13
The Scottish College of Textiles	4	6	8
The Robert Gordon University	51	64	32
University of Paisley	50	52	63
Glasgow Caledonian University	32	80	128
Napier University	125	138	176
University of Edinburgh	173	164	174
University of Glasgow	157	154	152
University of Strathclyde	107	153	171
University of Aberdeen	53	63	91
Heriot-Watt University	99	109	143
University of Dundee	243	444	280
Duncan of Jordanstone College of Art	69	0	0
University of St. Andrews	83	65	37
The University of Stirling	95	116	89
Scottish Agricultural College	35	26	26
Total	1,691	1,941	1,950

(c)	1994–95	1995–96	1996–97
Controlled	257	310	296
Voluntary	594	712	665
Roman Catholic	20	26	25
Maintained	—	—	—
Grant Maintained	1	1	6
Integrated	—	—	—
Missing/Further Education College etc	819	892	958
Total	1,691	1,941	1,950

Maternity Services

Mr. Moss: To ask the Secretary of State for Northern Ireland what is the timescale for the amalgamation of maternity services in Belfast; what is the estimated cost of refurbishing the Royal Maternity Hospital to accommodate this change; when the capital for this will be made available; and if other capital projects will be displaced as a result. [32638]

Mr. Worthington: Detailed plans for the transfer of maternity services from the Belfast City Hospital have yet to be drawn up by the Royal Group of Hospitals Trust. The provisional target date for the amalgamation is April 1999. Estimates for the cost are not yet available. No other existing projects will be displaced to accommodate this.

Capital Projects

Mr. Moss: To ask the Secretary of State for Northern Ireland how much money was moved from the capital account to the revenue account in the Northern Ireland Department of Health and Social Services in the financial year ending March 1998; how much money is earmarked for such transfer in 1999 and 2000; which capital projects are being re-phased as a result of this movement of capital; and if any capital projects in the programme in 1997 have been abandoned. [32642]

Mr. Worthington: In the 1997/98 financial year £5.5 million capital was transferred to revenue.

This sum became available in 1996/97 due to unforeseen delays in on-site dates for the new Causeway Hospital and the Altnagelvin Hospital nucleus extension, and re-ordering of the redevelopment programme for the Ulster Hospital. This was carried forward to 1997/98 under the normal arrangements for managing slippage in expenditure plans. No capital projects were therefore rephased as a result of the re-distribution of resources and no projects have been abandoned.

It is anticipated that £1 million will be transferred in each of the next 2 financial years to cover the revenue costs of PFI schemes.

Health Boards and Trusts

Mr. Moss: To ask the Secretary of State for Northern Ireland what targets for efficiency savings for *(a)* health boards and *(b)* health trusts have been set up by the Department of Health and Social Services for (i) the current year and (ii) 1998. [32637]

Mr. Worthington: In the current year Boards and Trusts have been set a target of 1.5% cash releasing efficiency savings. In 1998–99 Boards and Trusts will be expected to increase productivity levels by at least 1% over the year.

Hospitals

Mr. Moss: To ask the Secretary of State for Northern Ireland what is the current position on the refurbishment and extension of *(a)* the Down Hospital and *(b)* the Ulster Hospital. [32639]

Mr. Worthington: Following the decision to abandon the private finance test the Down Lisburn Trust is seeking public funding to support the development of a new hospital in Downpatrick. I have been looking at the Trust's proposal to ensure it remains appropriate and sustainable in light of developments in clinical trends and working practices as well as organisational changes in the delivery of care. I hope to conclude this shortly.

The Ulster, North Down & Ards Trust is in the process of implementing a programme of improvements at the Ulster Hospital. Funding amounting to £1.5 million has been approved for the refurbishment of the Obstetric, Accident and Emergency departments and Endoscopy Theatre.

Sexual Offences

Dr. Vis: To ask the Secretary of State for Northern Ireland how many cases of sexual offence, under each category, were recorded in Northern Ireland for each of the last three years for which figures are available. [32819]

Mr. Ingram: The table shows the breakdown for the years 1994, 1995 and 1996. The figures for 1997 are not yet available.

Offences	1994	1995	1996
Rape	65	229	264
Attempted rape	7	30	28
Buggery	52	67	58
Attempt to commit buggery etc	136	5	7
Unlawful carnal knowledge of a girl under 14 years	168	22	45

Offences	1994	1995	1996
Unlawful carnal knowledge of a girl between 14 years and under 17 years	40	238	218
Indecent assault on a female	20	692	768
Indecent assault on a male	171	240	223
Indecency between males	562	68	30
Indecent conduct towards a child	24	63	72
Incest	6	13	15
Abduction	75	3	1
Other sexual offences	7	9	16
Total	1,333	1,679	1,745

Births

Dr. Vis: To ask the Secretary of State for Northern Ireland how many women in Northern Ireland had babies at *(a)* 16 years and under, *(b)* 17 years, *(c)* 18 years and *(d)* 19 years in each of the last three years for which figures are available. [32820]

Mr. Paul Murphy: The General Register Office for Northern Ireland collects information on the number of births registered in each year. The most recent year for which information is available is 1996.

	Year of registration		
Age of mother	1994	1995	1996
16 years and under	170	145	214
17 years	270	269	326
18 years	479	479	425
19 years	630	541	619

Public Appointments

Mrs. Lait: To ask the Secretary of State for Northern Ireland how many of the appointments to public bodies which she has made since 1 May 1997 have been from the Public Appointments Unit list. [33243]

Mr. Paul Murphy: None of the individuals appointed to public bodies in Northern Ireland since 1 May 1997 were persons identified by the Public Appointments Unit.

WALES

Regional Selective Assistance

Dr. Ladyman: To ask the Secretary of State for Wales what grants other than regional selective assistance were made available to industrial and business investors in Wales in 1997. [32558]

Mr. Hain: Regional Selective Assistance is the main form of regional aid in Wales. In 1997 a total of £130 million was offered to companies in Wales. Other, smaller grant schemes administered by the Welsh Office with particular regard to small and medium-sized enterprises (SMEs) and to encourage innovation include Regional Enterprise Grants, Regional Innovation Grants, and the SMART, SPUR and SPUR-plus award schemes. In total just over £3 million was offered to companies under these schemes in 1997.

A range of services, including grant support, is also provided by the Welsh Development Agency, the Development Board for Rural Wales, the Wales Tourist Board, the Training and Enterprise Councils, local authorities and other business development organisations. Information on all of these is not held centrally for the period concerned.

Industrial Trends

Mr. Ancram: To ask the Secretary of State for Wales if he will make a statement on the latest CBI Wales "Industrial Trends" Report. [33284]

Mr. Hain: In the CBI Wales January Quarterly Industrial Trends survey, Welsh manufacturers reported a less sharp fall in general business optimism than was the case in the UK as a whole. Similarly, there was a moderate fall in orders, which are expected to pick up during the present quarter.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Wales if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33559]

Mr. Ron Davies: The list of bodies within the responsibility of my Department currently required by legislation to lay a report before Parliament are:

- The Ancient Monuments Board for Wales
- Agricultural Wages Council
- Arts Council of Wales
- Cardiff Bay Development Corporation
- Countryside Council for Wales
- Development Board for Rural Wales
- Further and Higher Education Funding Council for Wales
- Higher Education Funding Council for Wales
- The Historic Buildings Council for Wales
- Land Authority for Wales
- Office of Her Majesty's Chief Inspector
- Residuary Body for Wales
- Sports Council for Wales
- Tai Cymru
- Welsh Development Agency
- Welsh Language Board
- Wales Tourist Board
- Welsh National Board for Nursing, Midwifery and Health Visiting (WNB)
- The Standing Nursing and Midwifery Advisory Committee for England and Wales

Sustainable Development

Mr. Dafis: To ask the Secretary of State for Wales what representations he has received on a sustainable development duty from the Welsh Development Agency. [33391]

Mr. Hain: No representations on this subject have been received from the Welsh Development Agency.

Mr. Dafis: To ask the Secretary of State for Wales what plans he has to produce a new sustainable development strategy for Wales; and if he will make a statement. [33390]

Mr. Win Griffiths: On 4 February the Government published "Opportunities for Change", a consultation paper on a revised UK strategy for sustainable development: we plan to publish the new UK strategy by the end of the year. I hope that there will be wide participation in the consultation process from across Wales.

My right hon. Friend the Secretary of State has moved an amendment to the Government of Wales Bill requiring the National Assembly for Wales to make a scheme setting out its proposals for securing that its functions are exercised with due regard to the principle that sustainable development should be promoted. The scheme will be published and the Assembly will be required to keep it under review. The question of a sustainable development strategy for Wales will be for the Assembly to decide.

Civil Servants

Mr. Jenkins: To ask the Secretary of State for Wales (1) if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33086]

(2) if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector; [33087]

(3) if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33088]

Mr. Ron Davies: The information requested is not held centrally by my Department.

PRESIDENT OF THE COUNCIL

Drugs

36. **Mr. Bayley:** To ask the President of the Council what recent representations she has received about the Government's policies to combat the misuse of drugs. [31442]

Mrs. Ann Taylor: I regularly receive correspondence on this issue from Members of Parliament and their constituents, and have also heard views from members of the public during recent engagements around the country.

In addition, Keith Hellawell—the UK Anti-Drugs Coordinator—has coordinated an extensive consultation process to inform his proposals for a new anti-drugs strategy.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the President of the Council if she will list the bodies within the responsibility of her Department currently required by legislation to lay a report before Parliament. [33562]

Mrs. Ann Taylor: Under the relevant Acts, the General Medical Council, the General Dental Council, the General Optical Council, and the General Osteopathic Council are required to provide annual accounts and auditors' reports for laying before Parliament.

HOUSE OF COMMONS

Recesses (Dates)

37. **Mr. Randall:** To ask the President of the Council what plans she has to announce the date of each periodic adjournment at the start of the session. [31443]

Mrs. Ann Taylor: I have sought to give the House advance notice of recess dates as far as I am able. Indeed, I gave a broad indication about the Easter Recess in the first sitting week after Christmas.

Mr. MacShane: To ask the President of the Council if she will make it her policy to timetable 12 months in advance parliamentary recesses. [31444]

Mrs. Ann Taylor: The approximate periods each year when the House sits and does not sit are generally known. To give more precise dates for a whole year ahead would deny the House the flexibility which is an important part of our system.

Select Committees

38. **Mr. Dalyell:** To ask the President of the Council if she will review the operation of Standing Order No. 152(4)(e) with particular reference to the Foreign Affairs and International Development Select Committees. [31445]

Mrs. Ann Taylor: I am not aware of any problems in arranging concurrent meetings of these two committees.

New Deal (Young People)

39. **Mr. Mitchell:** To ask the President of the Council to ask the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), representing the House of Commons Commission, what plans the Commission has to offer jobs to young people under the new deal. [31446]

Mr. Kirkwood: Recruitment of staff is a matter for Heads of individual Departments of the House but I understand that the possibility of taking on Welfare to Work trainees is being actively considered and if appropriate places exist, young trainees could be in place in the early summer.

Adjournment Debates

40. **Mr. Bill O'Brien:** To ask the President of the Council what plans she has to increase the opportunities for Back-Bench hon. Members to take part in Adjournment debates; and if she will make a statement. [31447]

Mrs. Ann Taylor: The Modernisation Committee will shortly be considering the parliamentary calendar, but at the moment I have no specific plans to increase the number of Adjournment debates.

Disabled Access

Ms Perham: To ask the Chairman of the Accommodation and Works Committee what measures have been *(a)* taken and *(b)* planned to assist access to the Palace of Westminster by people with disabilities; and if he will make a statement. [33804]

Sir Sydney Chapman: In 1993 the Accommodation and Works Committee considered a specialist's report with detailed proposals on facilities for people with disabilities in the Palace of Westminster. The Committee also took evidence from the All-Party Disablement Group and English Heritage. In deciding what should be done, the Committee sought to make possible dignified access for people with disabilities to the various parts of the building, while taking into account the need to preserve the historic fabric of the Palace.

A paper giving details of the individual schemes which were agreed by Committees of the two Houses has been placed in the Library. The cost of implementing all the recommendations proposed was estimated at £1,272,700. The improvements, taken together, give the following facilities:

The new entrance at Black Rod's Garden enables people in wheelchairs to go directly to the start of the Line of Route.

The ramps in Star Chamber Court allow people in wheelchairs access to the Strangers' Gallery via lift number 1.

The new ramps at Commons Court and the Medals Corridor enable wheelchairs to be taken on to the Terrace, to the private dining rooms, and via lift number 15 to the principal floor and the committee rooms on the first and second floors.

There are special lavatories for people with disabilities on each floor in the following locations: centre curtain corridor, lower waiting hall, opposite committee room 7 and opposite committee room 19 on the upper committee corridor.

There are inductive loops in both Chambers, in all committee rooms except those designated for secure meetings, in the Grand Committee Room, and in the Crypt Chapel. Portable headsets are available on loan from the doorkeepers and from the pulpit on the main committee corridor.

Areas where access for people with disabilities is most difficult are the Grand Committee Room, Jubilee Room and Westminster Hall meeting rooms. The Accommodation and Works Committee recommended that to avoid damage to the historic fabric of the Hall, we should wait until Westminster Hall Cafeteria is converted to a Visitor Centre and at that time install wheelchair ramps, a lift to the Grand Committee Room and a lavatory for people with disabilities. For the interim, a chairlift has been installed on the staircase from Westminster Hall to the Grand Committee Room.

Plans are being prepared to install handrails in the galleries of the House of Commons Chamber. Details will be submitted to the Accommodation and Works Committee in due course.

In Portcullis House there will be a wheelchair ramp at the main entrance. Lifts will reach floors 1–5 and there will be lavatories on those levels for people with disabilities. There will, however, be six Members' rooms on the sixth floor which will be reached only by spiral staircase.

Family Room

Mr. Brake: To ask the Chairman of the Accommodation and Works Committee if he will list expenditure on the Family Room for each of the last five years. [33334]

Sir Sydney Chapman: The only substantial expenditure on the Family Room in recent years was made in 1997–98 and was £9,525 exclusive of VAT. The works included furnishings and the refurbishment of the side room.

Ministerial Documents

Mr. Corbett: To ask the President of the Council if she will ensure that all documents released after a Ministerial statement are made available at Vote Office outlets throughout the parliamentary precinct at the same time as they become available in the Members' Lobby. [33512]

Mrs. Ann Taylor: No. It is a long-standing custom of the House that embargoed documents remain in the custody of the Deliverer of the Vote in the Main Vote Office until the time specified for release by the Minister responsible for the document's production, so as to ensure that such documents receive the secure handling they require. Documents which are not embargoed but have a special release time on them are normally available simultaneously in the Main Vote Office and in the Vote Office in other buildings.

DEFENCE

Women (Army Employment Opportunities)

11. **Ms Christine Russell:** To ask the Secretary of State for Defence what steps the Government are taking to expand employment opportunities for women in the Army. [31413]

Mr. George Robertson: The Government are committed to maximising career opportunities for women in the Army, consistent with the need to maintain combat effectiveness. On 27 October I announced that, from 1 April this year, the number of Regular Army posts open to women will increase from 47% to 70%. I have also commissioned a review to look at how opportunities for women across the Armed Forces can be expanded still further.

British Beef

13. **Mr. Ruane:** To ask the Secretary of State for Defence if he will make a statement on progress in his Department's working group to encourage the purchase of British beef. [31415]

Mr. Spellar: The working group has been looking in particular at our product specifications and range to ensure that there are no unnecessary obstacles to British beef products. The meetings have been open and constructive and are continuing. I have also had discussions recently with my noble Friend Lord Donoughue, the Parliamentary Secretary, Ministry of Agriculture, Fisheries and Food. He has agreed that his Department should approach the European Commission

with a view to releasing stocks of British beef held by the intervention boards for use by the armed forces, at a competitive price.

25. **Mr. Hanson:** To ask the Secretary of State for Defence if he will make a statement on his plans to encourage the purchase of British beef for the armed forces and civilian personnel under his control. [31428]

Mr. Spellar: With respect to the purchase of beef for the Armed Forces, I refer my hon. Friend to the answer I gave my hon. Friend the Member for Vale of Clwyd (Mr. Ruane) earlier today. My Department does not purchase food for civilian personnel.

Women Fighter Pilots

14. **Dr. Gibson:** To ask the Secretary of State for Defence how many women fighter pilots are *(a)* in service and *(b)* in training. [31416]

Dr. Reid: As at 1 February 1998, there were 4 female Fast Jet pilots in service and a further 17 female potential Fast Jet pilots undergoing training in the Royal Air Force.

Recruitment

15. **Mr. Clifton-Brown:** To ask the Secretary of State for Defence what recent representations he has received relating to problems arising in respect of recruitment. [31417]

Dr. Reid: A number of representations have been received from hon. Members, interested bodies, and members of the public, on a range of issues relating to recruitment to the Armed Forces.

Heavy Lift Transport Aircraft

16. **Mr. Wilkinson:** To ask the Secretary of State for Defence what assessment he has made of the effectiveness of the integral heavy lift air transport capability within the RAF in recent middle east operations. [31418]

Mr. George Robertson: The recent deployment of UK forces to the Middle East was supported by RAF owned air transport assets. These were augmented by the charter of Antonov 124 aircraft.

On the more general question of our assessment of the effectiveness of our air transport fleet, I refer the hon. Member to the answer I gave him on 1 December 1997, *Official Report*, column *11*.

Defence Medical Services

17. **Mr. Viggers:** To ask the Secretary of State for Defence what changes are currently proposed to the Defence Medical Services; and what further changes he anticipates. [31419]

Dr. Reid: I refer the hon. Member to the oral answer I gave the hon. Member for Basildon (Angela Smith) earlier today.

Horseshoe Barracks

18. **Sir Teddy Taylor:** To ask the Secretary of State for Defence if he will make a statement on the future use of the Horseshoe barracks in Shoeburyness. [31420]

Mr. Spellar: Horseshoe Barracks will be offered for disposal by my Department, provided that no further defence use can be found for the site. Use of Horseshoe Barracks, after disposal, is a matter for the Local Planning Authority to decide, following public consultation.

Territorial Army

19. **Mr. Gray:** To ask the Secretary of State for Defence what assessment he has made of the need to maintain the current number of TAVR infantry battalions. [31422]

Dr. Reid: We are looking at all the Arms of the Territorial Army, including the Infantry, in the context of the Strategic Defence Review. It is too early for me to say what the outcome of this assessment will prove to be for the size and structure of any particular Arm.

20. **Sir Geoffrey JohnsonSmith:** To ask the Secretary of State for Defence if he will make a statement on the current level of TAVR manpower. [31423]

Dr. Reid: On 1 January the strength of the Territorial Army was 55,387. The future size and shape of the Territorial Army will be determined by the Strategic Defence Review.

Trident

21. **Mr. Flynn:** To ask the Secretary of State for Defence if he will make a statement on the future role of Trident. [31424]

Mr. George Robertson: I refer my hon. Friend to the answer I gave him on 2 February 1998, *Official Report*, column *468*.

Mr. Dafis: To ask the Secretary of State for Defence what is the total lifetime cost of deploying the Trident nuclear capability. [31573]

Mr. George Robertson: The total procurement cost for Trident is estimated to be some £12.6 billion (1996–97 prices). Average running costs have been estimated at £200 million a year over the 30 year lifetime of the system. We are currently examining the basis upon which cost estimates have been calculated in the light of operating experience and as part of the wider Strategic Defence Review.

Mr. Dafis: To ask the Secretary of State for Defence if he will make a statement on negotiations with the USA concerning changes to the Trident warhead. [31574]

Mr. George Robertson: There are no negotiations with the US over upgrading or enhancing our Trident warhead and we have no requirement for any such upgrade. The United Kingdom will maintain close contact with the US to help to ensure our ability to underwrite the safety and reliability of our Trident warheads throughout their service life.

Mr. Dafis: To ask the Secretary of State for Defence what plans he has to *(a)* upgrade or *(b)* replace the Trident warhead. [31576]

Mr. George Robertson: The UK has no plans to upgrade or improve the capabilities of our Trident nuclear warhead. Any decision on a successor to the warhead will

be taken in the light of the progress towards the Government's goal of verifiable global nuclear disarmament.

Mr. Dafis: To ask the Secretary of State for Defence what steps he will take to inform the public about his plans for the future development of Trident missiles. [31577]

Mr. George Robertson: The UK has no current requirement or plans for any development of the Trident D5 missile.

Gulf (Deployment)

22. **Mr. Bradshaw:** To ask the Secretary of State for Defence what has been the cost of recent United Kingdom deployment in the Gulf; and what steps have been taken to elicit contributions from other countries. [31425]

Mr. George Robertson: The most recent estimate of the additional costs incurred up to late February for the UK forces deployed to the Gulf during the recent crisis amounts to some £3 million. The overall figure will depend on the length of the deployment.

Other countries have either contributed military forces of their own or have provided material support for UK forces, or have offered to do so.

The UK has not sought financial contributions towards the cost of the operation but has received host national support from several countries in the region.

Parachute Regiment

23. **Mr. Bob Russell:** To ask the Secretary of State for Defence what plans he has to merge the Parachute Regiment with 24 Airmobile Brigade; and if he will make a statement. [31426]

Dr. Reid: We are looking at a number of options regarding the future structure of the Army in the context of the Strategic Defence Review. I cannot say at this stage what our final decisions will be.

Prisoners of War

24. **Mrs. May:** To ask the Secretary of State for Defence if he will initiate an independent inquiry into the pay of officer prisoners of war during the Second World War. [31427]

Mr. Spellar: I refer the hon. Member to the oral answer I gave today to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb). There are no grounds for examining this subject again.

27. **Mr. Swayne:** To ask the Secretary of State for Defence if he will review his policy on the claims for compensation for loss of pay from former prisoners of war. [31430]

Mr. Spellar: This is an issue not of compensation but of whether there are outstanding payments. I refer the hon. Member to the oral answer I gave today to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb).

Defence Diplomacy

26. **Mr. Bercow:** To ask the Secretary of State for Defence what part preventive deployment plays in his Department's policy of defence diplomacy. [31429]

Mr. George Robertson: Defence Diplomacy is an evolving concept covering the means by which our Armed Forces can help shape a more secure and stable world. It does not include operational deployments and is therefore complementary to preventive deployments as a means of conflict prevention.

War Criminals (Former Yugoslavia)

28. **Mr. Dawson:** To ask the Secretary of State for Defence if he will make a statement on progress towards apprehending suspected war criminals in the former Yugoslavia. [31431]

Mr. George Robertson: Twenty four people indicted for war crimes by the International Criminal Tribunal are now in custody in The Hague. A further three people have been released following consideration of their cases and three indictees are dead. I am encouraged that almost half of those in custody went to The Hague voluntarily, most recently the Bosnian Serb, Dragoljub Kunarac, who surrendered on 4 March. A further 49 people know they have been indicted. They too should surrender. They will receive a fair trial in The Hague.

Minimum Wage

29. **Mr. Forth:** To ask the Secretary of State for Defence if he will make a statement on the evidence his Department provided to the Low Pay Commission relating to the minimum wage. [31432]

Mr. George Robertson: The Government's evidence to the Low Pay Commission was submitted on 30 January 1998, and a copy is in the Library of the House. My Department did not provide separate evidence to the Low Pay Commission.

Defence Diversification

30. **Helen Jones:** To ask the Secretary of State for Defence if he will make a statement on the Government's plans for defence diversification. [31433]

Mr. Spellar: We published a Green Paper setting out our proposals on defence diversification on 5 March. These are based on developing the role of the Defence Evaluation and Research Agency in promoting the wider application of defence technology for civil use, as we promised in our election manifesto. We have invited comments from all interested parties, by 8 May, before a final decision is taken on the way ahead.

Royal Military Police

31. **Mr. Tyrie:** To ask the Secretary of State for Defence if he will make a statement on rationalisation studies affecting the Royal Military Police. [31434]

Dr. Reid: A study by the Army Training and Recruiting Agency (ATRA) into the scope for rationalisation of training provided by the Adjutant General's Corps Training Group, of which the Royal Military Police Training School at Chichester is a part, is currently being undertaken. This study has completed its initial phase of work and I will write to the hon. Member shortly.

Humanitarian Demining

32. **Dr. Iddon:** To ask the Secretary of State for Defence what steps his Department is taking to help those involved in humanitarian demining. [31437]

Mr. George Robertson: I refer my hon. Friend to the oral answer I gave today to my hon. Friends the Members for Glasgow, Govan (Mr. Sarwar) and for Warrington, South (Ms Southworth).

Smart Procurement

Mr. Hawkins: To ask the Secretary of State for Defence what estimate he has made of potential savings from his departmental budget through the introduction of smart procurement. [31408]

Mr. George Robertson: I refer the hon. Member to the oral answer I gave today to my hon. Friend the Member for Barrow and Furness (Mr. Hutton).

Visiting Forces

Mr. Baker: To ask the Secretary of State for Defence what is the total number of visiting forces other than those from the United States of America based in the United Kingdom; and where are they located. [33572]

Dr. Reid: This information is not held centrally. However, from the records which are available, the information requested is currently as follows:

	Number
RMA Sandhurst	72
BRNC Dartmouth	1
JSCSC Bracknell	93
RMCS Shrivenham	26
DTEO Boscombe Down	1
RAF Benson	1
RAF Boulmer	1
RAF Brampton	1
RAF Brize Norton	1
RAF Buchan	2
RAF Coltishall	3
RAF Cranwell	33
RAF Coningsby	5
RAF Cottesmore	124
RAF Halton	1
RAFSEE Henlow	1
RAF Honington	1
RAF Innsworth	1
RAF High Wycombe	173
RAF Kinloss	3
RAF Leeming	3
RAF Leuchars	2
RAF Linton	3
RAF Locking	2
RAF Lossiemouth	3
RAF Lyneham	4
RAF Marham	5
RAF Neatishead	2
RAF Northwood	1
RAF Odiham	1
DHFS Shawbury	7
RAF St. Athan	5
RAF Valley	6
RAF Waddington	2
RAF West Drayton	1
RAF Wyton	2
RNAS Portland	8
RNAS Culdrose	9
RNAS Gannet	3
RNAS Yeovilton	2
Portsmouth area	143
Plymouth area	66
Northwood	2
Bath	5
Faslane	2
Bristol	5
Chattenden	18
Poole	1
Aboard HM Ships	13
Warminster	7
RSME Minley	6
Andover	2
Larkhill	9
Chertsey	1
Bordon	11
Brecon	2
Marchwood	2
Salisbury	1
Chicksands	14
Chepstow	1
Catterick	2
Hermitage	8
Bovington	2
Bulford	3
Ash Vale	1
South Cerney	1
Blandford	12
Dishforth	1
Windsor	1
Kineton	9
Hullavington	1
Upavon	1
Beeston	1
Chatham	2
Middle Wallop	1
Colchester	1
London	10
Beaconsfield	11
Farnborough	7
Pirbright	1
Longmore	4
Barrow	1
Total	1,007

These figures include overseas personnel on training courses, non-US NATO personnel and foreign personnel serving on exchange appointments with our Armed Forces.

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 2 March 1998, *Official Report*, column *490*, what is the function in each case of the United States visiting forces based at *(a)* RAF Alconbury, Molesworth and Upwood, *(b)* RAF Croughton, *(c)* RAF Dows Hill, Hythe and West Ruislip, *(d)* RAF Farnborough, *(e)* RAF Leuchars, *(f)* RAF Menwith Hill and *(g)* RAF Mildenhall; and if he will make a statement. [33573]

Dr. Reid: The primary task undertaken by United States Visiting Force personnel at the sites in question are as follows:

Site	*Function*
RAF Alconbury	Storage/Support
RAF Croughton	Communications/Support
RAF Daws Hill	Storage/Support
RAF Hythe	Storage/Support

Site	*Function*
RAF Menwith Hill	Communication
RAF Mildenhall	USAF Main Aircraft Operation Base
RAF Molesworth	Storage/Support
RAF Upwood	Storage/Support
West Ruislip	Storage/Support
RAF Farnborough	USAF Exchange Officers with the RAF School of Aviation Medicine
RAF Leuchars	USAF Exchange Officers with Tornado F3 Squadron

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 2 March 1998, *Official Report*, column *490*, (1) if he will provide a breakdown between *(a)* service and *(b)* civilian personnel for each category identified; [33570]

(2) if he will list the RAF bases where no United States visiting forces are based; [33565]

(3) if he will list the total number of United States visiting forces based in the United Kingdom; and if he will indicate where they were based for each year from 1985 to 1996. [33566]

Dr. Reid: I will write to the hon Member and a copy of my letter will be placed in the Library of the House.

Mr. Baker: To ask the Secretary of State for Defence what discussions he has had since 1 May 1997 with United States nationals concerning the numbers and functions of United States visiting forces present in the United Kingdom. [33568]

Dr. Reid: Matters relating to the presence of the US Visiting Force are the subject of regular discussions between MOD officials and representatives of the UK Government.

Mr. Baker: To ask the Secretary of State for Defence if he will make a statement on his policy in respect of the presence in the United Kingdom of United States visiting forces within his Department's establishments. [33545]

Dr. Reid: We welcome the US Visiting Forces' presence in the United Kingdom which forms an important part of the United States' continuing commitment to the North Atlantic Treaty Organisation and the security of Europe. We also welcome the contribution that the US force provides to United Nations peacekeeping and humanitarian aid operations.

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 2 March 1998, *Official Report*, column *490*, if he will identify at which establishment the presence of United States visiting forces is not directly to fulfil a NATO function. [33567]

Dr. Reid: All members of the US Visiting Force based in the United Kingdom are available to undertake tasks in support of NATO.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Defence if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33552]

Dr. Reid: There are several Agencies and one Non Departmental Public Body (NDPB) currently required by legislation to lay a report before Parliament. Agencies required to do so are:

Army Base Storage and Distribution Agency
Army Technical Support Agency
Defence Animal Centre
Defence Analytical Services Agency
Defence Bills Agency
Defence Dental Agency
Defence Evaluation and Research Agency
Defence Postal and Courier Service
Defence Transport and Movements Executive
Disposal Sales Agency
Duke of York's Royal Military School
Hydrographic Office
Logistic Information Systems Agency
Meteorological Office
Military Survey
Pay and Personnel Agency
Queen Victoria School
RAF Signals Engineering Establishment
RAF Training Group
Service Children's Education

The Oil and Pipelines Agency is the only NDPB currently required by legislation to lay a report before Parliament.

Suez Crisis

Mr. Burden: To ask the Secretary of State for Defence if he will give General Service medals to those who served during the Suez Crisis. [32994]

Mr. Spellar: The joint Anglo/French amphibious operation to occupy the Suez Canal Zone, designated Operation Musketeer, which took place during the Crisis of late 1956, was recognised by the institution of the General Service Medal with clasp Near East. Qualification was one day's service between 31 October and 22 December 1956 inclusive, as laid down in Command Paper 190 of June 1957.

Service performed during the earlier Suez Canal Zone Emergency between 1951 and 1954 was not recognised by a campaign medal. The Government have no plans to consider the retrospective institution of an award for that period of service.

Active Service

Mr. Burden: To ask the Secretary of State for Defence if he will list the criteria for military campaigns to be classified as active service. [32996]

Dr. Reid: The definition of "on active service" is laid down by statute in the Service Discipline Acts. A force on active service is one engaged in operations against the enemy, or engaged elsewhere than in the United Kingdom in operations for the protection of life or property, or (subject to the provisions of the relevant section in the three Acts) is in military occupation of a foreign country. In relation to a person, it means that he or she is serving in or with a force which is on active service.

Space Technology

Mr. Key: To ask the Secretary of State for Defence if he will place in the Library a copy of the strategic alliance agreement signed between the Defence Evaluation and Research Agency and Matra Marconi Space UK Ltd., for close collaboration in identifying research and technology programmes in space and spacecraft propulsion. [32386]

Mr. Spellar *[holding answer 4 March 1998]:* The strategic alliance agreement signed between the Defence Evaluation and Research Agency and Matra Marconi Space UK Ltd., is commercial-in-confidence. I am therefore withholding this information under exemption 7 of the Code of Practice on Access to Government Information.

Strategic Defence Review

Mr. Streeter: To ask the Secretary of State for Defence what representations he has received from the West Country about the impact on confidence among the Armed Forces of the lack of a specific date for concluding the Strategic Defence Review. [32877]

Mr. George Robertson: I am not aware of any representations from the West Country concerning the timing of the announcement of the conclusions of the Strategic Defence Review and its impact on confidence among the Armed Forces.

Army Horses

Mr. Corbett: To ask the Secretary of State for Defence how many Army horses were unavailable for military duties following accidents sustained while taking part in the hunting of foxes with hounds in each of the last three years. [33518]

Mr. Spellar: This information is not held centrally but we are aware that in the last three years, four Army horses have been unavailable for military duties for a period following injuries sustained while fox hunting.

Mr. Corbett: To ask the Secretary of State for Defence what was the cost to public funds of treating Army horses for injuries sustained while taking part in the hunting of foxes with hounds in each of the past three years. [33519]

Mr. Spellar: This information is not kept centrally but I understand that the cost to public funds of treating horses for such injuries is not likely to have been significant.

Civil Servants

Mr. Jenkins: To ask the Secretary of State for Defence (1) if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33053]

(2) if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector; [33054]

(3) if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33055]

Mr. Spellar: This information is not held centrally and could be provided only at disproportionate cost.

Veterans' Unit

Mr. Wareing: To ask the Secretary of State for Defence what plans he has to establish a veterans' unit within his Department; and if he will make a statement. [32949]

Dr. Reid: My Department is aware of proposals put forward in the past by The Royal British Legion for the creation of an ex-Services Affairs Unit or Department of Veterans Affairs. I will be meeting the Secretary General of The Royal British Legion on 11 March and am looking forward to hearing their latest proposals. We will consider the way ahead in the light of these discussions.

Low Flying Exercises

Mr. White: To ask the Secretary of State for Defence what proposals he has to restrict low flying exercises in areas where the local communities have consistently complained about them; and what plans he has to review the policy for deciding where such exercises are held. [31496]

Mr. Spellar: None. Most parts of the United Kingdom, are used by military aircraft undertaking essential low flying training. We aim to do all we can to minimise disturbance by spreading the activity as widely as practicable throughout the United Kingdom and have no plans to change this arrangement.

Bosnia

Mr. Key: To ask the Secretary of State for Defence what has been the United Kingdom's contribution to the NATO Centre for Lessons Learned in Bosnia. [32385]

Mr. George Robertson *[holding answer 4 March 1998]:* There is no specific NATO centre for the analysis of lessons learned from Bosnia. Studies have been undertaken by NATO at various levels to capture the politico-military and military lessons from the Implementation Force (IFOR) deployment and transition to the Stabilisation Force (SFOR). These studies have included work by NATO HQ in Brussels, by a temporary analysis team at the NATO HQ at Northwood, by the Supreme Headquarters Allied Powers Europe (SHAPE) and by the Allied Command Europe (ACE) Rapid Reaction Corps (ARRC) HQ. The United Kingdom has contributed to these either directly or through the contribution of UK personnel in NATO appointments.

Works of Art

Ms Roseanna Cunningham: To ask the Secretary of State for Defence how many works of art he has borrowed for use in his offices and official residence; which organisations he has borrowed these works from; what the insurance value is of these works; what guidance he received on the acquisition of these works; if the works have yet been removed for temporary public exhibition elsewhere; and if the works have been or will be replaced on a regular basis. [31556]

Mr. Spellar *[holding answer 27 February 1998]:* My right hon. Friend the Secretary of State for Defence has retained in his office four works of art which were in place when he took up his appointment. Three are from the Ministry of Defence collection and one is on loan from the National Maritime Museum. My right hon. Friend has also recently chosen twenty-four works for the flat which he occupies in Admiralty House, twelve to be loaned from the Government Art Collection and twelve to be loaned by my Department's own collection.

Under Treasury rules, the Government normally bear their own risk. Works of art belonging to Government Departments are not insured and so neither my Department nor the Government Art Collection has insurance values for these works. In general, works on loan from private lenders and from institutions that are not directly Government funded are covered by the Government Indemnity Scheme.

Formal advice on the selection of works of art is given by the Government Art Collection and by the Registrar of my Department's collection.

It is normal practice of both the Government Art Collection and my Department to make works of art available for public exhibition on request from organisers of appropriate exhibitions. No such request has yet been made for the works of art selected by my right hon. Friend.

Works of art in all Government offices are changed as and when circumstances require.

Counter Battery Radar Project

Laura Moffatt: To ask the Secretary of State for Defence if he will make a statement on the Counter Battery Radar project. [33879]

Mr. Spellar: I am pleased to inform the House that a contract for the Industrialisation and Production phase of the Counter Battery Radar project, COBRA, covering the requirements of France, Germany and the UK, was signed on 6 March 1998. The contract, valued in total at approximately £350 million, was placed with Euro-Art, a consortium consisting of Thompson CSF, SI Sicherungstechnik, RACAL and Lockheed Martin.

COBRA will provide the Army with the capability to locate and classify hostile rockets, guns and mortars accurately and at long range, and will act as a force detector. It will also be able to monitor breaches of ceasefire when deployed in a peacekeeping role.

The project is a good example of the benefits of collaboration with our European partners, and has given us the opportunity to procure technologically advanced equipment at a considerably lower cost than would have been the case had we pursued a purely national programme. The contract will result in around 8 years of work for British industry.

Truck Cargo Heavy Duty Vehicles

Mr. Matthew Taylor: To ask the Secretary of State for Defence (1) how many unscheduled stops there have been involving truck cargo heavy duty mark 2 vehicles since 1 March 1994; and if he will list the *(a)* dates, *(b)* location, *(c)* length of delay and *(d)* circumstances of each stop; [32229]

(2) if he will make a statement on the *(a)* mechanical problems with and *(b)* alterations made to truck cargo heavy duty mark 2 vehicles since 1 March 1994. [32230]

Mr. Spellar: Since 1 March 1994, there have been 24 occasions on which the Truck Cargo Heavy Duty (TCHD) Mk 2 vehicles were obliged to make unscheduled stops to deal with technical problems. The circumstances are set out in table 1. Details of mechanical problems and alterations since 1 March 1994 are set out in table 2.

Table 1: TCHD Mk2—Unscheduled stops since 1 March 1994

Serial No.	*Date*	*Location*	*Fault*	*Delay time*
1	6 June 1994	M1—Sutton in Ashfield	Knocking noise from vehicle—vehicle checked and loose equipment restowed.	40 minutes
2	7 June 1994	A68—South of Otterburn	Air pressure low—system checked and readjusted.	35 minutes
3	2 August 1994	A68—South of Dalkeith	Knocking noise from vehicle—vehicle checked and loose equipment restowed.	25 minutes
4	21 September 1994	A696—Ponteland	Oil leak from pipe between oil pump and cylinder block—Tractor unit change carried out.	60 minutes
5	14 May 1995	A74—North of Abington	ABS shows fault—no fault found, system reset.	10 minutes
6	14 May 1995	A74—South of Moffat	Instrumentation failure and knocking noise from engine—Tractor unit change carried out.	100 minutes
7	15 May 1995	A1—Worksop	Instrumentation failure—Tractor unit change carried out.	120 minutes
8	16 June 1995	A43—South of Northampton	Oil warning light on—faulty electrical connection.	15 minutes
9	9 October 1995	A134—Mundford	Gearbox oil cooler pipe split—Tractor unit change carried out.	95 minutes
10	5 December 1995	A1—Knaresborough	Engine throttle return spring broken—spring replaced.	25 minutes
11	12 December 1995	A1—North of RAF Wittering	Knocking noise from engine—vehicle recovered to RAF Wittering.	25 minutes
12	19 December 1995	A10—Royston	Engine throttle return spring broken—spring replaced.	20 minutes
13	10 January 1996	A45—East of Newmarket	All electrical circuits inoperative—faulty circuit isolated and systems reset.	10 minutes
14	6 March 1996	B6318—Near Newcastle upon Tyne	ABS shows fault—no fault found, system reset.	15 minutes
15	26 March 1996	A10—Enfield	Front axle brakes overheating—Tractor unit change carried out.	60 minutes
16	12 June 1996	East of Gareloch Head	Axle differential lock would not disengage—transmission reset.	35 minutes

Table 1: TCHD Mk2—Unscheduled stops since 1 March 1994

Serial No.	Date	Location	Fault	Delay time
17	14 September 1996	A814—Helensburgh	Jake brake inoperative—Tractor unit change carried out.	65 minutes
18	25 November 1996	A1—Newcastle	Engine coolant gauge reading high—a coolant pipe replaced.	30 minutes
19	24 February 1997	A1—Stotfold	Fuel leak—Tractor unit change carried out.	60 minutes
20	28 November 1997	M3 Near Bagshot	Steering malfunction—Tractor unit change.	50 minutes

Table 2: TCHD Mk2—Mechanical problems and alterations made to TCHD Mk2 since 1 March 1994

Year	Mechanical problems	Alterations to TCHD
1994	Road dirt damaging the vehicles 5th wheel coupling.	Trailer 5th wheel rubbing plate surface area extended and material type changed.
1994	Cab shock absorber mounting brackets distorted.	Shock absorber mounting brackets redesigned.
1994	Engine throttle return spring becomes detached.	Design change for return spring retention.
1994	Tack welds retaining thrust washer on the trailer suspension cracking.	Thrust washers renewed and bonded into position.
1994–1996	Various faults affecting the cabs air conditioning unit.	Air Conditioning Unit modified.
1994		[1]Powered cab tilt facility fitted. Fitted to ease vehicle maintenance and reduce vehicle downtime.
1996		[1]Trailer suspension air system modified to provide the facility for deflating the trailers front axle air bags. Embodied to generate greater tractive effort when required.
1996	Trailer batteries discharged during periods of non use to a level which prevented re-charge.	Battery voltage controllers fitted.
1996	The trailer fibre optic cables prone to be damaged.	Trailer fibre optic coupling redesigned and cables replaced.
1996	Trailer emergency hatch cover plate becoming loose.	Cover plate retention change from self tapping to quick release fasteners.
1997	Cab door locking mechanism jamming.	Door lock mechanism redesigned.

[1] These modifications have been embodied on the vehicles for reasons of enhancement and not as a result of defects.

EDUCATION AND EMPLOYMENT

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Education and Employment if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33558]

Dr. Howells: The Non Departmental Public Bodies currently required by legislation to lay a report before Parliament are: British Educational Communications and Technology Agency, formerly the National Council for Educational Technology, Construction Industry Training Board, Education Assets Board, Engineering Construction Industry Training Board, Equal Opportunities Commission, Funding Agency for Schools, Further Education Funding Council, Higher Education Funding Council for England, Qualifications and Curriculum Authority, the Teacher Training Agency.

Cannabis

Mr. Flynn: To ask the Secretary of State for Education and Employment what new proposals he has to discourage the use of cannabis by school children. [31440]

Ms Estelle Morris: Resources are available in 1998–99 to schools and the youth service for drug education (including that related to cannabis) through the Standards Fund, and have just been increased to £7 million.

Certain aspects of drug education are already a statutory requirement for all pupils aged 5 to 16, as part of the National Curriculum science Order. It is for individual schools to consider whether, and if so how, they might wish to extend provision of drug education beyond this statutory minimum. We would expect all drug education programmes, however, to give pupils the facts about drugs, including cannabis, emphasise a healthy lifestyle and to give young people the knowledge and skills to make informed and responsible choices now and later in life.

Civil Servants

Mr. Jenkins: To ask the Secretary of State for Education and Employment (1) if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33062]

(2) if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector; [33064]

(3) if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector. [33063]

Dr. Howells: This information can be provided only at disproportionate cost.

FOREIGN AND COMMONWEALTH AFFAIRS

Lockerbie

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will rearrange his proposed meeting with the relatives of the victims of the Lockerbie air disaster. [33337]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary greatly regrets it was necessary to postpone his meeting with the Lockerbie families because of the serious situation in Kosovo. He fully intends to meet them as soon as possible.

Iran

Mr. David Atkinson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on relations with Iran; and what initiatives he proposes to improve relations between Iran and the EU during the presidency. [33316]

Mr. Fatchett: At its meeting on 23 February the European Council agreed that, in light of recent developments in Iran, the EU should respond by, as a first step, increasing the level of political contact with Iran including lifting the ban on official bilateral Ministerial visits. The EU is now considering how political contacts between the EU and Iran, covering both areas of EU concern and issues of mutual interest, might develop.

The Council also reviewed progress in the areas of concern to the EU, namely weapons of mass-destruction, terrorism, Iran's attitude to the Middle East Peace Process and human rights including the fatwa against Salman Rushdie. The EU reaffirmed the importance of fully implementing its existing security measures and of its continued vigilance in these matters and agreed that Iran's willingness to address EU concerns would greatly enhance the success of the dialogue and Iran's reintegration into the international community.

Public Appointments

Mrs. Lait: To ask the Secretary of State for Foreign and Commonwealth Affairs how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33255]

Mr. Tony Lloyd: None. This Department is responsible for appointments to seven bodies which are classed as Non-Departmental Public Bodies (NDPBs). The number of appointments to them is very small. We seek nominations of candidates for these appointments using a wide range of sources, including the Public Appointments Unit and advertising.

UN Security Council

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of proposals *(a)* to increase the number of permanent members and *(b)* to make other alterations to the composition of the UN Security Council; and if he will make a statement. [33292]

Mr. Tony Lloyd: We welcome the debate in the United Nations on Security Council enlargement. We want to see an early enlargement of the Council to make it more representative, without compromising its effectiveness. We support an increase in both permanent and non-permanent categories. We support permanent seats for Germany and Japan and for developing countries in Africa, Asia and Latin America and the Caribbean.

UN Resolutions

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will ask the United Nations to review those resolutions which remain unimplemented distinguishing between *(a)* those which are otiose and *(b)* those with a continuing relevance with a view to retabling the latter. [33132]

Mr. Tony Lloyd: The UN Security Council, in the course of discharging its responsibility for the maintenance of international peace and security, frequently recalls and reaffirms its earlier resolutions where these continue to be relevant.

The General Assembly also reaffirms its earlier Resolutions as appropriate.

Kashmir

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to use the UK presidency of the EU to draw attention to the human rights abuses in Kashmir; and what initiatives he is proposing to help secure a settlement of the dispute. [33259]

Mr. Fatchett: We will work with EU partners to ensure that Kashmir is raised during the UN Commission on Human Rights. Our High Commissioner in New Delhi plans to lead a delegation of EU Troika missions to Kashmir in May. They will assess and report on the situation on the ground, including human rights problems. The Government's policy towards Kashmir was set out in my answer to the hon. Member for Reigate (Mr. Blunt) on 25 November 1997, *Official Report*, column *474*.

Nepal and Bhutan

Mr. Nicholas Winterton: To ask the Secretary of State for Foreign and Commonwealth Affairs if the UK will press for a resolution at the UN Commission on Human Rights which will urge the governments of Nepal and Bhutan to find a just and lasting solution to the refugee problem. [33239]

Mr. Fatchett: No, but we will work with EU partners to ensure that this problem is raised in EU statements during the UN Commission on Human Rights.

Kosovo

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Government of Serbia concerning violence in Kosovo. [33151]

Mr. Tony Lloyd *[holding answer 6 March 1998]:* My right hon. Friend the Foreign Secretary called on FRY President Milosevic and FRY Foreign Minister Jovanovic in Belgrade on 5 March to express the EU's grave concern

at the situation in Kosovo and at reports my right hon. Friend received that day of further repressive violence by the Serb military police.

Arms Sales

Mr. Breed: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to monitor the end user and final destination of arms sales to countries with poor human rights records. [33459]

Mr. Tony Lloyd: Under the criteria announced by my right hon. Friend the Foreign Secretary on 28 July 1997, *Official Report* columns *26–29*, an export licence will not be issued if there is a clearly identifiable risk that the proposed export might be used for internal repression. This applies to equipment where there is reason to believe that it will be diverted from its stated end-use or end-user for internal repression. Work is in hand to identify ways to minimise that risk, such as end-use monitoring, and an announcement will be made in due course.

Nuclear Weapons

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made by *(a)* Her Majesty's Government and *(b)* NATO, in respect of the status of nuclear weapons in the list of weapons covered by the proposed international criminal court. [33262]

Mr. Tony Lloyd: The Minister of State, my hon. Friend the Member for Newcastle upon Tyne, North (Mr. Henderson) set out the Government's position in respect of the inclusion of crimes involving nuclear weapons within the jurisdiction of the International Criminal Court in the answer he gave to my hon. Friend the Member for Birmingham, Hall Green (Mr. McCabe) on 10 February 1998, *Official Report*, columns *139–40*. We have made the UK's position on this subject plain at meetings of the Preparatory Committee and elsewhere. NATO has not taken a position on the matter and has made no representations.

Public Bodies (Report)

Ms Roseanna Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33557]

Mr. Fatchett: The only such body is the Foreign Compensation Commission whose annual report is laid by the Secretary of State before Parliament under Section 6(2) of the Foreign Compensation Act 1950.

Cornish Language

Mr. Dafis: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will ratify the European Charter on Regional and Minority Languages. [31575]

Mr. Tony Lloyd: Having assessed the benefits of the United Kingdom's signature and ratification of the Council of Europe Charter on Regional or Minority Languages, the relevant Government Departments are actively taking forward this question with a view to an early announcement.

Mr. Dafis: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the effect that signing the European Charter on Regional and Minority Languages would have on the prospects for the Cornish Language. [31572]

Mr. Tony Lloyd: I refer the hon. Member to my previous answer. Consideration will include the position of the Cornish language.

Tokyo Summit

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date the EU/Japan Summit announced for January took place in Tokyo; if a United Kingdom Minister attended; and if he will publish the text of any communiqué issued. [33392]

Mr. Fatchett: The EU/Japan Summit took place on 12 January 1998 in Tokyo. The Prime Minister was present at the Summit in his role as President of the European Council. A joint EU/Japan press statement was issued on 12 January 1998. I am placing copies in the Libraries of the House.

General System of Preferences

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress he has made during the presidency of the EU on reaching agreement on amendments to the General System of Preferences. [33394]

Mr. Doug Henderson: Two proposals have been under discussion to extend the coverage of the General System of Preferences (GSP):

one, to bring product coverage of the GSP scheme closer to that available to the African, Caribbean and Pacific (ACP) group under the Lomé Convention. There is EU agreement to this, subject to a Parliamentary Scrutiny reserve by France;

the other, to grant additional market access preferences to those countries which comply with the principles of relevant International Labour Organisation and/or International Tropical Timber Organisation standards. We hope to have EU agreement on this by the end of April.

During our Presidency, we also expect the Commission to produce proposals for a mid-term review of the existing GSP industrial and agricultural schemes. We shall be seeking to improve the market access benefits available under both.

ACP Countries

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress he has made during the Presidency of the EU on agreeing the EU mandate for the negotiations with the ACP countries on a successor to the Lomé Convention. [33393]

Mr. Doug Henderson: The Commission presented a draft mandate to the Council on 29 January. The UK has been steering discussion of that draft in the Council. I believe that we have a good basis for reaching agreement on a mandate during our Presidency.

Cuba

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress has been made during the UK presidency of the EU in developing the EU common position on Cuba. [33396]

Mr. Tony Lloyd: Under the UK Presidency, EU missions in Havana have broadened the range of areas in which they work closely together, including human rights, aid, commercial, environmental and consular matters, involving Cuban officials (where possible) and dissident groups. We are assessing the Pope's visit. We will evaluate progress in June.

Israel, Gaza and West Bank

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when he intends to visit Israel, Gaza and the West Bank. [33397]

Mr. Fatchett: My right hon. Friend the Foreign Secretary will be visiting Israel, Gaza and the West Bank on 17–18 March. This will be part of a wider visit to the region.

China

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the voting intentions of the Government on United Nations resolutions relating to human rights in China. [33467]

Mr. Fatchett: European Union Foreign Ministers decided on 23 February that neither the Presidency nor Member States should table or co-sponsor a draft resolution on China at this year's Commission on Human Rights, and if the situation arose, EU delegations should vote against a no-action motion.

MINISTER WITHOUT PORTFOLIO

Millennium Experience

Mr. Mitchell: To ask the Minister without Portfolio if exhibits relating to unemployment and homelessness will be included in the Millennium Experience. [31522]

Mr. Mandelson: The Millennium Experience will reflect the lives and aspirations of people from all backgrounds and walks of life, from right across the United Kingdom.

Mr. Mitchell: To ask the Minister without Portfolio what will be the seating capacity of the smaller dome on the Millennium Experience site. [31523]

Mr. Mandelson: This facility would seat between 5,000 and 6,000 people.

Mr. Mitchell: To ask the Minister without Portfolio how long exhibitors will be contracted to keep their exhibits in the Millennium Experience; and if arrangements will be made for them to be exhibited in other parts of the country afterwards. [31649]

Mr. Mandelson: The Millennium Experience is due to run from 31 December 1999 to 31 December 2000. That is the basis on which the New Millennium Experience Company is planning the project and taking forward negotiations with sponsors of the content. A number of possibilities exist for subsequent use of the Dome and display of its content. Final decisions are not however likely before 2000, when the full potential of the Millennium Experience will be clearly apparent.

Mr. Mitchell: To ask the Minister without Portfolio for what reasons the exhibition zones *(a)* Trans Action, *(b)* Shared Ground, *(c)* Atmosphere, *(d)* Time to Talk and *(e)* UK @ Now have not yet been displayed; and who is to sponsor them. [31876]

Mr. Mandelson: The New Millennium Experience Company (NMEC) revealed plans for the content of seven zones of the Millennium Dome on 24 February. NMEC are also working with designers and confirmed and potential sponsors on the remaining exhibition zones, and announcements will be made to the House in due course.

Mr. Mitchell: To ask the Minister without Portfolio if he will list the companies making contributions to the Millennium Experience, the sum committed by each and the fee payable on each to McKinsey & Co.; and what is *(a)* the total committed so far and *(b)* the sum still to be raised. [31847]

Mr. Mandelson: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper) on 24 February 1998, *Official Report*, column *204*. There is no fee payable to McKinsey & Co. Extensive discussions are continuing with a wide range of prospective contributors and NMEC are confident that the sponsorship target will be achieved.

Mr. Mitchell: To ask the Minister without Portfolio which faiths besides Christianity will be represented in the Spirit Level of the Millennium Experience. [31877]

Mr. Mandelson: The content of the Spirit Level zone is being developed in association with the Lambeth Consultation Group. The intention is that the zone will recognise the formative influence of Christianity in our history as well as the presence of other religious traditions in our society, and will encourage visitors to explore spiritual, emotional and moral issues. Within the zone there will be areas of calm where people of all faiths and backgrounds can spend time in reflection as they wish.

Mr. Mitchell: To ask the Minister without Portfolio, pursuant to the document, Time to Make a Difference, what was the basis of the statement that Grimsby and Ghana are located on the prime meridian. [31875]

Mr. Mandelson: The document was produced by the New Millennium Experience Company (NMEC) and the specific reference to Grimsby and Ghana is about a millennium project—Living on the Line—developed by Oxfam and supported by the NMEC. The project aims to link people and places along the Prime Meridian encouraging a deeper understanding between communities and bridging the differences between the developed and the developing world.

The Prime Meridian runs close to, rather than through, Grimsby; but despite this relatively minor geographical imprecision my hon. Friend will no doubt want to support Oxfam in promoting this important Living on the Line project.

Mr. Mitchell: To ask the Minister without Portfolio if he will make a statement on the product placement offered to contributors to the Millennium Experience. [32566]

Mr. Mandelson: Contributors to the Millennium Experience fall into different categories. The first four Founding Partner sponsors were announced in my reply to my hon. Friend the Member for Pontefract and Castleford

(Yvette Cooper), 24 February 1998, *Official Report*, column *204*. Founding Partners have the opportunity to work with the NMEC's staff and design teams in developing the main exhibits in the Dome and, where appropriate, the Challenge programme of country-wide events and activities. These arrangements recognised the contribution of the Founding Partners to the success of the Experience and their commercial needs in terms of brand identity and promotion. The Experience is not, however, a trade show, nor an advertising hoarding for commercial products. The arrangements with the Founding Partners and other commercial contributors therefore ensure that the NMEC remains control over the integrity of the Experience as the focus of the UK's millennium celebrations.

Millennium Dome

Mr. Mitchell: To ask the Minister without Portfolio if he will hold a national competition to name the huge figure in the Millennium Dome. [31521]

Mr. Mandelson: I have no plans to do so.

Mr. Paterson: To ask the Minister without Portfolio how many contracts relating to the building of the Millennium Dome were put out to competitive tender; on what dates; by what methods; and how many responses to each were received. [32028]

Mr. Mandelson *[holding answer 2 March 1998]:* All 29 contracts relating to the building of the Millennium Dome have been put out to competitive tender by the New Millennium Experience Company. Tenders for the contracts were issued between January 1997 and January 1998. The Company received between three and seven responses for each contract.

HEALTH

Residential Care and Nursing Homes

Mr. McDonnell: To ask the Secretary of State for Health how many inspections of residential homes were undertaken per London borough in *(a)* 1994–95, *(b)* 1995–96, *(c)* 1996–97 and *(d)* 1997–98; and how many residential homes were visited in each borough. [31218]

Mr. Boateng: This information is not routinely collected by the Department. However, local authority social services departments in London participated in a Social Services Inspectorate national survey of registration and inspection units in 1994–95. The number of reported inspections, and the total number of local authority homes, private and voluntary (including dual registered) whether inspected or not are in the table. This survey is being repeated for 1996–97, but the results are not yet to hand. Data for the other years requested are not available.

Inspections of residential care, London boroughs 1994–95

Authority	Number of inspections	Number of homes
Camden	102	51
Greenwich	68	34
Hackney	67	34
Hammersmith and Fulham	61	38
Islington	60	39
Kensington and Chelsea	46	20
Lambeth	144	81
Lewisham	202	64
Southwark	93	47
Tower Hamlets	59	30
Wandsworth	140	69
Westminster	72	36
Barking and Dagenham	39	22
Barnet	174	87
Bexley	64	32
Brent	(data not supplied)	
Bromley	84	70
Croydon	492	107
Ealing	99	61
Enfield	149	81
Haringey	114	62
Harrow	106	56
Havering	93	57
Hillingdon	65	46
Hounslow	50	25
Kingston upon Thames	113	38
Merton	70	35
Newham	74	37
Redbridge	109	55
Richmond upon Thames	86	41
Sutton	132	44
Waltham Forest	132	66

Ms Walley: To ask the Secretary of State for Health if he will require registration authorities to undertake detailed company searches as a matter of routine when registering residential care and nursing homes; and if he will make a statement. [32860]

Mr. Boateng: Registration authorities are required to satisfy themselves that the person registered or applying to be registered is a "fit person" to run a home. In doing so, authorities will take into account the business background and financial viability of any applicant.

Ms Walley: To ask the Secretary of State for Health what plans he has to review legislation and regulations governing the registration of residential care and nursing homes; and if he will make a statement. [32859]

Mr. Boateng: We are committed to creating effective independent regulatory arrangements for residential care homes and nursing homes which are tough, transparent and accountable. We are looking at the options for change and will set out our proposals in the White Paper on Social Services to be published in the summer.

Ms Walley: To ask the Secretary of State for Health what assessment he has made of the financial burden on local authorities of carrying out the registration and inspection of residential care and nursing homes; and if he will make a statement. [32861]

Mr. Boateng: Latest available information returned to the Department from local and health authority returns for 1995–96, indicate that the costs of local authority regulation functions were £28.6 million, and those for health authorities £9.2 million. In both cases, income from residential care and nursing home fees has fallen significantly short of the costs incurred by authorities. Regulatory fees have not been increased for several years and in January this year we published our proposals for

raising fees in the "Consultation Document on Increasing Regulatory Fees for Residential Care Homes and Nursing Homes", copies of which are available in the Library.

Health Education

Dr. Harris: To ask the Secretary of State for Health what representations he has made to other Departments to improve the delivery of health education in schools, with particular reference to sexual health. [31991]

Ms Jowell: We are working in close co-operation with Ministers at the Department for Education and Employment. DfEE announced the intention to help all schools become healthy schools in the White Paper "Excellence in Schools". Our consultation paper "Our Healthier Nation" followed this up by trailing a Healthy Schools Initiative which will include establishing a National Advisory Group on Personal Social and Health Education. This will be chaired jointly by DfEE and Department of Health Ministers.

The Department and the DfEE are also collaborating on development of a programme to reduce unintended conceptions. Progress will be reviewed by a series of task groups, one of which will focus specifically on sex and relationships education.

Brook Advisory Centres

Mr. Moss: To ask the Secretary of State for Health what was the grant given to the Brook Advisory Centre in 1997 by his Department; and what is the planned grant for 1998 and 1999. [32644]

Ms Jowell: In 1997–98 the Brook Advisory Centre received a core grant of £80,000 from the Department of Health under the Section 64 General Scheme (Section 64 of the Health Services and Public Health Act 1968). A project grant of £23,563 was also made under the same scheme.

Announcements about further core grants and project funding will be made in due course.

Mr. Moss: To ask the Secretary of State for Health during the period from 1980 to 1997, what were the total amounts of public funds each year granted to the Brook advisory centres by *(a)* his Department, *(b)* health authorities and *(c)* local authorities [32645]

Ms Jowell: The Brook Advisory Centre has received core funding from the Department under the Section 64 General Scheme (Section 64 of the Health Services and Public Health Act 1968) for the period 1980 to 1997 as follows:

Year	*£*
1997–98	80,000
1996–97	80,000
1995–96	65,000
1994–95	65,000
1993–94	65,000
1992–93	68,500
1991–92	65,000
1990–91	65,000
1989–90	45,000
1988–89	45,000
1987–88	45,000
1986–87	35,000
1985–86	35,000
1984–85	35,000
1983–84	34,500
1982–83	22,500
1981–82	30,000
1980–81	21,000
1979–80	21,000

In addition grants for specific projects were made in the following years:

Year	*£*
1997–98	23,563
1996–97	20,000
1995–96	22,796
1993–94	35,000
1992–93	23,000
1986–87	3,800

There are no centrally held figures on grants made by health authorities and local authorities.

Dental Amalgam

Mrs. Ballard: To ask the Secretary of State for Health (1) what assessment his Department has made of the findings of the EU ad hoc committee on dental amalgam; and what is its response; [32827]

(2) what representations he has received on the use of mercury in dental amalgam fillings; and if he will make a statement. [32825]

Mr. Milburn: The Department occasionally receives inquiries about the safety of dental amalgam. When the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment (COT) considered the matter in 1986 they advised that the use of dental amalgam was free from risk of systemic toxicity. COT has now reviewed the draft report which the European Commission commissioned from European Economic Area member states and we shall publish their advice shortly.

Mrs. Ballard: To ask the Secretary of State for Health what advice his Department issues to dentists on the contra-indications for use of mercury in dental amalgam fillings. [32826]

Mr. Milburn: In the rare instances where a patient is hypersensitive to amalgam, a general dental practitioner may seek permission from the Dental Practice Board to use an alternative filling material in the back teeth.

Influenza Immunisation

Mr. Flynn: To ask the Secretary of State for Health how many people in the last 10 years have had serious adverse effects from the influenza inoculation. [32851]

Ms Jowell: Influenza vaccine is usually well tolerated apart from occasional soreness at the immunisation site. A total of 592 reports of serious suspected adverse drug reactions associated with influenza vaccine have been reported to the Committee on Safety of Medicines during the period 1 January 1988 to 31 December 1997 from

throughout the United Kingdom. During this time over 50 million doses of influenza vaccine are estimated to have been given.

A report of a reaction does not imply causality. Many factors to be taken into account when assessing causal relationships including temporal association, any underlying disease and the possible contribution of other concomitant medication. In these circumstances it may be difficult to ascribe the cause of the reaction to a single vaccine or drug.

Mr. Flynn: To ask the Secretary of State for Health how many people in the last 10 years he estimates have received the influenza inoculation *(a)* on the NHS and *(b)* in total. [32852]

Ms Jowell: The number of doses of influenza vaccine sold in each of the last 10 years is given in the first table but it is not possible to say how many people received the vaccine. These are the total United Kingdom sales figures provided by the manufacturers. They include vaccine sold to general practitioners, health authorities, hospitals, clinics, pharmacies and private sales. These figures are not available broken down by each country.

Doses of influenza vaccine sold 1987/88 to 1997/98 (financial years), UK

	Doses of vaccine (millions)
1987/88	2.0
1988/89	2.9
1989/90	3.2
1990/91	3.7
1991/92	4.5
1992/93	4.7
1993/94	5.7
1994/95	6.1
1995/96	6.0
1996/97	6.2
1997/98[1]	7.3

[1]1997/98 may include unused stocks

The numbers of items of influenza vaccine dispensed on the National Health Service in England for 1991–1996 are given in the second table. These are the only years for which this information is available. Prescription items may not relate exactly to the number of people receiving the prescriptions, and therefore the number of doses given on the NHS.

Number of prescription items dispensed for influenza[1] vaccines, 1991 to 1996 (calendar years), England

	Number of prescription items (millions)
1991	3.6
1992	3.9
1993	4.5
1994	4.9
1995	4.9
1996	5.0

[1] Influenza vaccines are those described within British National Formulary section 14.1, vaccines and antisera.

Note:

The data cover all prescriptions dispensed by community pharmacists and appliance contractors, dispensing doctors, and prescribing doctors for items personally administered in England.

Measles, Mumps and Rubella Vaccinations

Mr. Llew Smith: To ask the Secretary of State for Health if he will assess the findings contained in the paper by Dr. Andrew Wakefield published recently in *The Lancet* on MMR vaccinations. [33103]

Ms Jowell: We are aware of the study by a group of researchers at the Royal Free Hospital which was published recently in *The Lancet*. An abstract of the work had already been reviewed by the Joint Committee on Vaccination and Immunisation, an independent expert group which advises the United Kingdom health departments, last year. It was the view of the Committee that the study provided no scientifically convincing evidence for links between the Measles, Mumps and Rubella (MMR) vaccine, autism and inflammatory bowel disease. The more detailed report published in *The Lancet* has no implications for immunisation policy and practice and I would agree with the authors of the study that it "did not prove a causal association between MMR vaccine and the syndrome described".

An independent assessment of the paper was also contained in the same edition of *The Lancet* in the form of a commentary. The commentary highlighted the complete lack of any reliable scientific evidence for a causal link and also the weight of already published evidence against a link. The commentary reminds readers that hundreds of millions of persons worldwide have received measles containing vaccine without developing either chronic bowel or behavioural problems. MMR remains the safest way to protect children against these diseases and should continue to be used as recommended.

Continence Products

Mr. Burstow: To ask the Secretary of State for Health, pursuant to his answer of 3 March 1998, *Official Report*, column *562*, concerning continence products purchased by the NHS National Supplies Trust, what evidence he evaluated to support the explanation for the overall drop in value and volume. [33352]

Mr. Boateng: Data on incontinence products that are home delivered are not collected centrally. 104 National Health Service community trusts have some type of home delivery arrangements in place and further NHS trusts are considering making such arrangements. It is on this basis that it is considered likely that the drop in value and volume in continence products supplied by NHS Supplies Authority may be explained by the trend towards home delivery.

Mr. Burstow: To ask the Secretary of State for Health if he will discourage NHS trusts from selling continence products to NHS patients. [33354]

Mr. Boateng: Section 1 of the National Health Service Act 1977 requires that NHS services provided under the Act to NHS patients must be free of charge, except where the making and recovery of charges is expressly provided for by legislation. The then Chief Executive of the NHS Management Executive, Sir Duncan Nichol, wrote to health authority managers and NHS trust chief executives on 24 October 1991, to bring this matter to their attention.

Mr. Burstow: To ask the Secretary of State for Health, pursuant to his answer of 3 March, *Official Report*, column *563*, regarding advice on continence services,

what assessment he has made of the availability of the manual bowel evacuation procedure; and if training is being provided for nursing staff. [33353]

Mr. Boateng: As yet, no assessment has been made by the Department into the availability of the manual bowel evacuation procedure. The English National Board for Nursing, Midwifery and Health Visiting has approved post-registration training for patients with bladder and bowel continence care needs. National Health Service trusts also provide in-service training to enable practitioners to provide high quality continence care.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Health if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33556]

Mr. Milburn: The English National Board for Nursing, Midwifery and Health Visiting and the Human Fertilisation and Embryology Authority are required in law to provide annual reports to the Secretary of State who in turn is required in law to lay copies of the reports before Parliament.

Details of which of the public bodies sponsored by the Department produce annual reports and how they may be obtained are published annually in *Public Bodies,* copies of which are available in the Library.

Asthma

Mr. Flynn: To ask the Secretary of State for Health what plans he has to investigate the link between the extent of antibiotics use for minor illnesses and childhood asthma. [33269]

Ms Jowell: The prescribing needs of patients are a matter for the doctors responsible for their care. A number of theories have been put forward to explain the rise in prevalence of asthma in children in the past twenty to thirty years. The Department is aware of recent press reports of an as yet unpublished research study, carried out at Churchill Hospital, Oxford, which suggests that children under two years of age who are given oral antibiotics are more likely to develop asthma and other allergic conditions in later life. When the findings are published we shall certainly study them carefully.

Home Helps

Mr. McLoughlin: To ask the Secretary of State for Health if he will list the amount charged to an individual for a home help by each local authority in England. [33322]

Mr. Milburn: Information on charges made to individuals for social service provision is not collected centrally.

CABINET OFFICE

Publications

Mr. Flight: To ask the Minister without Portfolio if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Office subscribes. [33657]

Mr. Mandelson: My office does not subscribe to any European Commission publications.

DUCHY OF LANCASTER

Departmental Employees

Mr. Salmond: To ask the Chancellor of the Duchy of Lancaster if he will list the number of his Department's employees by UK region, indicating the wage bill *(a)* in total and *(b)* by region in the last year for which figures are available and separately identifying the costs of London allowances and weightings. [30066]

Mr. Kilfoyle *[holding answer 18 February 1998]:* For the purposes of this answer, my Department includes the Prime Minister's Office, the Cabinet Office, the Office of Public Service, its executive agencies and the Central Office of Information, which is not an agency of the Cabinet Office but which reports directly to the Chancellor.

Staff figures at 1 October 1997, the latest date for which such figures are available, and the total wage bill, including costs for National Insurance contributions and superannuation payments, for 1 April 1997 to 31 January 1998, by region, were as follows:

£

	Staff Figures	*Total Wage Bill*
London	2,261	58,018,870
The South East	286	6,411,027
East Anglia	193	5,275,181
The North West	143	2,709,000

London allowances and weightings were consolidated into basic pay on 1 August 1997. Prior to this date, the costs for each of the regions were as follows:

London Allowances/Weightings (1 April to 1 July 1997)

	£
London	1,730,815
The South East	22,971
East Anglia	14,500
The North West	0

Departmental Buildings

Mr. Salmond: To ask the Chancellor of the Duchy of Lancaster if he will list the location and running costs in the last year for which figures are available of each of his Department's buildings. [30067]

Mr. Kilfoyle *[holding answer 18 February 1998]:* For this purpose, the Cabinet Office includes the Prime Minister's Office and the Office of Public Service and its

executive agencies. The last year for which running cost figures are available is 1996–97. The information requested is as shown.

	Running costs £
Cabinet Office	
London	
36 Whitehall	873,100
70 Whitehall	2,516,400
10–12 Downing Street	1,363,150
53 Parliament Street	208,675
Hepburn House, Marsham Street	519,125
Admiralty House, Whitehall	143,275
Murray House, Vandon Street	63,325
Dacre House, Dacre Street	591,650
Civil Service Recreation Centre, Chadwick Street	148,655
Elsewhere	
Sovereign House, Norwich	75
Leatherhead Road, Chessington	1,233,865
Alencon Link, Basingstoke	1,016,540
St Clements House, Norwich	58,040
Hill Street, Edinburgh	31,435
OPS Agencies	
SAFE	
St Christoher House, Southwark Street, London	224,160
Header House, Burtonwood, Warrington	153,595
The Buying Agency Liver Building, Liverpool	290,400
CCTA, Hampton House, London and St. Andrews Business Park, Norwich	2,933,000
GCDA, Ponton Road, London	896,000
Civil Service College, Sunningdale Park	2,858,660
PACE—Own Use Buildings[1]	
St Christopher House, London	1,316,225
28 Thistle Street, Edinburgh	314,256
Alexandra House, Leeds	191,258
West Point, Chester	150,979
38 George Road, Birmingham	252,297
Beaufort Court, Bristol	342,927
Dowding House, Tunbridge Wells	115,445
Frant House, Tunbridge Wells	61,260
COI	
Hercules Road, London	2,441,000

[1] On 1 January 1996 PACE was created as an Executive Agency of the Office of Public Service. In addition to the buildings it occupies for its own use, PACE also inherited all the wholly vacant buildings then on the Civil Estate.

PACE is charged with the disposal of this vacant estate which currently totals some 286 properties. Collection of the requested information for this large number of buildings will take time. I have, therefore, asked the Chief Executive of PACE to write separately to the hon. Member with this additional information. A copy of the letter will be published in the Official Report.

TRADE AND INDUSTRY

Fireworks

Ms Hewitt: To ask the President of the Board of Trade if she will publish the report of her Department's firework injury survey for 1997; and if she will make a statement. [33695]

Mr. Nigel Griffiths: The number of persons injured by fireworks during the 1997 firework season was 908. This represents a fall of 26% compared with the previous year. This significant fall is I believe due to the fireworks safety Regulations introduced in October and the very effective firework safety campaign run by my Department in the run-up to Bonfire Night.

Copies of the DTI's Firework Injury Survey are being placed in the Libraries of both Houses.

Fishing Industry

Ms Atherton: To ask the President of the Board of Trade what assessment her Department has made of the impact of the Multilateral Agreement on Investment on the United Kingdom fishing industry. [31844]

Mrs. Roche: Current UK policies on fishing will be unaffected by the MAI. The European Commission has notified an exception to MAI disciplines to restrict access to Community waters to vessels flying the flag of a member state or to third countries that have signed a mutual bilateral fishing agreement. In addition the UK has notified an exception to ensure that British registered vessels have a genuine economic link with this country. These measures will enable us to continue to manage sea fisheries as a sustainable resource.

Nuclear Fuel

Mr. Baker: To ask the President of the Board of Trade, pursuant to her answer of 9 February 1998, *Official Report*, column *90*, what percentage of spent fuel imported since 1990 will be reprocessed over the next *(a)* five years, *(b)* 10 years, *(c)* 15 years and *(d)* 20 years. [33016]

Mr. Battle *[holding answer 6 March 1998]:* The reprocessing programme for spent fuel, both imported and from the United Kingdom, is a contractual matter between BNFL and its customers. Since 1976 all new contracts for reprocessing overseas spent fuel have contained options for the return of wastes. The Government intend that such options should be exercised and that wastes arising from reprocessing be returned to the countries of origin.

Mr. Llew Smith: To ask the President of the Board of Trade what assistance BNFL provided to the state authorities in Louisiana in respect of proposals to build a uranium enrichment plant in the state. [33117]

Mr. Battle: I understand from BNFL that they have provided no assistance to the Louisiana state authorities in respect of proposals to build a uranium enrichment plant in the state.

Employee Travel

Mr. Baker: To ask the President of the Board of Trade if she will estimate the cost of employee travel on office business, broken down into *(a)* fuel allowances, *(b)* unproductive time during travel, *(c)* other costs related to car transport and *(d)* costs related to public transport, for (i) 1994–95, (ii) 1995–96, (iii) 1996–97 and (iv) 1997–98. [32437]

Mr. Nigel Griffiths *[holding answer 3 March 1998]:* The authorisation of travel claims for DTI staff is devolved to local management subject to checking procedures and within allocated budgets. It does not record expenditure on fuel allowances, travel time, other costs related to car transport and costs related to public transport separately from other travel and subsistence expenses paid to staff undertaking departmental business. To provide the information requested would entail disproportionate cost. It would not be possible to measure unproductive travel time.

Arms Sales

Sir Richard Body: To ask the President of the Board of Trade, pursuant to her answer of 12 December 1997, *Official Report*, columns *718–19*, what was the total value of potential ECGD liabilities under guarantees relating to defence-related business; what was that figure as a percentage of the value of all liabilities under ECGD guarantees, in each year; and when figures for 1996–97 will be available. [32817]

Mrs. Roche: The total value of new liabilities assumed by ECGD under guarantees in respect of defence related business issued in each of the three years was as follows:

	Total value of defence business £ million	*Defence as a percentage of all business*
1994–95	727	21
1995–96	1,015	23
1996–97	385	15

ECGD is unable to determine retrospectively the total liabilities which matured under its guarantees in these years in respect of individual sectors such as defence related business.

The claims figures for 1996/97 have now been audited and remain as quoted in my answer to the hon. Gentleman of 12 December 1997, *Official Report*, column *718–19*.

Correspondence

Mr. Cummings: To ask the President of the Board of Trade when the Minister for Science, Energy and Industry plans to reply to the letter from the hon. Member for

Easington dated 6 January concerning a reduction in concessionary coal entitlement for retired, redundant miners and widows of miners; and if she will make a statement. [27956]

Mr. Battle: I wrote to my hon. Friend on 2 March 1998.

Millennium Compliance

Mrs. Gillan: To ask the President of the Board of Trade how many calls have been received by the Action 2000 hotline. [32487]

Mrs. Roche *[holding answer 3 March 1998]:* From 22 January 1998, when Action 2000 hotline was first opened, to the end of February 1998, it has received approximately 3,600 calls.

Mr. Redwood: To ask the President of the Board of Trade which new books, periodicals and consultancies she has added to the lists supplied by the Millennium Bug Hotline in the last months. [32684]

Mrs. Beckett *[holding answer 3 March 1998]:* Action 2000 are responsible for the lists of books, periodicals and consultancies. I understand from them that these lists are next due to be updated at the end of March.

Mr. Redwood: To ask the President of the Board of Trade how many inquiries can be answered at the same time for people ringing the Millennium Bug Hotline. [32685]

Mrs. Beckett *[holding answer 3 March 1998]:* I understand from Action 2000 that there are six people manning the hotline on a regular basis. Should demand require, another three are trained and can be called in at short notice. So far demand has not required more than this nine and a call queuing system is available to manage any temporary overflow.

National Minimum Wage

Mr. Redwood: To ask the President of the Board of Trade, pursuant to her oral statement of 16 December 1997, *Official Report*, column 167, concerning variations in the level of the proposed minimum wage, if she categorises the armed services as a sector. [32799]

Mrs. Beckett *[holding answer 3 March 1998]:* The National Minimum Wage Bill does not provide for variation in the level of the national minimum wage by sector of employment. The armed forces are exempt from the minimum wage by sector of employment. The armed forces are exempt from the minimum wage on the grounds set out by my hon. Friend the Minister of State which are reported in the *Official Report, Standing Committee* D, 5 February 1998, in particular column 777.

Environmental Technologies Exhibit

Mr. Llew Smith: To ask the President of the Board of Trade what support her Department is making available for companies wishing to exhibit at the ET'98 convention on environmental technologies at the NEC Birmingham in June. [33114]

Mr. Battle: The Department will support ET'98 by participating in the exhibition as it has done each year since 1990. In addition, the Department is widely publicising the event so as to encourage overseas buyers in particular to attend the exhibition.

Departmental Employees (Japan)

Mr. Wigley: To ask the President of the Board of Trade how many *(a)* full time or *(b)* part time (i) employees and (ii) consultants her Department funds in Japan broken down by organisation; and how many of these work from offices in the British Embassy in Tokyo. [32980]

Mr. Ian McCartney: One of my officials is currently on secondment on the Japanese Ministry of International Trade and Industry (MITI) and this posting is being fully funded by my Department. There are no other DTI employees or full or part time consultants in Japan funded by my Department. Occasionally the Embassy will employ consultants at our cost to provide specific services in support of our inward investment, commercial and science and technology activities in Japan. Neither our secondee to MITI nor any hired consultants work from the offices of the British Embassy in Tokyo.

Invest in Britain Bureau

Mr. Wigley: To ask the President of the Board of Trade what is the expected out-turn expenditure by her Department in supporting the work of the Invest in Britain Bureau in the current financial year; and what were the corresponding sums spent in each of the past five years. [32979]

Mr. Ian McCartney: The Department's Invest in Britain Bureau's forecast expenditure outturn on programme costs for 1997–98 is £13.7 million, consisting of £3.3 million for promotional activities and £10.4 million support for the English Regional Development Organisations. The forecast outturn on running costs for 1997–98 for IBB is £2.4 million. Corresponding figures for the previous five years are shown in the table.

Invest in Britain Bureau expenditure

£ million

Year	*Promotional activities*	*Support for RDOs*	*Running costs*
1992–93	2.8	5.0	1.6
1993–94	2.8	5.8	1.7
1994–95	3.4	7.3	1.7
1995–96	3.7	8.8	2.3
1996–97	3.4	9.1	2.3

ASEM II Meeting

Mr. Mullin: To ask the President of the Board of Trade what account she will take of human rights issues during her preparation for the Business Event which she is hosting at the ASEM II meeting in April; and if she will make a statement. [31022]

Mrs. Beckett: The 1998 Asia Europe Business Forum is primarily a mechanism to promote business to business contacts between ASEM member countries. The agenda

for the ASEM Summit is still under discussion. It is expected to be wide-ranging and productive and to touch upon human rights issues.

Mr. Mullin: To ask the President of the Board of Trade if she plans to consult with relevant non-government organisations in preparation for the Business Event she is hosting at the ASEM II meeting in April. [31021]

Mrs. Beckett: The 1998 Asia Europe Business Forum is primarily a mechanism to promote business to business contacts between ASEM member countries. Its agenda has been drawn up in consultation with our ASEM partners. I currently have no plans to consult with non-government organisations.

Exports (Kenya)

Mr. Stinchcombe: To ask the President of the Board of Trade how many licence applications are pending for the export of tear gas and plastic bullets to Kenya. [24332]

Mrs. Roche: These goods, and others, are controlled under entries in Part 1 of Schedule III to the Export of Goods (Control) Order which are known as the ratings for these goods: tear gas under entry ML7; and plastic bullets under entries ML3 or PL5021.

The Export Control Organisation's computer databases have been interrogated, and the following results were obtained. At 12 January 1998, decisions had not yet been taken on 4 applications for open individual licences to export goods rated ML3 to Kenya. The paper records of these 4 applications have been examined and none covered tear gas or plastic bullets. There are no other pending applications for Standard Individual Export Licences or Open Individual Export Licences for the export to Kenya of goods with any of the specified ratings.

This information should be considered in light of my answer to my hon. Friend the Member for Don Valley (Caroline Flint), *Official Report*, 30 October 1997, columns *870–871*.

SCOTLAND

Lynebank Hospital

Ms Squire: To ask the Secretary of State for Scotland if he will estimate the cost of maintaining long-stay hospital facilities at Lynebank for 40 elderly patients and 40 patients with forensic and dual diagnosis for severe learning and physical disabilities. [29152]

Mr. Galbraith *[holding answer 23 February 1998]:* Fife Health Board and Fife Healthcare NHS Trust are undertaking further work to identify the preferred option for the future provision of NHS continuing care services currently provided at Lynebank Hospital for learning disabled and elderly patients.

The Trust has estimated the theoretical cost of providing for 40 frail elderly patients and approximately 48 learning disability patients on the Lynebank site as below:

	£ million
Two frail elderly wards (40 places)	1.0
Four learning disabilities wards (approximately 48 places) plus Community Learning Disability Team	3.7
Total	4.7

While the Trust has identified clinical costs, facilities costs have been pro-rated and may not be operationally achievable. The estimates also exclude central services costs, interest and depreciation. The figure of £3.7 million for learning disabilities is based on the cost of operating 4 wards (48 places). The provision of 40 learning disability places rather than 48 is unlikely to make a material difference to the estimate.

Recycled Land

Mr. Brake: To ask the Secretary of State for Scotland what percentage and surface area of recycled land has been decontaminated in each of the last 12 years by county and region in Scotland; and what percentage and surface area of that land has been used for housing developments. [32426]

Mr. Macdonald: Information specifically on decontaminated land which has subsequently been used for housing developments is not available centrally. However, the Scottish Vacant and Derelict Land Survey does provide some information on the amount of vacant and derelict land being taken up for a range of uses. The information related to housing is as follows:

Vacant and derelict land recycled for housing development

	Hectares	*Percentage*
1990		
Total vacant and derelict land	12,140	—
Total taken up since 1988	586	—
Total taken up for housing	[1]—	—
1993		
Total vacant and derelict land	15,400	—
Total taken up since 1990	2,293	—
Total taken up for housing	571	24.9
1994		
Total vacant and derelict land	14,094	—
Total taken up since 1993	1,263	—
Total taken up for housing	216	17.1
1995		
Total vacant and derelict land	13,721	—
Total taken up since 1994	824	—
Total taken up for housing	234	28.4

Vacant and derelict land recycled for housing development

	Hectares	*Percentage*
1996		
Total vacant and derelict land	13,101	—
Total taken up since 1995	688	—
Total taken up for housing	257	37.4

[1] Figure unavailable

Note:

Owing to the change to local authority boundaries following the reorganisation of local government, it is not possible to produce time series aggregated data by local authority area.

Regional Selective Assistance

Dr. Ladyman: To ask the Secretary of State for Scotland how many grants of regional selective assistance were made in Scotland in 1997; how many were made at the maximum level; what was the average level; and how many jobs he estimates were created. [32552]

Mr. Wilson: During 1997 there were 235 offers of Regional Selective Assistance (RSA) made in Scotland. Offers to 3 projects in development areas were made at the GB maximum RSA cost per job limit and there were no offers made to intermediate area projects at the lower cost per job limit applying to these areas. The weighted average RSA cost per job of all 1997 offers in development areas was £8,103 and in intermediate areas was £3,679. These offers were in total associated with the planned creation of 19,546 new jobs and safeguarding of 3,116 jobs. The actual number of jobs created and safeguarded cannot be ascertained until the projects in question have been completed, which on average takes some 3 to 4 years.

Industrial and Business Investors

Dr. Ladyman: To ask the Secretary of State for Scotland what grants other than regional selective assistance were made available to industrial and business investors in Scotland in 1997. [32553]

Mr. Wilson: In addition to assistance available throughout the United Kingdom, The Scottish Office, Scottish Enterprise and Highlands and Islands Enterprise make a number of grants available for business development in Scotland. The table shows the grants available and the level of expenditure in 1996–1997, the last complete financial year.

£ million

Grant	*Expenditure 1996–1997*
The Scottish Office	
Regional Enterprise Grant Investment Grant Scheme	0.6
Regional Innovation Grant Scheme	1.8
Small Firms Merit Award (SMART)/Support for Products under Research (SPUR)	2.1
Expert Help Programme	0.642
Scottish Enterprise	
General Grant Scheme	17.353
Specific Grant Schemes	
Training and Employment Grants Scheme	2.684
Scottish Export Assistance Scheme	0.279
Skills for Small Business	1.099
Business Enterprise Support	6.576
Business Start Up	6.552
Better Businesses Services Scheme	1.361
Highlands and Islands Enterprise	
Finance for Business	12.895
Business Start Up Scheme	1.655

Court Cases (Verdicts)

Mrs. McKenna: To ask the Secretary of State for Scotland if he will publish, for each of the last 10 years, the number of verdicts handed down by Scottish courts of *(a)* guilty, *(b)* not guilty and *(c)* not proven. [32802]

Mr. McLeish: The table provides the available information for 1986–1995, the latest ten years for which information is available.

Number of persons with a charge proved or acquitted in Scottish Courts, 1986–1995

Year of sentence/ acquittal	*Charge proved*	*Outcome Acquitted not guilty*	*Acquitted not proven*
1986	184,276	9,858	1,965
1987	179,276	9,893	1,923
1988	179,119	7,787	1,911
1989	173,594	7,596	2,056
1990	176,558	7,103	2,090
1991	178,835	6,935	1,987
1992	177,483	6,409	1,798
1993	162,806	6,761	1,509
1994	159,178	5,579	1,337
1995	156,707	5,397	1,403

Social Housing

Mr. Brake: To ask the Secretary of State for Scotland if he will reduce the number of units or hectares in a housing development above which local authorities can require an element of social housing to be provided in the development. [32337]

Mr. Macdonald: *[holding answer 3 March 1998]:* Current guidance in Scotland does not specify a particular scale of housing development above which local authorities can require houses to be provided which are affordable to those in lower income groups. Instead, local authorities are encouraged to consider, in conjunction with Scottish Homes, whether there is a requirement for affordable housing to meet local needs in a particular area. Where appropriate, in the light of that consideration, structure and local plans should then include policies which address any such needs so identified.

Public Appointments

Mrs. Lait: To ask the Secretary of State for Scotland how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33246]

Mr. Dewar: The Scottish Office maintains its own Public Appointments List and therefore makes limited use of names from the Public Appointments Unit. From time to time the Public Appointments Unit passes names to the Scottish Office for the Public Appointments List, and vice versa. The Scottish Office List is used as one of a number of sources, including advertising, to ensure the widest possible range of suitably qualified candidates for the public appointments which I make. The specific sources of the names of those appointed are not recorded centrally.

Council Tax

Mr. Gorrie: To ask the Secretary of State for Scotland what was the council tax at Band D in each council area for each year from 1991–92 to 1997–98, adding together the totals for district and region where appropriate and giving the figures for the water and sewage council tax or charge separately. [33137]

Mr. Macdonald *[holding answer 6 March 1998]:* As the information is rather lengthy, I will write to the hon. Member and place copies in the Library of the House.

Public Housing

Mr. Sarwar: To ask the Secretary of State for Scotland how many houses were built by *(a)* local authorities and *(b)* housing associations in each of the last five years. [33212]

Mr. Macdonald: The available information, which covers the years 1992–96, is set out in the table.

New housebuilding completions[1] by local authorities[2] and housing associations in Scotland between 1992 and 1996

Year	*Local authority*	*Housing association*
1992	697	3,044
1993	502	2,723
1994	548	2,990
1995	499	5,003
1996	209	2,683

[1] Information on new housebuilding is collected centrally and published in a quarterly bulletin, the latest being 'Housing Trends in Scotland: Quarter Ended 31 March 1997' (HSG/1997/7) in November 1997.
[2] The figures for local authority new housebuilding from 1994 may not be complete since not all local authorities have submitted returns.

Council Expenditure

Mr. Gorrie: To ask the Secretary of State for Scotland if he will list the additional responsibilities and statutory obligations placed on Scottish councils which involved expenditure by councils in each year from 1991–92 to 1997–98; what estimate the Scottish Office has made of the additional *(a)* annual cost and *(b)* one-off cost each of these involved for Scottish councils; and what additional amounts were provided by the Scottish Office to councils through aggregate external finance specifically to meet these costs. [33222]

Mr. Macdonald *[holding answer 6 March 1998]:* The statutory new burdens and transfers of responsibility recognised in the local government finance settlements each year from 1991–92 to 1997–98 are set out in the table below:

£ million

Financial year	*Additional spending pressure*		*Amount added to AEF*
1991–92	Education:	In Service Training Transfer	5.4
		Staff Development/Appraisal	2.0
	Social Work:	Community Care	7.0
		Mental Illness Specific Grant	3.0
	Fire		1.00
	Civil Defence:	Emergency Planning Functions	0.5
	Cleansing:	Litter Duties/Waste Regulation	12.0
	Environmental Health:	Food Safety Bill	3.0
	River Purification:	Environmental Protection Bill	1.0
	Leisure and Recreation:	Children's Play Areas	2.0
	Roads and Road Lighting:	Increasing Road Lengths	1.0
	Building Control		0.7
1992–93	Education:	Senior Teachers' Pay Award	11.5
		Staff Appraisal	4.0
		Senior Teachers (Non-Staff)	5.0
		Speech Therapy	2.0
	Social Work:	Community Care (Stage 2)	11.0
		Residential Childcare	7.0
		Child Protection Training	1.0
		Day Care	1.5
		Arms Length Inspection	0.5
		Advocacy For Disabled	1.0
	Police:	Road Traffic Technology	1.5
	District Courts:	Road Traffic Technology	0.3
	Cleansing:	Waste Regulation/Recycling etc.	8.0
	Environmental Health:	Food Safety	1.5
		Control of Dogs	2.5
	River Purification		1.0
	Planning:	Registers of Contaminated Land	2.0
	Leisure and Recreation:	Resurfacing of Play Areas	2.0
	Council Tax Preparation		24.0

£ million

Financial year	Additional spending pressure		Amount added to AEF
1993–94	Education:	Support for Senior Promoted Staff	5.0
		Premature Retirement Costs	0.5
		Staff Appraisal	6.0
	Social Work:	Community Care—DSS Transfer	40.6
		Independent Living Fund	2.8
		Community Care Implementation	22.1
		Child Care	4.0
		Independent Living Fund	2.1
	Fire:	Firefighting at Sea	1.0
		Fire Safety in Workplace	0.5
	River Purification:	Nitrate Directive	0.2
	Cleansing:	Waste Regulation/Recycling etc.	5.0
	Planning:	Contaminated Land	0.2
	Consumer Protection:	Children's Protection—Tobacco	0.5
1994–95	Education:	Devolved School Management	13.2
		Workload Senior Promoted Staff	5.0
		Normalisation of TVEI	3.0
		Staff Appraisal	2.0
		Speech Therapy	1.0
		Including Fees of Independent Schools	1.0
	Social Work:	Community Care—DSS Transfer	65.6
		Independent Living Fund	4.0
		Community Care Implementation	14.2
		Mental Illness Specific Grant	4.0
		Scotland's Health—Policy	2.0
		Child Care	10.0
		Supplementary Accommodation for Young People	0.6
	Police:	Disposal of Police Houses	3.0
	Fire:	Fire Service Pensions	2.0
		Health and Safety Regulations	0.6
	Homelessness		2.0
	Consumer Protection	Trading Standards	1.5
		Visual Display Equipment Eye Tests	3.0
	Local Government Reform		5.0
	Water and Sewerage	Restructuring Costs	1.0
	NHS Laboratories Transfer		1.2
1995–96	Education:	Devolved School Management	3.0
		Workload—Senior Promoted Staff	2.0
		School Transport Safety	4.0
		Staff Appraisal	2.0
		Records of Special Education Needs	0.5
	Social Work:	Community Care—DSS Transfer	52.1
		Independent Living Fund	3.8
		Community Care Implementation	5.1
		Mental Illness Specific Grant	4.0
		Child Care	6.0
		Transport Safety	1.0
	Transport:	Air passenger Duty	0.04
	Aids and Adaptations for the Disabled		1.0
	Housing Benefit Transfer		0.07
	New Towns Responsibilities		3.3
	Port Health Transfer		0.06
	Cost of Shadow Elections		5.0
1996–97	Education:	Devolved School Management	6.0
		Workload of Senior Staff	2.0
	Social Work:	Community Care—DSS Transfer	39.5
		Community Care Implementation	11.6
		Children (Scotland) Act 1995	3.0
		DSS—Occupational Pensions	0.09
	Fire:	Pensions	3.0
	Transport:	Rail Restructuring	71.5
		Air Passenger Duty	0.04
	Housing Benefit Transfer		0.7
	New Towns Responsibilities		0.8
	Homelessness		0.02
	Trading Standards		0.2
	Reorganisation		40.0

£ million

Financial year	Additional spending pressure		Amount added to AEF
1997–98	Education:	School Security	13.3
		Special Teaching Needs	0.5
	Social Work:	Community Care—DSS Transfer	33.4
		Community Care Implementation	15.0
		Children (Scotland) Act 1995	5.0
		DSS—Occupational Pensions	0.03
		Capital Disregard	6.9
		Flood Prevention	3.0
	Environmental Health:	Air Quality	0.8
		Sheep Scab	0.03
	Trading Standards		0.003
	Homelessness		0.001
	PFI Preparatory Costs		2.5
	Home Energy		0.3
	Housing Benefit Transfer		0.7
	New Towns Responsibilities		0.15
	DTI European Directives		0.03

Scottish Parliament

Mr. Gorrie: To ask the Secretary of State for Scotland on what date his Department started looking for a temporary site for the Scottish Parliament; on what date the Strathclyde Region complex was first considered; and on what date it was decided to add it to the short list of sites. [33153]

Mr. Dewar *[holding answer 6 March 1998]:* I announced on 17 October last year my intention to ensure that, if necessary, the Scottish Parliament had available to it adequate interim accommodation. My officials began to gather information on potential interim locations later that month. The Glasgow option was first considered in detail in mid-February this year, after it became clear that there were difficulties in identifying suitable office accommodation for the Parliament's use in Edinburgh. I decided to add the Glasgow option to the short list on 27 February 1998.

Mr. Gorrie: To ask the Secretary of State for Scotland which sites were assessed as possible temporary homes for the Scottish Parliament. [33154]

Mr. Dewar *[holding answer 6 March 1998]:* A large number of potential interim locations were considered, and of these a smaller number were assessed in detail. These comprised, in Edinburgh, the Assembly Hall of the Church of Scotland, the McEwan Hall, the Old Royal High School, the Royal College of Physicians, and St. James' House; in Glasgow, the former Strathclyde Regional Council Chamber; and in Hamilton, the South Lanarkshire Council Chambers. A wide range of office accommodation to support Parliamentary activity was also considered.

English Grand Committee

Mr. Jenkin: To ask the Secretary of State for Scotland what briefing on the establishment of an English Grand Committee of the House was circulated to the Press before the debate on Amendment 258 to the Scotland Bill; and if he will place a copy of the briefing in the Library. [33546]

Mr. McLeish: I briefed the Parliamentary lobby correspondents on Tuesday 3 March on the background to the 6th day of the Commons Committee Stage of the Scotland Bill. As part of the briefing I made available a lobby note to help the correspondents to understand the part of the Bill due to be debated and the issues which might be raised in the debate. The note, as usual, is not an official Government document and was not intended for publication or reproduction. I am however placing a copy of the briefing in the Library.

Rural Schools

Mrs. Ray Michie: To ask the Secretary of State for Scotland what plans he has to introduce measures similar to those proposed in England to protect rural schools from closure; and if he will make a statement. [33300]

Mr. Wilson *[holding answer 6 March 1998]:* There are significant differences between Scotland and England in the arrangements for deciding on school closures. The position of rural schools in Scotland is already recognised in the long-standing statutory requirement for education authorities to submit for my right hon. Friend's consent any proposal to close a school where the distance between it and the alternative school is 8.046720 or more kilometres (5 miles) in the case of a primary school or 16.093440 or more kilometres (10 miles) in the case of a secondary school. My right hon. Friend gives careful consideration to such proposals taking into particular account the educational basis on which they are made and the wider impact on the community served by the school in question.

Schools

Mr. Gorrie: To ask the Secretary of State for Scotland how many *(a)* primary and *(b)* secondary state schools there are in each council area in Scotland; and how many new schools were (i) opened and (ii) closed or merged in each area in each year from 1986–87 to 1997–98. [33138]

Mr. Wilson *[holding answer 6 March 1998]:* Information on the number of primary and secondary schools is given in the table, from 1987–88. The table, which is derived from the annual schools census, gives some indication of changes in school numbers over the years involved. However, it is not a reliable indication of the actual numbers of new schools or schools which have closed or merged. Information on those is not collected centrally.

	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
Total number of primary schools										
Scotland total	2,311	2,331	2,336	2,341	2,347	2,364	2,372	2,378	2,385	2,418
Standard code for education authority										
Aberdeen City	61	61	62	62	62	62	62	62	62	62
Aberdeenshire	162	162	162	162	162	162	162	162	162	162
Angus	62	64	64	64	64	65	65	65	65	66
Argyll and Bute	88	88	88	88	88	88	88	88	88	90
Clackmannanshire	19	20	20	20	20	20	20	20	20	20
Comhairle nan Eilean Siar	43	44	44	45	45	46	46	47	47	55
Dumfries and Galloway	116	116	116	116	116	116	116	116	116	118
Dundee City	42	45	45	45	45	45	45	45	45	45
East Ayrshire	46	51	51	51	51	51	51	51	51	52
East Dunbartonshire	37	36	36	36	36	36	36	36	37	37
East Lothian	35	34	34	34	34	34	34	34	35	35
East Renfrewshire	24	24	24	24	24	24	24	24	24	24
Edinburgh, City of	103	103	103	103	103	104	104	104	104	104
Falkirk	48	48	49	49	49	49	49	49	50	53
Fife	145	145	145	145	145	145	145	147	148	148
Glasgow City	206	210	210	211	211	212	215	215	216	221
Highland	195	198	199	199	200	204	207	206	208	210
Inverclyde	32	32	32	32	32	33	33	35	35	35
Midlothian	36	36	36	37	37	37	37	37	37	37
Moray	50	50	50	50	50	50	50	50	50	50
North Ayrshire	53	53	53	53	53	53	54	54	54	54
North Lanarkshire	134	134	134	134	134	134	134	134	134	136
Orkney Islands	22	24	24	24	24	24	24	24	24	24
Perth and Kinross	78	78	78	78	79	80	80	80	80	80
Renfrewshire	52	52	52	52	52	52	52	52	52	55
Scottish Borders	73	73	73	73	76	77	77	77	77	77
Shetland Islands	35	34	35	35	35	35	35	35	35	35
South Ayrshire	45	45	45	46	46	46	46	46	46	48
South Lanarkshire	124	124	124	124	124	128	128	130	130	132
Stirling	44	45	46	47	47	48	48	48	48	48
West Dunbartonshire	35	36	36	36	37	37	37	37	37	37
West Lothian	66	66	66	66	66	67	68	68	68	68
Total number of secondary schools										
Scotland total	401	404	405	408	412	419	424	429	434	438
Standard code for education authority										
Aberdeen City	13	13	13	13	13	13	13	14	14	15
Aberdeenshire	16	16	16	16	16	16	16	16	16	16
Angus	9	9	9	9	9	9	9	9	9	9
Argyll and Bute	10	10	10	10	10	10	10	10	10	10
Clackmannanshire	3	3	3	3	4	4	4	4	4	4
Comhairle nan Eilean Siar	13	15	15	16	16	16	16	16	16	16
Dumfries and Galloway	16	16	16	16	16	16	16	16	16	16
Dundee City	11	12	12	12	12	12	12	12	12	12
East Ayrshire	10	10	10	10	11	11	11	11	11	11
East Dunbartonshire	9	9	9	9	9	9	9	9	9	9
East Lothian	6	6	6	6	6	6	6	6	6	6
East Renfrewshire	7	7	7	7	7	7	7	7	7	7
Edinburgh, City of	23	23	23	23	23	23	24	24	24	24
Falkirk	8	8	8	8	8	8	8	8	8	10
Fife	19	19	19	19	19	19	19	19	19	19
Glasgow City	39	39	39	41	41	45	47	48	52	53
Highland	27	27	27	27	27	27	27	27	27	27
Inverclyde	8	8	8	8	8	8	8	9	9	9
Midlothian	6	6	6	6	7	7	7	7	7	7
Moray	9	9	9	9	9	9	9	9	9	9
North Ayrshire	10	10	10	10	10	10	10	10	10	10
North Lanarkshire	26	26	26	26	26	27	27	27	27	27
Orkney Islands	6	6	6	6	6	6	6	6	6	6
Perth and Kinross	10	10	11	11	11	11	11	11	11	11
Renfrewshire	14	14	14	14	14	14	14	16	17	17
Scottish Borders	9	9	9	9	9	9	9	9	9	9
Shetland Islands	9	9	9	9	9	9	9	9	9	9
South Ayrshire	9	9	9	9	9	9	10	10	10	10
South Lanarkshire	21	21	21	21	21	21	21	21	21	21
Stirling	7	7	7	7	7	7	7	7	7	7
West Dunbartonshire	7	7	7	7	7	7	8	8	8	8
West Lothian	11	11	11	11	12	14	14	14	14	14

Civil Servants

Mr. Jenkins: To ask the Secretary of State for Scotland if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33085]

Mr. Dewar: This information is not available from the computerised personnel records.

Mr. Jenkins: To ask the Secretary of State for Scotland if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector. [33084]

Mr. Dewar: This information is not available.

Mr. Jenkins: To ask the Secretary of State for Scotland if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33083]

Mr. Dewar: The main computerised personnel system records details of qualifications gained rather than establishment attended. Coverage of academic qualifications is not currently comprehensive, and so reliable information is not available. An exercise to verify the information held on this system and to collect incomplete details is scheduled for later in the year.

The Scottish Prison Service and Historic Scotland maintain their own personnel records. The information sought is not currently available from these systems.

Nursery Education

Mr. Kirkwood: To ask the Secretary of State for Scotland what was the proportion of nursery education places financed by the voucher scheme and provided by (i) local authorities, (ii) the private sector and (iii) the voluntary sector in each education authority area in Scotland in 1997–98. [31714]

Mr. Wilson: Approaching 90 per cent. of the identified eligible children have redeemed vouchers. The proportion of redemptions in each sector is set out in the table for each local authority area.

Percentage of share of pre-school education vouchers redeemed by sector in each local authority area in Scotland for 1997–98 (see note 1)

Percentage

Local Authority	*Share of redemption publicly funded sector See note 2*	*Share of redemption private sector See note 3 and 4*	*Share of redemption voluntary sector See note 4*
City of Aberdeen	81	17	2
Aberdeenshire	69	15	16
Angus	90	8	2
Argyll and Bute	53	20	27
City of Dundee	85	14	1
City of Edinburgh	79	19	2
City of Glasgow	84	13	3
Clackmannanshire	90	8	2
Dumfries and Galloway	94	3	3
East Ayrshire	85	8	7
East Dunbartonshire	54	32	14
East Lothian	95	4	1
East Renfrewshire	69	14	17
Falkirk	97	3	1
Fife	97	3	0
Highland	74	11	15
Inverclyde	74	12	14
Midlothian	95	4	1
Moray	69	12	19
North Ayrshire	61	25	14
North Lanarkshire	75	20	5
Orkney Islands	81	12	7
Perth and Kinross	79	18	3
Renfrewshire	80	12	8
Scottish Borders	84	9	7
Shetlands	78	0	22
South Ayrshire	82	13	5
South Lanarkshire	57	30	13
Stirling	88	10	2
West Dunbartonshire	95	5	0
West Lothian	97	3	0
Western Isles	12	25	63
Scotland Wide Average	80	14	6

Notes:

1. Information shown as a percentage share of redemption as some children access more than one centre and sector.
2. Includes LA nursery schools and classes, LA day nurseries, grant aided special schools and self governing schools.
3. Includes private nurseries, independent schools and childminders.
4. Individual centres identified themselves as belonging to this sector.

Mr. Kirkwood: To ask the Secretary of State for Scotland what steps he plans to take to maintain the current proportion of nursery places provided by private and voluntary groups after the voucher system ends. [31715]

Mr. Wilson: As I have already made clear in the consultation paper "Education in Early Childhood: the Pre-School Years", I expect local authorities to consider carefully the opportunities for working in partnership with voluntary and private pre-school centres in their areas; and to commission places from centres accredited by HM Inspectors of Schools wherever this makes a cost-effective contribution to supply.

Authorities will be invited to say how they wish the total grant for their area split between provision at their own hand and places they intend to purchase in the private and voluntary sectors. In making these proposals authorities will wish to take into account that some 14,000 children are at present accessing education places provided by private and voluntary centres across Scotland. I also expect them to consider carefully the needs and preferences of parents, including those in, or seeking, employment.

Mr. Kirkwood: To ask the Secretary of State for Scotland what criteria he will use to determine whether a local authority has entered into an effective partnership with the private and voluntary sectors to provide nursery places for financial year 1998–99. [31716]

Mr. Wilson: The consultation paper "Education in Early Childhood: The Pre-School Years" encouraged local authorities to consider the scope for collaborating with the voluntary and private sectors to expand provision for pre-school children. It invited comments on the kinds of partnership which might be most effective and how authorities might draw on relevant experience in this area. Responses to the consultation are now being analysed. I intend to review in the autumn authorities' progress in developing partnerships of all kinds.

Mr. Kirkwood: To ask the Secretary of State for Scotland what will be the criteria for allocating central grant for nursery education in fiscal year 1998–99. [31718]

Mr. Wilson: I am currently considering responses to the funding issues raised in the consultation paper "Education in Early Childhood: The Pre-School Years" and I expect to make an announcement later this month on how resources are to be distributed.

SOCIAL SECURITY

Civil Servants

Mr. Jenkins: To ask the Secretary of State for Social Security (1) if she will estimate the number of civil servants in her Department, at each grade, who received their schooling in the independent school sector; [33072]

(2) if she will estimate the number and percentage of civil servants in her Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33071]

(3) if she will estimate for each of the last five years, the number and percentage of new civil servants in her Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33073]

Mr. Field: This information is not held centrally and could be obtained only at disproportionate cost.

Pensions

Mr. Quentin Davies: To ask the Secretary of State for Social Security what plans she has to alter the minimum funding requirement on pension schemes so as to take into account the lower forecast net dividend yield. [32975]

Mr. Denham: The detailed requirements for minimum funding requirement (MFR) valuations are set out in regulations and in an actuarial guidance note produced by the Faculty and Institute of Actuaries and approved by the Secretary of State. The Faculty and Institute have set up working groups to look at the effects of the July Budget changes on a number of issues, including the MFR, and officials are in close contact with the profession. Although the Faculty and Institute have made recommendations for changes to the valuation method following the Budget changes, they have now indicated that they wish to do further work on the operation of the MFR generally before revising their guidance note. Any changes must await their further recommendations.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Social Security when she expects to reply to the letter of 16 December 1997, from the right hon. Member for North-West Cambridgeshire on behalf of Mr. Moore. [33356]

Mr. Denham: A reply was sent on Tuesday 3 March.

Treasury Grant

Mr. Flynn: To ask the Secretary of State for Social Security, (1) pursuant to her answer of 26 February 1998, *Official Report*, column *345*, on Treasury grant to the National Insurance Fund, for what reason the full amounts of the Treasury grants will not be needed in *(a)* 1997–98 and *(b)* 1998–99; [33268]

(2) what were the total sums *(a)* allocated and *(b)* spent on the Treasury Supplement and the Treasury Grant in each of the past 20 years. [33267]

Mr. Denham: Information on the amounts of Treasury Supplement and Treasury Grant is set out in the table.

Treasury Supplement and Treasury Grant: Amounts allocated and paid into the National Insurance Fund 1977–78 to 1996–97.

£ million

Year	*Amount allocated*	*Amount paid*
1977–78	1,537	1,537
1978–79	1,976	1,976
1979–80	2,343	2,343
1980–81	2,848	2,848
1981–82	2,433	2,433
1982–83	2,591	2,591
1983–84	2,807	2,807

Treasury Supplement and Treasury Grant: Amounts allocated and paid into the National Insurance Fund 1977–78 to 1996–97.

£ million

Year	*Amount allocated*	*Amount paid*
1984–85	2,597	2,597
1985–86	2,163	2,163
1986–87	2,412	2,412
1987–88	2,135	2,135
1988–89	1,653	1,653
1989–90[1]	0	0
1990–91[1]	0	0
1991–92[1]	0	0
1992–93[1]	0	0
1993–94	[2]7,589	[4]7,589
1994–95	[3]6,384	[4]6,280
1995–96	[3]4,096	[4]3,575
1996–97	[3]2,505	[4]1,900

[1] The Treasury Supplement was abolished in 1988–89; the Treasury Grant was introduced from 1993–94.

[2] Maximum amount of Treasury Grant made available for 1993–94 under section 2(1) of the Social Security Act 1993.

[3] Maximum amounts of Treasury Grant available for those years as prescribed by Orders made under section 2(2) of the Social Security Act 1993. The amounts were based on estimates of benefit expenditure from the National Insurance Fund in those years contained in the Government Actuary's reports on the draft Social Security Benefits Up-rating Orders and draft Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Orders for those years.

[4] Amounts of Treasury Grant Voted in Supply Estimates and paid into the National Insurance Fund.

Until the Treasury Supplement was abolished in 1988–89, it was calculated and paid into the National Insurance Fund as a fixed percentage of the Fund's expected annual income from National Insurance contributions. The Treasury Grant was introduced from 1993–94 as a more flexible means of enabling adjustments to be made to the level at which the Fund stands so that, after meeting its expenditure commitments on benefits and other payments, the Fund has a reasonable working balance at the end of each financial year. The advice of the Government Actuary is that the planned level of this balance should not be less than one-sixth (16.7 per cent.) of the Fund's annual benefit expenditure.

The amounts of Treasury Grant Voted in the main Supply Estimates and paid into the Fund each year are those estimated by the Government Actuary in his report on the drafts of the annual Social Security benefits up-rating and Contributions (re-rating and National Insurance Fund payments) Orders. But the maximum level of Grant which can be made available to the Fund each year is prudently prescribed, by Order, at a higher amount. The maximum Grant is set so that, if in that year the Fund's income from contributions is lower than expected or its expenditure on benefits is higher than forecast, additional amounts of Grant may be paid into the Fund subject to Parliament approving the necessary Supplementary Estimate. This might arise when, for example, the level of unemployment is markedly higher than expected.

In line with estimates made by the Government Actuary in January 1997[1], the total amount of Treasury Grant Voted and paid into the National Insurance Fund for 1997–98 is £940 million. The maximum level of Grant available for 1997–98 is £1,713 million[2]. The Government Actuary's latest estimates[3] indicate that the balance in the Fund at 31 March 1998 will be equivalent to 19.2 per cent. of annual benefit expenditure; hence there is no need for any further Grant to be paid into the Fund in 1997–98. These estimates also indicate that without any Grant in 1998–99, the balance in the Fund at 31 March 1999 is likely be equivalent to 17.4 per cent. of annual benefit expenditure. Nevertheless, we have prudently prescribed[4] that a Grant of up to 2 per cent. of annual benefit expenditure (£896 million) can, if necessary, be made available to the Fund in 1998–99.

Notes:

[1] Report by the Government Actuary on the drafts of the Social Security Benefits Up-rating Order 1997 and the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1997 (Cm 3547).

[2] Social Security (Contributions) (Up-rating and National Insurance Fund Payments) Order 1997.

[3] Report by the Government Actuary on the drafts of the Social Security Benefits Up-rating Order 1998 and the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1998 (Cm 3860).

[4] Social Security (Contributions) (Up-rating and National Insurance Fund Payments) Order 1998.

Disability Benefits

Mrs. May: To ask the Secretary of State for Social Security what plans she has to consult disability organisations before identifying specific proposals for disability benefits as part of her Department's comprehensive spending review. [33499]

Mr. Denham: We have given a clear commitment that we will not make any changes without consulting disabled people, and groups who represent and support them, on how we can ensure that the welfare state delivers independence and social inclusion, not discrimination and exclusion. We have already met on a number of occasions with disability interest groups and we continue to welcome their views on how the systems can be improved.

Lone Parents

Mr. Rendel: To ask the Secretary of State for Social Security how much it would cost to exempt lone parents with children under five years old from the provisions laid down in Clause 70 of the Social Security Bill. [26169]

Mr. Keith Bradley: Existing recipients will continue to retain entitlement to the lone parent element of Child Benefit. The estimated additional cost of exempting lone parents with children under five years old from the provisions laid down in Clause 70 of the Social Security Bill is £22 million over the next three years. The cost of exempting those lone parents from the parallel measure to remove entitlement to the lone parent rates of family premium would be £225 million over the same period.

Benefits

Mr. Wyatt: To ask the Secretary of State for Social Security if she will estimate the effect on the total Social Security budget in *(a)* 2000–01 and *(b)* 2001–02 of making benefits available only to those aged (i) 0 to 16 years, and to 21 years for those in further or higher education, and (ii) over 60 years. [24441]

Mr. Denham: The information requested can be provided only at disproportionate costs.

The closest readily available figures are for departmental expenditure by type of benefit.

The impact of paying only pensioner and family benefits on departmental expenditure

£ million

	1998–99	*1999–2000*
Total benefit expenditure (A)	99,190	102,930
Expenditure on families and pensioners (B)	63,450	65,720
Estimated effect (A)-(B)	35,740	37.210

Notes:

1. Figures are not available after 1999–2000.
2. Figures have been rounded to the nearest 10 million pounds.
3. Expenditure on non income-related benefits has been classified by reason for payment of benefit rather than the group to whom the benefit is paid. For example, disability benefits which are paid to pensioners are treated as disability benefits and are therefore included in the estimated savings.
4. Income-Related benefit expenditure has been classified by the group to whom the benefit is paid. For example, Income Support expenditure on pensioners will not be included as part of the savings, whereas IS expenditure on the non pensioner disabled will.
5. Income Support and Social fund expenditure in the family category represents Lone Parents and therefore excludes spending on two parent families. The two parent family expenditure for these benefits are therefore included as part of the savings. Housing Benefit and Council Tax Benefit expenditure in the family category includes some spending on other groups which is not readily identified.

Source:

Based on table 5 in the 1997 Departmental Report.

Benefit Integrity Project

Mr. Burstow: To ask the Secretary of State for Social Security, pursuant to her answer of 23 February 1998, *Official Report*, columns *124–25*, concerning the sampling of Adjudication Officer decisions in respect of disability living allowance, what special arrangements have been made to check decisions under the Benefit Integrity Project; and what proportion of the sample of disability living allowance decisions have resulted in *(a)* overpayment and *(b)* underpayment of benefit in each of the last three years. [31884]

Mr. Denham *[holding answer 2 March 1998]:* The Benefit Integrity Project is designed to ensure correct payments of Disability Living Allowance (DLA). While it is right to ensure that people who are in receipt of benefit are entitled, we are determined that those checks should be undertaken as sensitively as possible, and that where a check indicates a change in entitlement, that we should get it right. The new safeguard introduced from 9 February, which ensures that no decision to remove or reduce entitlement made as part of the Project will be based solely on the claimant's evidence, will help ensure we get the decisions right and restore confidence.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member with further details.

Letter from David Riggs to Mr. Paul Burstow, dated 9 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question asking pursuant to her Answer of 24th February concerning the sampling of Adjudication Officer's decisions in respect of Disability Living Allowance (DLA), what special arrangements have been made to check decisions under the Benefits Integrity Project (BIP); and what proportion of the sample of DLA decisions have resulted in (a) overpayment and (b) underpayment of benefit in each of the last three years. As Mr Mathison is away from the office on leave, I am replying.

The BIP operates according to the normal DLA adjudication rules. Therefore, BIP cases are subject to the same checking procedures applied to all other DLA cases. As part of an ongoing process designed to maintain adjudication standards, a statistically valid sample of all Adjudication Officer decisions is checked by the Adjudication Checking and Advice Team (ACAT), who report their findings to Benefit Agency managers and the Chief Adjudication Officer. In the same way, this team checks a statistically valid sample of BIP cases, which are kept separate for project evaluation purposes.

The information relating to overpayments and underpayments is not available in the format requested. Data for all DLA/Attendance Allowance cases is only available from April 1996. These are as shown:

	Total	*Overpayments*	*Underpayments*
96/97	7145	198	323
97/98 to 28/2/98	5241	215	214
97/98(BIP)	355	17	23

Note:

Data is provisional and subject to change.

As part of the quality control mechanism, decisions relating to both overpayments and underpayments are taken into account and reported to Managers. Any trends identified are highlighted to the relevant Manager for consideration of any action which may be necessary.

ACAT report on a monthly basis, an analysis of all the reports will be prepared with a view to identifying and recommending any areas for improvement.

I hope you find this reply helpful.

Mrs. May: To ask the Secretary of State for Social Security (1) on what date the Benefit Integrity Project came into operation; [33500]

(2) pursuant to the oral statement of the Parliamentary Under-Secretary of State, the hon. Member for Southampton, Itchen (Mr. Denham), of 4 March 1998, *Official Report*, column *686*, what changes have been made to the design of the Benefit Integrity Project since 1 May. [33501]

Mr. Denham: The Benefit Integrity Project was implemented on 28 April 1997, when the first postal inquiry cases were selected and previewed. The first questionnaires were issued on 6 May 1997.

Measures taken since 1 May include:

introducing regular meetings with representatives from organisations of, and for, disabled people to discuss their concerns about the Project and to share information as the work progresses;

agreeing that certain groups of DLA recipients would not be contacted directly as part of the Project. Namely people paid under DLA Special Rules, double amputees, paraplegics, quadriplegics, people who are blind and deaf and those within our definition of severe mental impairment;

inviting and acted upon suggestions for improving the letters that would be used to arrange visits;

delaying the home visiting programme, due to start in July, until August to enable a session on disability awareness to be included in the training programme for all visiting staff;

opening communication channels, for example, emerging findings from the operation of the Project were discussed at a meeting with a wide ranging group of organisations of, and for, disabled people in mid-November and an information pack was subsequently issued for their use in newsletters and other publications.

On 9 February 1998, we introduced an additional safeguard to improve confidence in decision making and to reassure disabled people. From that date, no decision made as part of the Project to reduce or remove someone's benefit will be made on the basis of the claimant's statement alone—there will always be additional evidence to support the decision.

Benefit Claimants (Interim Support)

Mrs. Ballard: To ask the Secretary of State for Social Security what provision her Department makes to help those entering work in the period between benefits payments ending and the first wage payment being received. [29161]

Mr. Keith Bradley: We believe that work is the best form of welfare for people of working age. We want to make it worthwhile for people to make the transition into work and ensure a fair return on extra earnings once they are in work. Research has shown that unemployed people are particularly concerned about possible income gaps between cessation of out-of-work benefits and the point at which first wages are received.

The benefit system provides some help towards overcoming this barrier to leaving benefit for work.

People who have been unemployed for six months or more may be eligible for the four week Housing Benefit and Council Tax Benefit extended payment scheme which will cover their rent or Council Tax for the first few weeks of work, by which time any in-work Housing Benefit or Council Tax Benefit they may be entitled to should be ready to begin.

Procedures are in place to enable the payment of other in-work benefits, such as Family Credit, to be made more quickly. The vast majority of claims for Family Credit from the newly employed are cleared within five working days.

People who have had part-time earnings or child maintenance taken into account in their Income Support or Jobseeker's Allowance can receive Back-to-Work or Child Maintenance Bonuses when they leave benefit for work. These provide tax-free lump sums at the point of transition from benefit to work and can help to bridge any income gaps.

In exceptional circumstances a Crisis Loan from the discretionary Social Fund can be awarded to help with living expenses in an emergency or as a consequence of a disaster. The Crisis Loan must be the only means of preventing serious risk or damage to the health or safety of the applicant, or a member of their family.

We intend to modernise the Welfare State so that it provides employment opportunity for all, rather than discouraging work and trapping people in poverty. With the help of the Taylor task force we are looking at options to reform the tax and benefit systems, so that they promote work incentives, help remove obstacles to returning to work, reduce poverty and welfare dependency and strengthen community and family life.

Written Answers to Questions

Tuesday 10 March 1998

ENVIRONMENT, TRANSPORT AND THE REGIONS

Stretch Limousines

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the safety of stretch limousines without seat belts for the middle seats; and how many accidents have been recorded involving such vehicles in the last three years. [32872]

Ms Glenda Jackson: The Department has not made any specific safety assessment regarding any model of limousine. The accident information requested, which covers all limousines, is shown in the table.

The number of casualty accidents involving at least one limousine: GB 1994–96

Casualty accidents

	1994	*1995*	*1996*
Fatal	1	1	1
Serious	6	4	10
Slight	55	47	44
All	62	52	55

Source:
DETR Road Accident Database.

Winchester to Southampton Bypass

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received on the planning application relating to the former Winchester to Southampton bypass; and if he will personally review the planning application. [33120]

Mr. Raynsford: The Inspector who conducted the public local inquiry into the called in planning applications for an extension to the park and ride scheme at Bar End, Winchester, has now submitted his report to the Secretary of State. Representations were made at the inquiry by Hampshire County Council and others. The Secretary of State received some 145 letters about the proposals and these were submitted to the Inquiry. The Secretary of State is considering the Inspector's report and will announce his decision as soon as possible.

Housing Standards

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what guidance he has given to *(a)* local authorities and *(b)* other housing organisations concerning minimum standards for the (i) construction and (ii) renovation and (iii) size of rooms of dwellings. [33133]

Mr. Raynsford: The Building Regulations apply to the construction of new buildings, including dwellings, and require that they provide reasonable standards of health and safety for the occupants, and also include reasonable provision for the conservation of fuel and power. Guidance on ways of meeting the requirements of the Regulations is given in the Approved Documents which support the Regulations.

Guidance on the current Housing Fitness Standard and home renovation grants is given in Circular 17/96, although major renovation work could also be subject to the Building Regulations. We are currently reviewing the Housing Fitness Standard and, on 10 February 1998, a consultation document was issued which invited comments on proposals and options for change. Copies of this consultation are in the Libraries of each House.

The Government do not issue guidance on room sizes. However in Housing Associations' dwellings, the Housing Corporation requires that rooms are large enough to accommodate appropriate furniture and normal activities.

Pavement Obstructions

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to ensure a consistent approach by local authorities towards the removal of obstructions from pavements with particular reference to goods for sale. [33102]

Ms Glenda Jackson: Anything placed on the highway is capable of being deemed an obstruction that the highway authority is under a duty to have removed. The highway includes the pavement. Whether an offence is actually committed in a given case is, however, a matter to be proved. Case law has established that there must be proof that placing the thing in question on the highway is unreasonable. This depends on the circumstances of the particular case. The Government have concluded that these can vary to such a degree that it is not possible to offer meaningful detailed advice to local highway authorities on the exercise of their powers, but encourage them to follow policies that place emphasis on the need to maintain unobstructed passage along the pavement for passers-by, but also take account of the interests of shoppers and retailers.

Hazardous Waste

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the outcome of the Fourth Meeting of the Parties to the Basel Convention on transfrontier movement of hazardous waste, held in Malaysia in February. [33111]

Angela Eagle: The Conference was held in Kuching, Malaysia from 23–27 February. I attended the High Level segment from 26–27 February representing the Presidency of the European Union. This was a successful conference both for the UK and for the European Union.

The Conference adopted an amendment to the Convention based on a joint proposal by Chile and the European Community which added new annexes listing hazardous and non-hazardous waste. The UK has been closely associated with the development of this proposal from its inception and was particularly active, as

a member of the Troika, in support of the Luxembourg Presidency's negotiations with Chile to merge their proposal with the Community's. The new amendment will give legal clarity to the scope of the earlier 'ban' amendment (Decision III/1) adopted by the Third Conference of Parties. The latter will ban exports of hazardous waste from Annexe VII Parties (OECD countries, the EC and Liechtenstein) to non-Annexe VII countries. The Chile/EC amendment should therefore add considerably to the prospects for securing enough ratifications to bring the ban amendment into force. It will not require ratification, but will enter into force within six months except for any Party notifying the United Nations that it does not accept the amendment.

Proposals from Israel, Monaco and Slovenia to be added to Annexe VII were unsuccessful. Instead, the Parties decided that Annexe VII should not be amended until the ban amendment has entered into force. To date, nine Parties have ratified of the 65 required. The UK ratified on 13 October 1997. The conference also decided that an analysis should be prepared highlighting the issues related to Annexe VII.

The Conference extended the mandate of the legal group which is charged with developing a Protocol on liability and compensation for damage arising from transboundary movements of hazardous waste. The group was, however, instructed to consider the implications of the ban amendment and other relevant international conventions for the proposed Protocol.

The Conference adopted a number of other decisions including one aimed at enhancing the capability of Parties to detect and enforce against illegal traffic and others concerned with capacity building in developing countries. The UK has recently agreed to fund two such projects forming part of an Action programme for the Caribbean.

Genetically Modified Organisms

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those establishments which have received a licence to carry out investigations into genetically modified organisms. [33217]

Angela Eagle: The Genetically Modified Organisms (Contained Use) Regulations 1992, as amended in 1996, control all activities involving the contained use of genetically modified organisms (GMOs). The Regulations require that all premises where such activities are to be undertaken must be notified to the Health and Safety Executive (HSE). For higher risk activities work cannot proceed until HSE has issued a consent. Low risk activities may proceed unless HSE objects.

I have arranged for a list of the establishments where contained use of GMOs is undertaken to be placed in the Library.

Jubilee Line

Mr. Mitchell: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the sources of *(a)* borrowed funds and *(b)* capital funds for the extension of the Jubilee Line; what sums relate to agreements with private developers entered into as part of the initial construction agreements; and what parts of such borrowing (i) count and (ii) do not count against the borrowing ceilings for public fund investment required in respect of the convergence criteria for entering the third stage of Economic and Monetary Union. [33236]

Ms Glenda Jackson: Some £2 billion of the total cost of the Jubilee Line Extension is being directly funded by ring-fenced Government grant, of which over £400 million is being provided by private sector contributions. In excess of £100 million of the private sector contributions has already been received; the balance will be paid in stages over a 25 year period. Remaining costs will be met from London Transport's core resources (which include substantial Government grant).

The general government financial deficit (GGFD) used under the Maastricht Treaty's excessive deficits procedure includes central Government grants to public corporations. It does not include borrowing undertaken by public corporations, which are outside of general government. However, as noted above, the JLE is not being financed by any such borrowing.

Rail Freight

Sir Raymond Powell: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has had with Rail Property Ltd in respect of land within its ownership which could be used for future rail freight terminals. [33696]

Ms Glenda Jackson: My right hon. Friend the Secretary of State discussed property in British Rail (BR) ownership with the Chairman of the BR Board soon after taking office. Officials discuss with Rail Property Ltd. (RPL) any such sites which are brought to their attention as having possible future rail freight use. RPL informs Railtrack and industry members of such sites available for sale.

Concessionary Fares

Mr. Coaker: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has for a national concessionary public transport fare scheme for the elderly and disabled; and if he will make a statement. [33866]

Ms Glenda Jackson: Concessionary fares are being considered as part of the review of integrated transport policy.

Vehicle Excise Duty

Mr. William Ross: To ask the Secretary of State for the Environment, Transport and the Regions what sums have been collected in vehicle excise duty in respect of heavy goods vehicles in Northern Ireland in each of the last three years for which figures are readily available. [33140]

Ms Glenda Jackson: The information is as follows:

	£000
1994–95	21,263
1995–96	20,506
1996–97	19,261

Mr. William Ross: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact on vehicle

registrations in the United Kingdom of the different rates of vehicle excise duty applying in respect of commercial vehicles between the United Kingdom and the Irish Republic. [33139]

Ms Glenda Jackson: None.

Light Dues

Mr. Mitchell: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on light dues. [34005]

Ms Glenda Jackson: I am pleased to announce that there will be no changes to the light dues rates for 1998–99. Current rates were set in 1997, when charges were reduced by an average of 4.6%, following four years of stability. Rates are now below 1992 levels in cash terms. The ability to maintain light dues at current levels is an indication of the General Lighthouse Authorities' continuing efforts to achieve greater efficiency.

I am also announcing a minor amendment to the Light Dues Regulations which provides an exemption for vessels engaged solely in harbour maintenance or dredging, on behalf of a statutory or harbour authority.

EC Eco-Management and Audit Scheme

Mr. Leslie: To ask the Secretary of State for the Environment, Transport and the Regions what his plans are regarding the future administration of the EC Eco-Management and Audit Scheme. [34126]

Mr. Meacher: I have decided that from 1 May this year, the Institute of Environmental Assessment will take over this function from my Department, which has administered EMAS in the United Kingdom since it came into operation in April 1995. The Institute will be the official Competent Body responsible for registering sites under the scheme on a fee charging basis in England, Wales and Northern Ireland. A separate announcement will be made later about Scotland.

When my Department was designated as the Competent Body in 1994, the declared intention was to keep the arrangements simple by limiting the number of key players involved, particularly in the initial stages of setting up EMAS. EMAS has now moved beyond this developmental stage, with nearly 50 registered sites in the United Kingdom. Its effectiveness in helping industry to manage its impacts on the environment and publicise its results is becoming increasingly recognised, alongside ISO 14001, the international environmental management systems standard, which has been achieved by over 430 companies in the United Kingdom—more than anywhere else in Europe—and which can be used by any organisation, either as the environmental management system for EMAS or on its own.

My decision therefore reflects the importance which the Government attach to motivating businesses to adopt externally verified environmental management systems. The Environment Agency is firmly committed to encouraging the use of such systems because of their value in improving the environment, and I welcome its work in this respect. I will be looking to all leading companies to respond by committing themselves to EMAS and ISO 14001.

TREASURY

Political Advisers (Support Staff)

Mr. Bercow: To ask the Chancellor of the Exchequer how many secretarial and support staff work full-time in support of his political advisers. [25189]

Mr. Gordon Brown *[holding answer 23 January 1998]:* Two.

Arts Donations

Mr. Maude: To ask the Chancellor of the Exchequer what plans he has to change the arrangements for personal taxation to encourage donations to the arts. [30514]

Dawn Primarolo: Many donations to arts bodies already qualify for tax relief because the recipient is a charity. The question of any changes is a matter for the Chancellor as part of his Budget.

Mr. C. Whelan

Mr. Tyrie: To ask the Chancellor of the Exchequer if Mr. C. Whelan is fulfilling duties formerly fulfilled by a career civil servant. [28925]

Mr. Gordon Brown *[holding answer 10 February 1998]:* The terms under which Special Advisers work are set out in the schedule to their contract, a model copy of which is available in the Library. These build upon rules in force under previous Administrations.

No. 11 Downing Street

Mr. Redwood: To ask the Chancellor of the Exchequer what was the cost of the refurbishment of the wooden floor in the state room at No. 11 Downing Street. [30970]

Mr. Gordon Brown *[holding answer 23 February 1998]:* I refer the right hon. Member to the answer given to the right hon. Member for Bromley and Chislehurst (Mr. Forth) by my right hon. Friend the Prime Minister on 26 January 1998, *Official Report*, column 66.

Working Families Tax Credit

Mr. Gibb: To ask the Chancellor of the Exchequer how many employers would be required to pay more in working family tax credit than in income tax withheld through PAYE if the proposed working families tax credit was paid at the same level as family credit. [31328]

Dawn Primarolo: If the Chancellor announces, in his Budget Statement, the introduction of a WFTC then the number of employers who will be required to pay more in working families tax credit than in income tax withheld through PAYE will depend on the precise design of the credit and its administrative rules.

Millennium Compliance

Mr. Fallon: To ask the Chancellor of the Exchequer how many officials or individuals working within his Department on millennium compliance have *(a)* given notice of their intention to leave and *(b)* left his Department in the last six months. [32620]

Mrs. Liddell: One official working on millennium compliance has given notice and left the Treasury in the last six months.

Mr. Fallon: To ask the Chancellor of the Exchequer from which budgetary sub-head the costs of millennium compliance will be met for his Department. [32623]

Mrs. Liddell: The costs of the required compliance will largely be related to time spent by staff testing their systems with some expenditure on equipment and software and will be met from within the Treasury's administration costs.

Mr. Fallon: To ask the Chancellor of the Exchequer when all testing on Year 2000 compliance will be completed within his Department. [32621]

Mrs. Liddell: The target for completing all Year 2000 compliance testing within the Treasury is March 1999.

Mr. Fallon: To ask the Chancellor of the Exchequer (1) when National Savings will complete its conversion work to ensure its computer systems are fully millennium compliant; [32619]

(2) when he estimates the Office for National Statistics will complete its inventory of the work required to ensure its computer systems are fully millennium compliant; [32569]

(3) what contingency plans have been made in case of a failure by National Savings to ensure that its computers are fully protected against the Year 2000 problem; [32617]

(4) what contingency plans have been made in case of a failure by *(a)* the Inland Revenue and *(b)* the Office for National Statistics to ensure that their computers are fully protected against the Year 2000 problem; [32616]

(5) what is his latest estimate of the cost to *(a)* the Office for National Statistics, *(b)* National Savings and *(c)* the Inland Revenue of ensuring their computer systems are fully millennium compliant. [32615]

Mrs. Liddell: I refer the hon. Member to the answer given by my right hon. Friend the Chancellor of the Duchy of Lancaster to my hon. Friend the Member for Wolverhampton, South-East (Mr. Turner) on 3 March 1998, *Official Report*, column 622.

Mr. Fallon: To ask the Chancellor of the Exchequer when he last met the Chancellor of the Duchy of Lancaster to discuss his Department's progress towards millennium compliance. [32622]

Mrs. Liddell: My right hon. Friend the Chancellor of the Exchequer holds regular meetings with his Cabinet colleagues to discuss a range of issues.

Mr. Fallon: To ask the Chancellor of the Exchequer if he will estimate the cost to his Department of *(a)* consultants and *(b)* contractors engaged to address millennium computer compliance problems; and if he will list the consultants. [32625]

Mrs. Liddell: Neither consultants nor contractors have been engaged to address the millennium compliance problem in the Treasury.

Council of Economic Advisers

Mr. Fallon: To ask the Chancellor of the Exchequer what is the cost to date of the Council of Economic Advisers; and when he expects to appoint further members to it. [32594]

Mrs. Liddell *[holding answer 3 March 1998]:* The main cost of the Council, which advises the Chancellor of the Exchequer on the design and implementation of policies for the achievement of the Government's Economic objectives, relates to the salaries of the two members, whose appointments took effect from last September, and the cost of the secretarial support they receive. It is not the practice to give details of what individuals earn.

Employee Travel

Mr. Baker: To ask the Chancellor of the Exchequer if he will estimate the cost of employee travel on office business, broken down into *(a)* fuel allowances, *(b)* unproductive time during travel, *(c)* other costs related to car transport and *(d)* costs related to public transport, for (i) 1994–95, (ii) 1995–96, (iii) 1996–97 and (iv) 1997–98. [32445]

Mrs. Liddell *[holding answer 3 March 1998]:* The estimated travel costs of Treasury staff for the years requested are:

£000

	(a) Fuel Allowances	*(c)* Car related costs	*(d)* Public Transport	Total
1994–95	—	15	729	744
1995–96	—	12	644	656
1996–97	—	8	717	725
1997–98	1	10	518	529

Notes:

Figures for *(b)*—unproductive time during travel—are not recorded and compilation of these figures would incur disproportionate cost.

Figures for *(a)*, *(c)*, and *(d)* in 1994–95 have been estimated from the total figures available.

Single Currency

Mr. Gray: To ask the Chancellor of the Exchequer how many meetings have taken place since 1996 involving the Association for the Monetary Union of Europe; and if he will make a statement on its activities in the United Kingdom. [32882]

Mrs. Liddell: Questions about the activities of the Association for the Monetary Union of Europe should be addressed to that organisation.

Mr. Leigh: To ask the Chancellor of the Exchequer what has been the role of his Department in preparing European Community websites on the single currency. [32945]

Mrs. Liddell: The preparation of websites on the single currency by European Community institutions is a matter for these institutions. In some cases, documents and websites may contain information provided by HM Treasury.

Mr. Gill: To ask the Chancellor of the Exchequer (1) if he will make a statement on the intended target audience of material printed by the European Commission on the single currency in English; [33010]

(2) how many speakers were provided by the European Commission for conferences in 1997 on the single currency; how many were provided for conferences in the United Kingdom; what steps are taken to ensure impartiality; from which budget line costs came; and if he will list the speakers and venues in the United Kingdom; [33012]

(3) what information kits are in preparation at European Community level to inform professional and business associations about the single currency. [33011]

Mr. Leigh: To ask the Chancellor of the Exchequer how many copies of the video, "A Single Currency for Europe", have been distributed by Directorate General X in the United Kingdom. [32958]

Mrs. Liddell: These are matters for the European Commission.

Mr. Edward Davey: To ask the Chancellor of the Exchequer what discussions he has had on the timing of a referendum on UK entry to the single currency. [31795]

Mrs. Liddell: We have made it clear that we do not believe that the United Kingdom will be in a position to join a single currency, or to have a referendum on joining a single currency, during this Parliament. That is because there is no realistic prospect of Britain having demonstrated, during this Parliament, convergence which is sustainable and settled.

Valuation Office

Mr. Hancock: To ask the Chancellor of the Exchequer, pursuant to his answer of 23 February 1998, *Official Report*, column *60*, what competitive process was used during the appointment of Mr. Michael Johns as Chief Executive of the Valuation Office Agency; what was the job specification; and in what ways equal opportunities criteria were met. [32849]

Dawn Primarolo: Mr. Michael Johns was made Chief Executive of the Valuation Office Agency by internal Civil Service appointment.

The Chief Executive is responsible for the efficient and effective management of the Agency, and is accountable for its performance to the Chairman of the Board of Inland Revenue—and through the Chairman to Treasury Ministers. He is the Accounting Officer for the Agency's two Votes (for Administration, and for Contributions in Lieu of Rates).

Equal opportunities policy applying to all Civil Service appointments is set out in the Civil Service Management Code.

Developing Countries (Debt Reduction)

Mr. Gorrie: To ask the Chancellor of the Exchequer what estimate he has made of the cost to the Exchequer of 80 per cent. official debt write-off for *(a)* all the countries likely to benefit from the Heavily Indebted Poor Country Debt Agreement and *(b)* all eligible countries. [33204]

Mrs. Liddell: *(a)* The debt relief granted to poor countries will depend on Debt Sustainability Analyses that the IMF, World Bank and representatives of the debtor country carry out as the country concerned nears a decision point. These analyses will depend on future economic developments in the individual countries.

(b) It is not known which other countries will be eligible for a reduction in the stock of their debt or what level of debt reduction these countries will receive. No useful estimation of the total cost of debt relief to the UK can therefore be made.

Mr. Gorrie: To ask the Chancellor of the Exchequer which heavily indebted developing countries to which he referred in the Mauritius Mandate he estimates will have begun the process of debt reduction by the year 2000. [33206]

Mrs. Liddell: In his speech to Commonwealth Finance Ministers last year—the Mauritius Mandate—the Chancellor proposed that the international community make a commitment that every poor country identified under the Heavily Indebted Poor Countries (HIPC) initiative should have begun the process of securing debt relief by the year 2000.

Mr. Gorrie: To ask the Chancellor of the Exchequer what estimate he has made of the cost to United Kingdom banks of their involvement in the HIPC debt reduction agreement. [33203]

Mrs. Liddell: This is a matter for the individual banks concerned.

Credit Unions

Mr. Caplin: To ask the Chancellor of the Exchequer if he will support the future development of credit unions. [33108]

Mrs. Liddell: The Government support fully the credit unions' ethos of self-help and thrift, and the encouragement they give people to save. We are actively examining ways to promote further growth while continuing the movement's current focus on poorer communities.

Pensions Mis-selling

Mr. Caplin: To ask the Chancellor of the Exchequer if he will encourage those major pension providers who have units dedicated to dealing with problems arising from mis-selling of personal pensions to make their expertise available to the independent financial adviser market. [33109]

Mrs. Liddell: The longer the scandal of pensions mis-selling continues, the greater the damage to the reputation of the UK financial services industry. Accordingly, it would be welcome if large firms were able to do what they could to assist independent financial advisers to process their reviews of personal pensions.

Public Borrowing

Mr. Mitchell: To ask the Chancellor of the Exchequer, pursuant to his answer of 24 February 1998, *Official Report*, column *132*, on public borrowing targets, if the targets are binding on those states not entering Stage Three of Economic and Monetary Union. [33211]

Mrs. Liddell: The excessive deficit procedure in Article 104(c) and Protocol No.5 of the Maastricht Treaty applies to all Member States, but a Member State that does not participate in Stage 3 of EMU cannot be fined even if its deficit or debt exceeds the reference values set out in Protocol No.5.

Cohesion Funding

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will make it his policy that countries which fulfil Maastricht criteria should lose cohesion funding. [33289]

Mrs. Liddell: The Government believe that continuing Cohesion Fund receipts for Member States joining the single currency is difficult to reconcile with the original objectives of the Fund, particularly in view of the requirement on beneficiaries to submit a convergence programme, showing how they are to meet the Maastricht criteria.

Economic and Monetary Union

Mr. Mitchell: To ask the Chancellor of the Exchequer what criteria have been adopted by *(a)* Her Majesty's Government and *(b)* the Commission of the European Community for determining that borrowing by national, regional and local governments and other publicly-funded bodies for investment which is to be included in those percentages of gross national product to be used as target figures for qualification for entry to Stage Three of Economic and Monetary Union. [33209]

Mrs. Liddell: Capital spending by central Government and local authorities increases the general government financial deficit and the stock of general government gross debt, the deficit and debt measures that are used in the excessive deficits procedure of the Maastricht treaty. There are no special criteria in the treaty that apply to publicly funded capital spending by national, regional and local governments and other publicly funded bodies.

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will make it his policy that no extra funding should be made available to EMU members to offset any impact of EMU on employment, wages and growth. [33287]

Mrs. Liddell: There are no such proposals.

Prawn Importers

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will take steps during the United Kingdom Presidency to end the attempts retrospectively to fine importers of prawns from Iceland and the Faroes subsequently claimed by the European Commission to have originated in Russia. [33288]

Dawn Primarolo: We remain committed to finding an equitable solution to the issue of retrospective duty demands where goods imported under preferential tariff arrangements have subsequently proved not to qualify, and are giving high priority during our Presidency of the EU to making progress on this issue.

Abortions

Mr. Wood: To ask the Chancellor of the Exchequer how many district health authorities paid for less than 75 per cent. of abortions requested by their residents in the last year for which figures are available. [33368]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Mike Wood, dated 10 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the number of district health authorities paying for less than 75 per cent. of abortions.

In 1996, the latest year for which figures are available, there were 49 health authorities in England and Wales that paid for less than 75 per cent. of the abortions for their residents.

Inheritance Tax

Mr. Gordon Prentice: To ask the Chancellor of the Exchequer if he will list by Scottish unitary authority or other convenient area, the numbers of landowners who receive conditional exemption from inheritance tax by virtue of allowing public access. [33472]

Dawn Primarolo: I refer my hon. Friend to the reply I gave him on 23 February 1998, *Official Report*, columns *56–57*.

VAT

Dr. Marek: To ask the Chancellor of the Exchequer, pursuant to his answer of 25 February 1998, *Official Report*, column *234*, relating to VAT relief on energy saving measures, if the measures proposed include relief on materials. [33050]

Dawn Primarolo *[holding answer 6 March 1998]:* Yes. The reduced rate we announced in the Pre-Budget Report will apply to the installation of energy saving materials, including the value of the materials themselves, to the extent that the installation is funded by grant schemes designed to assist the less well-off.

As the Customs and Excise report "Helping the Less Well-Off Save Energy" made clear, a reduced rate for materials alone, for DIY installation, would require agreement with other member states for changes to European law.

Retail Prices Index (EU)

Mr. Loughton: To ask the Chancellor of the Exchequer if he will list the elements used to calculate the RPI in each of the member countries of the EU together with their respective weightings; and if he will indicate what changes have been made in each of these lists since 1 January 1996. [33509]

Mrs. Liddell *[holding answer 9 March 1998]:* The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Tim Loughton, dated 10 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent question on the RPI.

The contents of the UK RPI "basket" of goods and services are revised annually, as are the weightings attached to each category of spending. Each year's list of items, together with the

category weightings, are given in the RPI Business Monitor (March 1996 and April 1997 issues respectively), a copy of which is available in the House of Commons library.

Other Member States of the EU update the list of items in their national consumer price indices, and the weights associated with the items, at varying frequencies. The majority update every five years but there are a few which revise their weights annually, namely: France, Sweden and, from the start of 1998, the Netherlands. Information about the items used by other Member States of the EU is not available.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Chancellor of the Exchequer if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33548]

Mrs. Liddell *[holding answer 9 March 1998]:* Reports by the following bodies are laid before Parliament:

The Bank of England

The Building Societies Commission

The Chief Registrar of Friendly Societies

The Financial Services Authority

The Friendly Societies Commission

The Office for National Statistics

The Public Works Loan Board.

The report by the Bank of England includes a report by the Board of Banking Supervision.

Charities

Mr. Boswell: To ask the Chancellor of the Exchequer what plans he has to relax the legal controls under the Trustee Investments Act 1961 in respect of investments by charities. [32879]

Mrs. Liddell *[holding answer 9 March 1998]:* I refer the hon. Member to the answer I gave the hon. Member for Worthing, East and Shoreham (Mr. Loughton) on 21 January 1998, *Official Report*, column *530*.

Civil Servants

Mr. Jenkins: To ask the Chancellor of the Exchequer if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33077]

Mrs. Liddell *[holding answer 9 March 1998]:* Information about the universities attended by staff in the Treasury could be retrieved only at disproportionate cost. The table shows, by Treasury pay range, the numbers and percentages of staff (excluding special advisers and casuals, but including those Treasury staff working outside the department) with degree level qualifications:

Pay range	*Number of staff*	*Proportion of total (%)*
A	4	6
B	15	7
C	29	19
D	118	42
E	164	74
Senior Civil Service	104	97

Mr. Jenkins: To ask the Chancellor of the Exchequer if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector. [33078]

Mrs. Liddell *[holding answer 9 March 1998]:* This information could be provided only at disproportionate cost.

Mr. Jenkins: To ask the Chancellor of the Exchequer if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33079]

Mrs. Liddell *[holding answer 9 March 1998]:* The table shows the number of Civil Service recruits joining the Treasury in the period 1993–97. It excludes special advisers and casual appointments. The numbers recruited through the fast stream competition and through other fair and open competitions include people who previously worked in the private sector. There was no recruitment competition restricted to applicants from the private sector. Information about universities attended by Treasury staff cannot be retrieved without disproportionate cost.

	Fast stream		*Other competitions*	
	number	*percentage*	*number*	*percentage*
1993	13	16	66	84
1994	25	30	57	70
1995	26	36	46	64
1996	21	38	35	62
1997	24	34	47	66

INTERNATIONAL DEVELOPMENT

Departmental Pay

Mr. Duncan: To ask the Secretary of State for International Development how many people employed by *(a)* her Department and *(b)* the agencies for which her Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30753]

Clare Short: The details requested in respect of staff employed by my Department are as follows:

Earnings	*Number*
Less than £3.20 an hour	0
Between £3.20 and £3.60 an hour	31
Between £3.60 and £4.00 an hour	2
Between £4.00 and £4.62 an hour	27

My Department is not responsible for any agencies.

Iraq

Mrs. Ann Winterton: To ask the Secretary of State for International Development if she will list the United Kingdom's non-Governmental organisations currently aiding the Kurdish people in northern Iraq. [31819]

Clare Short: The following UK NGOs are currently working in Northern Iraq:

ACORN

Christian Aid

Global Partners

Help Age International

International Medical Relief

Kurdistan Children's Fund

Kurdish Life Aid

Middle East Development Services

Mines Advisory Group

Response, Relief, Resettlement and Rehabilitation (4RS)

Save the Children Fund

World in Need.

Publications

Mr. Flight: To ask the Secretary of State for International Development if she will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which her Department subscribes. [33655]

Clare Short: The Department for International Development subscribes to the following European Commission publications. The ones marked with an asterisk are supplied free of charge.

(a) newsletters

Sigma—the Bulletin of European Statistics*

(b) magazines (and other serials including Eurostat publications)

The ACP—EU Courier*

Development (European Commission DG for Development)*

Official Journal of the European Communities—Series C—Information and notes

Official Journal of the European Communities—Series L—legislation Supplement to the Official Journal of the European Communities

ACP basic statistics

Basic statistics of the European Union

Community budget: the facts in figures

Environment statistics

Europe in figures

European Economy: reports and studies

Eurostatistics: data for short-term economic analysis

Eurostat: external trade: series B

Eurostat yearbook

(c) Occasional publications

Country profile series (published by Eurostat and covering various developing countries)

EU-ACP co-operation* (published annually).

Millennium Compliance

Mr. David Atkinson: To ask the Secretary of State for International Development what discussions she has had with the World Bank on assistance to third world countries on the need for computer systems to be millennium compliant; and if she will make a statement. [33862]

Clare Short: My Department is part of an informal donor network organised by the World Bank on matters concerning information technology and international communications. Last week, the Government committed £10 million of grant aid to the World Bank Trust Fund for Information Development. These funds are earmarked for assisting poor countries to identify problems of millennium compliance, to design strategies to overcome the problem in priority areas and to provide technical co-operation in support of the solutions. I am ready also to consider providing support directly to poor developing countries.

Mr. David Atkinson: To ask the Secretary of State for International Development what assistance is being given to UK-aided countries on the threat to health and immunisation records and on other problems arising from the need for computer systems to be millennium compliant; and if she will make a statement. [33863]

Clare Short: Last week, the Government committed £10 million to the World Bank's Trust Fund for Information Development to assist poor countries to identify problems of millennium compliance, to design strategies to overcome the problems in priority areas and to provide technical cooperation in support of the solutions. This could include help with health and immunisation records, but it is not possible to generalise about the extent to which health records are at risk in poor countries or what the solutions may be. I am also ready to consider providing support directly to poor developing countries.

Multilateral Agreement on Investment

Mrs. Anne Campbell: To ask the Secretary of State for International Development if she will list the time and place of the discussions that have taken place with developing countries on the Multilateral Agreement on Investment. [33819]

Clare Short: The Organisation for Economic Co-operation and Development (OECD) has held consultations with developing countries on the Multilateral Agreement on Investment (MAI) in:

Wellington, New Zealand (April 1995)

Santiago, Chile (November 1995)

Hong Kong (March 1996)

Paris, France (April 1996)

Bled, Romania (June 1996)

Rio de Janeiro, Brazil (July 1996)

Rio de Janeiro, Brazil (February 1997)

Seoul, South Korea (April 1997)

Riga, Latvia (April 1997)

Paris (September 1997)

Cairo, Egypt (October 1997)

Mexico (December 1997).

The OECD Secretariat has also held regular meetings with non-OECD Members in Paris, on an individual and collective basis. In addition, OECD Members, including

the UK, have held bilateral meetings in capitals with non-OECD Members. My Department will share the results of our forthcoming study of the development implications of the MAI widely with developing countries, on a bilateral and multilateral basis.

Public Appointments

Mrs. Lait: To ask the Secretary of State for International Development how many of the appointments to public bodies which she has made since 1 May 1997 have been from the Public Appointments Unit list. [33249]

Clare Short: One such appointment has been made out of a total of five appointments.

Import Tariffs

Mr. Jim Cunningham: To ask the Secretary of State for International Development what steps she has taken to encourage elimination of tariffs on imports from the least developed countries. [32881]

Clare Short: Under the UK Presidency the EU has concluded discussions on how to implement its commitment to offer Lomé equivalent terms to the nine non-Africa, Caribbean, Pacific (ACP) Least Developed Countries (LDC's). The new terms will apply retrospectively from 1 January 1998. The EU has agreed to look at ways to further improve and extend preferential access to all the LDCs. The UK sees this as a priority and will continue to press within the EU and multilaterally for bound duty free access for all LDC products.

Trade Barriers

Mr. Jim Cunningham: To ask the Secretary of State for International Development if she will make a statement on progress in dismantling trade barriers affecting developing countries. [32880]

Clare Short: The World Trade Organisation (WTO) held a High Level Meeting in October which resulted in a series of modest increased market access offers for Least Developed Countries (LDCs) by a number of developed and some more advanced developing countries. At this meeting the EU reaffirmed its commitment to offer Lomé equivalent terms to the nine non-Africa, Caribbean, Pacific LDCs, and terms were agreed in February under the UK Presidency. Progress on implementation of market access commitments will be reviewed at the WTO Ministerial which will take place in Geneva from 18–19 May.

HEALTH

Departmental Pay

Mr. Duncan: To ask the Secretary of State for Health how many people employed by *(a)* his Department and *(b)* the National Health Service earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30746]

Mr. Milburn *[holding answer 23 February 1998]:* At present there are no staff employed by the Department of Health who earn less than £3.60 per hour. 135 members of staff are paid between £3.60 and £4 an hour, and 140 staff are paid between £4 and £4.62 an hour.

For the National Health Service generally, I refer the hon. Member to the reply I gave to the right hon. Member for Wokingham (Mr. Redwood) on 12 January 1998, *Official Report,* column *153.*

Doctors and Dentists

Mr. Maples: To ask the Secretary of State for Health if he will make a statement on his Department's policies to ensure the existence of sufficient numbers of qualified doctors in the future. [29065]

Mr. Milburn: The Government's strategy to ensure that there are sufficient qualified doctors in the future is to increase training levels and address concerns about recruitment and retention. Our initiatives in this area include: new student funding arrangements, which reflect the special features of undergraduate medical education; further investment in undergraduate and postgraduate medical education, which should ensure future increases in doctor numbers; flexible and family-friendly training arrangements; continued attention to equal employment opportunities; the salaried doctors and improved retainer schemes within general practice; and opportunities within the Primary Care Act pilots.

Also, we are taking steps to ensure that doctors feel valued and involved. For example, the recent White Paper *The New NHS* promotes greater involvement of hospital doctors in the management of National Health Service trusts, and increases all doctors' influence over management decisions.

Finally, we have improved our workforce planning arrangements, to ensure that the supply of doctors reflects demand.

Mr. Gordon Prentice: To ask the Secretary of State for Health what measures he is taking to ensure that doctors and dentists whose first language is not English have to demonstrate proficiency in English before being allowed to practise. [33291]

Mr. Milburn: Anyone who wishes to practise as a doctor or dentist in the United Kingdom must be first registered with either the General Medical Council (GMC) or General Dental Council (GDC).

In the case of most non European Economic Area (EEA) nationals the GMC and GDC must be satisfied that the practitioner meets the required level of professional and language competence before they are registered.

The GMC and GDC are obliged under European legislation to register EEA nationals with recognised EEA qualifications. It is therefore for employers and health authorities to satisfy themselves that potential employees or independent contractors possess the necessary skills including communication skills.

Community Hospitals

Mr. Llwyd: To ask the Secretary of State for Health how much money has been spent at community hospitals on providing intermediate care for rural areas in each of the last three years; and if he will make a statement. [32432]

Mr. Milburn: Financial information is collected on the basis of National Health Service trusts and cannot be disaggregated between hospitals or types of hospital. However, information about expenditure on community health services by rural health authorities in England is set out in the table.

Expenditure on community health services by rural health authorities in England—1996/97

£000

Health authority	Expenditure
North Cumbria	19,517
North Yorkshire	23,983
Leicestershire	27,868
Lincolnshire	29,160
North Derbyshire	20,487
North Nottinghamshire	8,430
South Derbyshire	21,231
East Norfolk	12,942
North West Anglia	15,916
Northamptonshire	16,085
Suffolk	28,205
Cornwall and Isles of Scilly	15,098
North and East Devon	11,796
Somerset	17,673
Dudley	12,476
Herefordshire	8,178
Shropshire	18,233
South Staffordshire	19,538
Warwickshire	24,603
Worcestershire	14,724
South Cheshire	25,891
South Lancashire	14,331
Total	406,365

Source:

Audited Health Authority final accounts—1996–97 (Table HAA04A).

Kingston and West Middlesex Hospitals

Dr. Cable: To ask the Secretary of State for Health how many vacancies there are in accident and emergency departments for doctors and nurses in *(a)* Kingston Hospital NHS Trust and *(b)* West Middlesex Hospital NHS Trust [32892]

Mr. Milburn: Figures on vacancies for doctors and nurses in National Health Service trusts are collected by the Office of Manpower and Economics and published in the annual reports of the Review Body for Nursing staff, Midwives, Health Visitors and Professions Allied to Medicines. Copies have been placed in the Library.

The hon. Member may also wish to contact Sir William Rous, Chairman of Kingston Hospital NHS Trust, and Jane Kelly, Chairman of West Middlesex Hospital NHS Trust, for details.

Dr. Cable: To ask the Secretary of State for Health how many finished consultant episodes there were in respect of the *(a)* Kingston Hospital NHS Trust and *(b)* West Middlesex Hospital NHS Trust in each of the last five years. [32891]

Mr. Milburn: The information is shown in the table.

Number of finished consultant episodes[1] for Kingston Hospital National Health Service Trust and West Middlesex Hospital NHS Trust since 1992–93

Year	Kingston Hospital NHS Trust	West Middlesex Hospital NHS Trust[2]
1992–93	38,836	[3]—
1993–94	34,706	29,935
1994–95	37,783	32,590
1995–96	39,459	31,779
1996–97	40,434	32,254

[1] Finished consultant episodes include ordinary admissions and day case admissions.

[2] West Middlesex Hospital NHS Trust was a newly formed NHS trust for 1993–94.

[3] Not applicable.

Source:

Department of Health publication, Ordinary and day case admissions for England, 1996–97.

Accident Victims (Insurance)

Mr. Dismore: To ask the Secretary of State for Health if he will make a statement on progress in implementing his plans to make the insurers of those causing road accidents responsible for the NHS treatment costs of the accident victims. [33115]

Mr. Milburn: National Health Service trusts were asked in December 1997 to ensure that steps were taken to maximise income from the existing scheme to recoup the cost of treatment for certain road traffic accident victims. My right hon. Friend the Secretary of State for Health also announced that, when time permits, legislation will be introduced to revise the current arrangements.

Medical Negligence

Mr. Dismore: To ask the Secretary of State for Health what plans he has to introduce a fast-track compensation scheme for patients claiming compensation for medical negligence against the NHS. [33116]

Mr. Milburn: We have no plans to introduce such a scheme. However we are concerned at the cost of litigation to the National Health Service, which diverts resources away from patient care, and we are exploring ways of reducing this burden.

Hepatitis C

Mr. Gerrard: To ask the Secretary of State for Health what assistance is currently available from his Department for people with haemophilia infected with hepatitis C through their NHS treatment; and what are his plans for future assistance. [33281]

Ms Jowell: The Department provides financial support to the Haemophilia Society, whose work includes assisting those with haemophilia who are infected with hepatitis C. The grants to the Society (which this year total £200,000) include support for a specific project to look into the best ways for the Haemophilia Society to support those of its members who are infected with hepatitis C and their families.

We are currently considering the level of future support for the Haemophilia Society, including their bid for additional funds to enable them to offer further practical help to those infected with hepatitis C.

The Department has also made a total of £1.5 million available over a two year period to aid research into hepatitis C, its natural history and optimal treatment. While primarily geared to improve the understanding of hepatitis C generally, any developments from this will be important to haemophiliacs infected with the hepatitis C virus.

Eye Examinations

Mr. Jenkin: To ask the Secretary of State for Health if it is the policy of the Government that all children in special schools for children with learning difficulties should have free domiciliary eye examinations; and if he will make a statement. [33041]

Mr. Milburn: The General Ophthalmic Services Regulations permit domiciliary visits to be made only to the place at which the patient normally resides. Children with learning difficulties in non-residential schools are entitled to free National Health Service sight tests at community optical practices.

Ambulances (Avon)

Mr. Webb: To ask the Secretary of State for Health how many of the ambulances and similar vehicles operated by Avon Ambulance Service NHS Trust are *(a)* under one year old, *(b)* under three years old, *(c)* under five years old, *(d)* under seven years old and *(e)* over seven years old. [33286]

Mr. Milburn: Information received from Avon Ambulance Service National Health Service Trust shows that the age profile of their vehicle fleet is as follows:

	Accident and emergency vehicles	*Patient transport vehicles*	*Support vehicles*	*Total*
Under 1 year old	11	0	1	12
Under 3 years old, but more than 1 year old	4	16	0	20
Under 5 years old, but more than 3 years old	4	0	3	7
Under 7 years old, but more than 5 years old	9	10	4	23
Over 7 years old	15	15	7	37
Total	43	41	15	99

Asthma (Warrington)

Helen Jones: To ask the Secretary of State for Health (1) what estimate he has made of the number of diagnosed asthma cases in Warrington, North constituency *(a)* in the past 12 months and *(b)* over the past five years; [33639]

(2) if he will list the number of diagnosed asthma cases among children in Warrington, North constituency for each year since 1993. [33638]

Ms Jowell: The information requested is not collected centrally. However, it is possible to provide the numbers of residents in the electoral constituency of Warrington, North treated as an inpatient or day case in any hospital with the diagnosis of asthma—see table. This means that the reason for admission may not be asthma, but the patients were diagnosed as having asthma when treated on admission. The vast majority of asthma sufferers are treated by health services in the community and few require hospital treatment. My hon. Friend may, therefore, wish to contact Mr. Colin Hamer, Chairman at North Cheshire Health Authority, for further information.

For residents of the Warrington, North constituency
Finished consultant episodes (any diagnosis)

Age group (10 year bands)	*Financial Year*				
	1992–93	*1993–94*	*1994–95*	*1995–96*	*1996–97*
0–4	54	51	65	78	63
5–14	48	48	54	79	91
15–24	35	33	53	71	81
25–34	32	31	44	69	76
35–44	18	20	29	49	63
45–54	18	21	24	38	63
55–64	20	26	34	56	78
65–74	21	31	39	63	77
75–84	6	14	24	24	53
85+	5	6	8	6	13
Total	257	281	374	533	658

Tuberculosis

Mr. Letwin: To ask the Secretary of State for Health what assessment he has made of discrepancies in health authorities practices in respect of the investigation of human TB on farms which experience bovine TB. [33729]

Ms Jowell: None. There are established procedures for the investigation and treatment of tuberculosis including the screening of contacts. Guidance on these matters is contained in the reports of the Interdepartmental Working Group on Tuberculosis, published in July 1996, copies of which are available in the Library, and in the publications of the British Thoracic Society and other specialist groups.

Prescription Charges

Mr. Jim Cunningham: To ask the Secretary of State for Health what plans he has to allow those on means-tested benefit to continue to receive the *(a)* free prescriptions and *(b)* other supplementary benefits available to those on income support. [33647]

Mr. Milburn: The Department is responsible for prescription charges and welfare foods. Prescription charges and entitlement to welfare foods are both elements of the Department's Comprehensive Spending Review, which will be completed by the summer. We remain committed to the historic principle of the National Health Service that health services will be available to all and access will be based on need, not on ability to pay.

The Department has no information about other benefits which may be available to recipients of Income Support which are the responsibility of other government departments.

CULTURE, MEDIA AND SPORT

Surveys

Mr. Forth: To ask the Secretary of State for Culture, Media and Sport if he will list each information, promotional, marketing and opinion survey contract, with its value, concluded by his Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002. [32015]

Mr. Tom Clarke: The available information is given in the table:

	1997–98	*1998–99*	*1999–2000*	*2000–2001*	*2001–2002*
Information	nil	nil	RPA: Media and Publications Officer	nil	nil
Promotional	HRPA: Design & Print Promotional Material	nil	nil	nil	nil
Marketing	HRPA: Tower of London Advertising Travel Trade PR Services Leaflet Distribution—London Hotels Leaflet Distribution—Tourist Information Centres Tower of London Bus Adverts Hampton Court Palace leaflet distribution at Heathrow USA PR Agent	nil	nil	nil	nil
Opinion survey	Department: Consumer research study into cinema going and films for the Film Policy Review HRPA: Market Research—Summer visitors	nil	RPA: Visitor surveys	nil	nil

In order to preserve commercial confidentiality, individual contract costs have not been identified. As the Historic Royal Palaces will cease to be a Government Agency with effect from the financial year 1998–99, information for the years after 1997–98 has not been included.

Tourism

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what funding his Department gives for the provision of tourist information about Britain on the Internet. [32942]

Mr. Tom Clarke: The British Tourist Authority's website costs approximately £200,000 a year to develop and maintain. Funding for it comes from the BTA's grant-in-aid (£35 million in 1997/98).

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what is his Department's assessment of the quality of tourist information about Britain currently made available on the Internet by *(a)* Government directly funded bodies, *(b)* other non-commercial organisations and *(c)* private companies. [32940]

Mr. Tom Clarke: The British Tourist Authority has an excellent website, which recently won a leading tourism technology award at the annual ENTER conference, beating off contenders from around the world. The site address is www.visitbritain.com. There are a great many other tourism-related sites on the Internet. As with all advertising media, the quality of these sites varies considerably.

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what actions his Department can take against any *(a)* United Kingdom based organisation and *(b)* European Union based organisation which provides misleading or false tourist information about Britain on the Internet; and if his Department has taken any such action to date. [32943]

Mr. Tom Clarke: Advertisements made in connection with a business and placed on the Internet are subject to essentially the same regime throughout the European Union as advertisements in other media. In the United Kingdom, the British Codes of Advertising and Sales Promotion, operated by the Advertising Standards Authority, require all advertisements to be legal, decent, honest and truthful. Where an advertiser persistently disregards the adjudications of the Authority, the Director General of Fair Trading may take action in the Courts. Additionally, the Trade Descriptions Act 1968, enforced by local authority trading standards departments, makes it an offence for a trader knowingly or recklessly to make false or misleading statements about services, accommodation or facilities. Neither the Advertising Standards Authority nor trading standards officers can take action abroad.

Mr. Jenkins: To ask the Secretary of State for Culture, Media and Sport if he will estimate the money allocated for tourism by *(a)* tourist boards, and *(b)* local authorities, per head for (i) Staffordshire and (ii) the West Midlands for each of the last 10 years. [33043]

Mr. Tom Clarke *[holding answer 6 March 1998]:* The Government fund the national tourist boards for specific activities and programmes, not on the basis of population.

The Heart of England Tourist Board includes Staffordshire and the West Midlands in its region. Each of the ten regional tourist boards (RTBs) in England is an independent company which raises money from membership subscriptions and commercial activities. Each RTB also receives a grant from the English Tourist Board (ETB). ETB grants to the Heart of England Tourist Board (HETB) in the last 10 years have been:

Year	*ETB grant to HETB (£)*
1987–88	151,178
1988–89	166,120
1989–90	313,300
1990–91	592,540
1991–92	472,106
1992–93	461,445
1993–94	438,462
1994–95	473,939
1995–96	465,640
1996–97	509,238

Source:
Heart of England Tourist Board.

Tourism in Staffordshire and the West Midlands also benefits from the work of the ETB, whose purpose is to assist the industry in increasing tourism expenditure in England, and the British Tourist Authority (BTA) which helps market the British tourism product abroad. My Department gives grant-in-aid to the ETB and BTA. This year the ETB received £9.9 million from my Department (£5.1 million of which it gives as grants to the Regional Tourist Boards), in addition to £2.9 million from the industry, and the BTA received £35 million in grant-in-aid plus £16 million from the industry.

As far as local authority spending is concerned, tourism promotion is not a mandatory local authority function but a discretionary one and funds are not allocated "per head" of population. Local authorities are free to make decisions on tourism funding as they see fit, on the basis of local needs and priorities. Estimates for local authority expenditure on tourism promotion, county by county, appear in the "English Heritage Monitor", published annually by English Heritage and the English Tourist Board.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the percentage of *(a)* domestic holiday makers and *(b)* overseas visitors to the United Kingdom who spend their holiday in England. [33815]

Mr. Tom Clarke: In 1996, 77 per cent. of UK domestic holiday makers' had holidays in England. In the same year 94 per cent. of overseas visitors to the UK visited England.

Source:
Digest of Tourism Statistics No. 21 and Travel Trends 1996 (IPS).

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what tourism initiatives he is undertaking in respect of *(a)* accommodation schemes and quality standards, *(b)* promoting England, *(c)* trade communication, *(d)* market and product intelligence and research, *(e)* training and *(f)* market access and information. [33811]

Mr. Tom Clarke: The English Tourist Board plans to take forward initiatives in each of these areas as part of its Agenda 2000 programme. I am working closely with the Tourism Forum and its Working Groups to develop an effective, comprehensive strategy for tourism which will benefit the whole of the industry into the next century.

Mr. Fearn: To ask the Secretary of State for Culture, Media and Sport what is the level of Government grant-in-aid to *(a)* the English Tourist Board, *(b)* the Welsh Tourist Board, *(c)* the Scottish Tourist Board and *(d)* the Northern Ireland Tourist Board, per head of population; and what proportion of the total number of (i) overseas and (ii) domestic tourists in the UK, holiday in each tourist board area. [33039]

Mr. Tom Clarke: Government grant-in-aid to each of the UK National Tourist Boards, expressed as per head of population, is as follows:

£

Tourist board area	*Grant-in-aid per head of population (1998–99)*
England	0.20
Wales	4.92
Scotland	3.79
Northern Ireland	8.06

Source:
Department for Culture, Media and Sport, Welsh Office, Scottish Office, Department for Economic Development in Northern Ireland.

The following proportions for nights spent in each tourist board area, cover all tourism visits. Holiday visits account for 56 per cent. of all tourism nights in the UK.

Distribution by tourist board area of tourism nights spent in UK (1996)

Percentage

Tourist board area	*(i) overseas tourists*[1]	*(ii) domestic tourists*
England	87	78
Scotland	9	10
Wales	3	10
Northern Ireland	1	1
Unknown	—	1
Total	[2]100	[3]100

[1] excludes visits by Irish residents, which are not available by tourist board area.
[2] = 205 million nights.
[3] = 455 million nights.
Source:
Overseas tourists: *Travel Trends, Report of the 1996 International Passenger Survey*, Office for National Statistics (1997).
Domestic tourists: *The UK Tourist, Statistics 1996*, report of survey sponsored jointly by the statutory tourist boards (1997).

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what support he is giving to enable the English Tourist Board to undertake its Action 2000 programme. [33506]

Mr. Tom Clarke: The ETB, following consultation with the industry, has in its Action 2000 programme established clear priorities and is adopting a more strategic role. I was therefore pleased, in a difficult spending round, to be able to maintain the allocation for the ETB at the planned level which this Government inherited.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the grant-in-aid to the English Tourist Board in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [33504]

Mr. Tom Clarke: The grant-in-aid to the English Tourist Board is as follows:

1996–97: £10.050 million

1997–98: £9.866 million

1998–99: £9.732 million.

The figures for 1996–97 and 1997–98 were set by the previous administration. I was pleased, in a difficult spending round, to be able to maintain the allocation for the ETB at the planned level which this Government inherited.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport how many organisations and local authorities were consulted as part of the English Tourist Board's Agenda 2000 consultative exercise. [33495]

Mr. Tom Clarke: The English Tourist Board arranged for Agenda 2000 publications to be distributed to 480 local authorities by the Local Government Association.

11 roadshows were held and these were attended by 327 local authority representatives, 123 questionnaires were completed by local authority representatives.

	Number
Total number of those attending roadshows	862
Total number of questionnaires responses	587
Detailed responses by letter	[1]47
Tourist Information Centres	82

[1] From organisations representing in total over two million members.

Publications

Mr. Flight: To ask the Secretary of State for Culture, Media and Sport if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33663]

Mr. Tom Clarke: The European Commission newsletters, magazines and occasional publications to which the Department for Culture, Media and Sport subscribes are:

1. Codis Focus (irregular).
2. European information [loose leaf folder of factsheets, leaflets and guides on the European Union] (irregular).
3. European Union database directory online and offline information services (irregular).
4. European Parliament current and forthcoming work in committee (each plenary session).
5. Europe info directory of important information sources on the European Union (irregular).
6. I and T magazine (quarterly).
7. I and T magazine news review (quarterly).
8. List of members of the Bureau, Parliament, political groups, committees and interparliamentary delegations (approximately every 3 months).
9. The members of the European Parliament (every 5 years).
10. Office for Official Publications of the European Communities: documents [list] (every 6 months).
11. Office for Official Publications of the European Communities—documents [list] (monthly parts).
12. Office for Official Publications of the European Communities: publications [list] (irregular).
13. XIII magazine news review (quarterly).

Masthead Programming

Mr. Whittingdale: To ask the Secretary of State for Culture, Media and Sport what representations he has received in favour of allowing masthead programming on terrestrial television; and if he will make a statement. [33715]

Mr. Fisher: I have received representations on masthead programming from the Periodical Publishers Association. Restrictions on masthead programming are contained in the Independent Television Commission's Code of Programme Sponsorship and it is a matter for them as to whether those restrictions should be relaxed.

Departmental Pay

Mr. Duncan: To ask the Secretary of State for Culture, Media and Sport how many people employed by *(a)* his Department and *(b)* the agencies for which his Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30751]

Mr. Tom Clarke *[holding answer 23 February 1998]:* No member of staff in the Department for Culture, Media and Sport and The Royal Parks Agency is paid less than £4.62 per hour. The number of staff employed by Historic Royal Palaces Agency earning less than £4 per hour is nil. The number of staff earning between £4 and £4.62 per hour is 18.

SCOTLAND

Departmental Pay

Mr. Duncan: To ask the Secretary of State for Scotland how many people employed by *(a)* his Department and *(b)* the agencies for which his Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30759]

Mr. Dewar *[holding answer 23 February 1998]:* Based on a net working week of 37 hours the information is:

(a)(i) 0

(b)(i) 0

(a)(ii) 0

(b)(ii) 1

(a)(iii) 213

(b)(iii) 47

(a)(iv) 309

(b)(iv) 270.

Police

Mr. Sarwar: To ask the Secretary of State for Scotland what recent representations he has received regarding administrative burdens on the police; and if he will make a statement. [33214]

Mr. McLeish: We have received no recent representations. The police have our full support and we are constantly looking at ways of reducing any burdens which deflect the police from their front line task of tackling crime—for instance by technological

developments such as the Integration of Scottish Criminal Justice Information Systems and the Scottish Police Information Strategy.

Sequestration

Mr. Jim Murphy: To ask the Secretary of State for Scotland on how many occasions banks and building societies have proceeded under summary diligence in cases of sequestration against individuals in Scotland in each of the last three years broken down by institution. [33540]

Mr. McLeish: These figures are not recorded centrally.

Scottish Tourist Board

Mr. Spring: To ask the Secretary of State for Scotland if he will make a statement on the grant-in-aid to the Scottish Tourist Board in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [33505]

Mr. Wilson: The information is as follows:

Year	*£ million*
1996–97	18.309
1997–98	19.309
1998–99	19.309

Grant-in-aid for 1997–98 included £300,000 one-off funding to assist STB's efforts to increase tourism from the USA following the Congress of the American Society of Travel Agents, held in Glasgow in September 1997.

Grant-in-aid for 1998–99 represents an increase of £1 million over the planned provision which had been announced by the previous administration.

Nursery Education

Mr. Kirkwood: To ask the Secretary of State for Scotland what resources are to be made available to local education authorities in 1998–99 to provide nursery education after the current voucher scheme ends. [31717]

Mr. Wilson *[holding answer 9 March 1998]:* Total programme resources for pre-school education in 1998–99 are £75.6 million. Net of overheads and the cost of the final term of voucher grants for school year 1997–98, there will be approximately £50.6 million available to fund the first two terms of the 1998–99 school session and any other initiatives in pre-school education.

Using sources of funding other than pre-school education grant, local authorities have budgeted to spend a further £50.4 million on pre-school education in 1997–98. Authorities will be free to spend similar amounts in 1998–99 (net of the £13.6 million removed from the 1998–99 local government finance settlement to fund the final phase of the pre-school vouchers scheme).

Concordats

Mr. Ancram: To ask the Secretary of State for Scotland how many draft concordats his Department is currently preparing; who they are intended to be with; and what are the issues and matters covered by them. [33838]

Mr. Dewar: Officials in my Department are currently considering the areas in which concordats may be required between the Scottish Executive and Departments of the UK Government. It is too early to say how many such agreements, which cannot be made until the Scottish Executive is established, might be required. The guidance which I placed in the Libraries of both Houses of Parliament on 27 February 1998 made clear that the range and subject matter of each concordat would depend upon the needs of the business area. The aim will be to ensure that the business of government in Scotland and at the United Kingdom level is conducted smoothly, by setting the ground rules for administrative co-operation, consultation and exchange of information. The guidance also indicated that all concordats should be published unless publication would cause substantial harm on one of the clearly defined grounds set out in the White Paper "Your Right to Know: Freedom of Information" (Cm.3818).

Legal Aid

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland how many applications for *(a)* advice and assistance and *(b)* civil legal aid have been made by individuals for judicial review of decisions by the Scottish Legal Aid Board refusing civil legal aid in each year since its inception. [33867]

Mr. McLeish: The only information available relates to civil legal aid applications in 1997, of which there were 38.

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland (1) what is the policy of the Legal Aid Board on the level of remuneration of its law agents, where they are defending the Scottish Legal Aid Board against applications for judicial review of their decisions; [33868]

(2) if he will estimate the savings to public funds if the Scottish Legal Aid Board restricted to the legal aid rate remuneration to their law agents in each year since its inception. [33869]

Mr. McLeish: The policy of the Board is not to use the services of law agents in defending judicial reviews against the Board. The work is undertaken by the solicitors employed by the Board and therefore the question of the level of remuneration does not arise.

NORTHERN IRELAND

Housing

Mr. Donaldson: To ask the Secretary of State for Northern Ireland if she will make a statement on the religious affiliation of applicants for grants under the Housing (Northern Ireland) Order 1992. [32840]

Mr. Paul Murphy: This is matter for the Northern Ireland Housing Executive, whose Chief Executive has advised me that, following a report from the Standing Advisory Commission on Human Rights, the Executive seeks to monitor the religious affiliations of applicants for

grant aid. In order to do so, the Preliminary Inquiry form used in the scheme includes a relevant question. It is not compulsory to answer the question, nor does the answer, when given, have any bearing on the decision to approve or reject an application.

There are insufficient data, to date, to make a meaningful assessment of the impact of the grants scheme on applicants of particular religious persuasions.

Mr. Donaldson: To ask the Secretary of State for Northern Ireland if she will make a statement on the number of grants approved under the Housing (Northern Ireland) Order 1992, by district council area. [32838]

Mr. Paul Murphy: This is matter for the Northern Ireland Executive, whose Chief Executive has advised me that figures have been recorded by district council area only since 1 April 1994, and these are set out in the table. The total number of applications approved since October 1992, including those listed, is 50,781.

Council	*Number of grants approved*
Antrim	461
Ards	1,059
Armagh	2,955
Ballymena	527
Ballymoney	215
Banbridge	1,402
Belfast	14,230
Carrickfergus	491
Castlereagh	1,019
Coleraine	523
Cookstown	1,368
Craigavon	3,900
Derry	1,173
Down	1,395
Dungamon	1,982
Fermanagh	2,137
Larne	431
Limavady	346
Lisburn	3,509
Magherafelt	454
Moyle	225
Newry and Mourne	3,397
Newtownabbey	1,092
North Down	1,216
Omagh	1,408
Strabane	589
Total	47,504

The figures cover the period from 1 April 1994 to 31 December 1997 and include Renovation, Replacement, Disabled Facilities, Houses in Multiple Occupation, Minor Works Assistance, and Repairs Grants.

Mr. Donaldson: To ask the Secretary of State for Northern Ireland if she will make a statement on the number of applicants from each district council area for grants under the Housing (Northern Ireland) Order 1992. [32839]

Mr. Paul Murphy: This is a matter for the Northern Ireland Housing Executive, whose Chief Executive has advised me that formal applications are not normally made until there is a reasonable expectation that grant aid will be available. The number of applicants, therefore, can be regarded as almost synonymous with the number of grant approvals. The earliest stage in the process is the Preliminary Inquiry state, which gauges the number of potential applicants. There are a number of reasons why potential applicants do not become actual applicants including the failure of the property or the applicant to meet the criteria for particular grants, but no statistics are kept which would show the numbers of potential applications which do not progress. The numbers of Preliminary Inquiries received since October 1992 is 100,511. Figures have been recorded by district council area only since 1 April 1994 and these are as follows.

Council	*Number of preliminary inquiries*
Antrim	1,053
Ards	1,803
Armagh	3,977
Ballymena	1,148
Ballymoney	563
Banbridge	1,892
Belfast	19,450
Carrickfergus	984
Castlereagh	1,881
Coleraine	1,217
Cookstown	1,861
Craigavon	5,048
Derry	2,540
Down	1,914
Dungannon	3,001
Fermanagh	2,832
Larne	882
Limavady	742
Lisburn	3,776
Magherafelt	1,073
Moyle	515
Newry and Mourne	5,435
Newtonabbey	2,289
North Down	2,000
Omagh	2,178
Strabane	1,194
Total	71,338

Note:

The figures cover the period from April 1994 to 31 December 1997. Preliminary Inquiry Forms do not specify a particular grant. This is determined by the Executive and can include Renovation, Replacement, Disabled Facilities, Common Parts, Houses in Multiple Occupation, Minor Works Assistance and Repairs Grants.

Civil Servants

Mr. Jenkins: To ask the Secretary of State for Northern Ireland (1) if she will estimate for each of the last five years, the number and percentage of new civil servants in her Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector; [33070]

(2) if she will estimate the number of civil servants in her Department, at each grade, who received their schooling in the independent school sector. [33069]

Mr. Paul Murphy *[holding answer 9 March 1998]:* Information in the form requested is not readily available and could be obtained only at disproportionate cost.

Marriage

Mr. McNulty: To ask the Secretary of State for Northern Ireland what plans she has to review the civil law on the preliminaries to and the celebration of marriage. [34008]

Marjorie Mowlam: Existing Northern Ireland civil law on the preliminaries to and the celebration of marriage is based on nineteenth century legislation and is complex to administer. This, together with recent changes in the law in England and Wales and consultation on possible change in Scotland indicates a need to consider reform here. Accordingly, I have asked the Law Reform Advisory Committee, whose role is to keep the civil law of Northern Ireland under review, to examine the subject and to bring forward proposals as appropriate.

HOME DEPARTMENT

Departmental and Police Pay

Mr. Duncan: To ask the Secretary of State for the Home Department how many people employed by *(a)* his Department, *(b)* the agencies for which his Department is responsible and *(c)* the police earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30747]

Mr. Straw *[holding answer 23 February 1998]:* For the Home Office and the agencies, the information requested is as follows:

	Range of hourly rates			
Department/ Agency	*(i) less than £3.20*	*(ii) £3.20 to £3.60*	*(iii) £3.60 to £4.00*	*(iv) £4.00 to £4.62*
Home Office	0	0	75	328
Prison Service	0	0	258	506
United Kingdom Passport Agency	0	0	506	242
Forensic Science Service	0	0	18	30
Fire Service College	0	0	4	4

No police officers earn less than £4.52 per hour.

Seventy-nine police cadets earn less than £3.20 per hour.

Figures are not available centrally for total numbers of police civilian staff and could be obtained only at disproportionate cost.

Charity Funds

Mr. Llwyd: To ask the Secretary of State for the Home Department what steps his Department takes to ensure that funds raised by charity collections go to the intended charities. [32549]

Mr. Michael: Public charitable collections are regulated by the Police, Factories, etc. (Miscellaneous Provisions) Act 1916, the House to House Collections Act 1939 and associated regulations, which provide that the local authority is responsible for granting licenses to organisations proposing to carry out collections. In London, the licensing authority is the Metropolitan Police or City of London Police. The Home Secretary has the discretion to issue Orders of Exemption to charities conducting house to house collections widely throughout England and Wales.

Part II of the Charities Act 1992, which came into effect on 1 March 1995, contains important controls in relation to professional and commercial involvement in charitable fund-raising.

The Charity Commission is responsible for the oversight of individual charities in England and Wales. It has powers under the Charities Act 1993 to investigate abuse where it appears that funds raised for charitable causes may be at risk and to remedy the misconduct and enforce the proper use of a charity's funds. The Commission itself does not have power to carry out prosecutions; this is a matter for the police.

The Commission is currently reviewing its own strategy for dealing with fund-raising concerns and is actively examining ways in which fund-raising abuse can be more effectively prevented.

Farm and Rural Watch Schemes

Mr. Beith: To ask the Secretary of State for the Home Department (1) what was the total financial support from his Department to farm watch and rural watch schemes, in each of the last three years for which figures are available; [32580]

(2) what was the total number of farm watch and rural watch schemes *(a)* in each area and *(b)* in total, in England and Wales, in each of the last three years for which figures are available; what is the estimated average number of people involved in each scheme; and if he will make a statement. [32581]

Mr. Michael: The Home Office has chosen to direct funding towards national initiatives designed to support and encourage the sort of activity which Watch schemes represent rather than funding local schemes. It would not be possible to fund every local scheme and, in any event, the essence of partnership is people getting together with the police to solve local problems at a local level. The Government do provide £0.75 million a year in core funding to Crime Concern, one of whose main activities is advising and developing crime prevention activities.

As both farm and rural watch schemes are run in conjunction with local police forces, the Home Office does not keep records of either the total number of schemes which are currently running throughout the country, or the estimated average number of people involved in each scheme.

The Crime and Disorder Bill will help to extend partnership activities by providing for new statutory duties for local authorities and the police to create an effective results-oriented framework for local action to tackle local problems. The nature of these problems will vary significantly from one area to another, and it is the Government's intention to allow maximum flexibility to reflect this. Rural areas, in common with urban and inner city areas, will benefit from this approach.

British Board of Film Classification

Mrs. Lait: To ask the Secretary of State for the Home Department when he expects to announce the appointment of the Vice-President of the British Board of Film Classification. [33146]

Mr. Michael: The principal officers of the British Board of Film Classification (BBFC) are appointed by the BBFC's Council of Management in consultation with my right hon. Friend, who is responsible under the Video Recordings Act 1984 for designating the authority for classifying video works. The Council of Management has recently advertised two vice presidential posts and will announce any appointments in due course.

Police Authorities (Out-of-court Settlements)

Mr. Lansley: To ask the Secretary of State for the Home Department what was the expenditure on out-of-court settlements by police authorities in England and Wales in the last year for which figures are available. [33104]

Mr. Michael: This information is not collected centrally. Claims are a matter for the police authority and the individuals concerned. The Home Office has no role to play in their resolution.

Vote Recounts

Mr. Evans: To ask the Secretary of State for the Home Department which constituencies with majorities of *(a)* 0–0.6 per cent., *(b)* 0.6–1 per cent. and *(c)* 1–1.5 per cent. had recounts; and how many recounts there were in each constituency at the last general election. [33487]

Mr. George Howarth: This information will not be available centrally until claims for election expenses incurred in the conduct of the general election have been received from all acting returning officers. It is not possible to say when that will be.

Signal Flares

Mr. Harvey: To ask the Secretary of State for the Home Department if he will issue advice to members of search and rescue teams in (i) the Exmoor area and (ii) elsewhere regarding the *(a)* purchase and *(b)* use of flares to take account of the provisions of the Firearms (Amendment) (No. 2) Act 1997. [33480]

Mr. Michael: The recent changes to the law on handguns have not changed the law on signal flares. Firearms designed as signalling apparatus are specifically exempted from the ban on handguns.

Our firearms controls have always divided signalling equipment into two categories. Ordinary flares can be possessed by anyone, and are commonly used by sailors and hill walkers. Some flare launchers, such as the Verey flare pistol, have always been treated as firearms and need a certificate from the police. This has been the established legal position since the 1920s.

The Home Office agrees that search and rescue teams should be properly equipped to carry out their vital work. We are happy to discuss any concerns with the teams concerned and with the local police with a view to resolving any difficulties.

In the case of Exmoor search and rescue team, we understand that there was a misunderstanding among suppliers which has now been resolved, and the team can now continue to obtain the non-certificated flares needed.

Immigration Service

Mr. Goggins: To ask the Secretary of State for the Home Department what proportion of immigration service resources is devoted to *(a)* arriving passengers, *(b)* departing passengers and *(c)* asylum applicants. [33874]

Mr. Mike O'Brien: In the calendar year up to 31 December 1997:

(i) 66 per cent. of the Immigration Service Ports Directorate operational duties were deployed on the arrivals control:

(ii) 7 per cent. on the embarkation control: and

(iii) 11 per cent. on asylum related work.

Mr. Goggins: To ask the Secretary of State for the Home Department if all passengers leaving the UK are *(a)* liable to departure checks by the immigration service and *(b)* checked. [33871]

Mr. Mike O'Brien: *(a)* All passengers are potentially liable to a form of departure check. Under the Immigration Act 1971, an immigration officer may seek to establish whether or not a person leaving the country is a British citizen and, if he is not, his identity.

(b) In practice, about 40% of embarking passengers do not see an immigration officer. In 1994, embarkation checks were withdrawn from passengers departing from ferry ports and small airports for destinations within the European Union. Since then, the arrangements have been extended to all European Economic Area countries, that is: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, Spain and Sweden

Mr. Goggins: To ask the Secretary of State for the Home Department what estimate he has made of the cost and value of a comprehensive system of immigration service departure checks. [33873]

Mr. Mike O'Brien: No system would be totally comprehensive because there is no embarkation control between the United Kingdom and the Republic of Ireland. The cost of information technology for the most comprehensive system possible is likely to be about £73 million over a ten year period. The additional staffing cost, for ports, is estimated at about £7.2 million a year.

Such a system would provide better statistical information on overstaying but would not assist to any significant degree in the apprehension of immigration offenders, because they rarely remain at the address given on arrival. It would not help at all in respect of those who enter clandestinely.

It would, therefore, be expensive and not the most cost effective way of tackling abuse of the immigration control.

Mr. Goggins: To ask the Secretary of State for the Home Department what powers immigration officers have in performing departure checks. [33872]

Mr. Mike O'Brien: The immigration officer undertakes departure checks to identify persons subject to control under the Immigration Act 1971 and, where necessary, records that departure. Under the Immigration Act, an immigration officer has the power to require the presentation of a passport or equivalent document, but has no express power to prevent departure.

MI5 Phoneline

Angela Smith: To ask the Secretary of State for the Home Department what plans he has to set up a public

telephone number on which members of the public will be able to offer information to the Security Service (MI5). [34081]

Mr. Straw: A new telephone number—the "MI5 Phoneline"—is today being established by the Security Service. The purpose of the Phoneline is to make it easier for people to pass on information which could help the Service do its work. The Phone will not serve as a general inquiry point about the Security Service. Inquiries should continue to be addressed, in writing, to the Security Service at The Enquiries Desk, PO Box 3255, London, SW1P 1AE.

For those who wish to provide information to the Security Service, the number is 0171 930 9000.

Roisin McAliskey

Mr. Stephen Twigg: To ask the Secretary of State for the Home Department if he will make a statement on the German Government's request for Roisin McAliskey's extradition. [34108]

Mr. Straw: The German Government had requested Roisin McAliskey's return to stand trial for offences relating to the bombing of Osnabruck barracks in June 1996.

I have decided that I will not order Roisin McAliskey's return to Germany because I consider that the medical evidence in her case would make extradition unjust or oppressive. The Home Secretary has a general discretion to refuse extradition in any individual case, and is obliged to do so if it would, having regard to all the circumstances of the individual, be unjust or oppressive to do so. This discretion is preserved in section 12 of the Extradition Act 1989.

I have explained my decision to the German Government. It does not reflect in any way on the fairness of the German legal system or on the quality of the German extradition request. The United Kingdom enjoys excellent working relationships with Germany in the field of extradition and international co-operation against terrorism.

Premier Prisons

Charlotte Atkins: To ask the Secretary of State for the Home Department (1) if the contract between his Department and Premier Prisons requires Premier Prisons to abide by his Department's rules; [33719]

(2) if he will place in the Library the contract between Premier Prisons and his Department. [33721]

Ms Quin: There are four contracts between the Prison Service and Premier Prison Services. These cover the prisons at Doncaster and Lowdham Grange, and the provision of the court escort service in South and South East England, and the West Midlands and Mid Wales. All contracts require Premier Prison Services to operate in accordance with the relevant statutory regulations, including the Prison Rules 1964 and subsequent amending rules.

Copies of the contracts for Doncaster and for Lowdham Grange are in the Library. These copies exclude a limited amount of commercially sensitive financial information. I am arranging for copies of the court escort contracts with Premier Prison Services to be placed in the Library, excluding commercially sensitive financial information.

World Cup

Mr. Connarty: To ask the Secretary of State for the Home Department what discussions have taken place with football supporters' organisations regarding safety of British fans at this year's World Cup in France. [31804]

Mr. Michael: My right hon. Friend recently hosted a European conference to focus international efforts to combat soccer violence and consider the safety and security arrangements for the World Cup Finals in France. Supporters' groups were represented at the conference by the Football Supporters Association, the National Federation of Football Supporters Clubs and the Scottish Federation of Football Supporters' clubs.

In addition, the Under-Secretary of State for Scotland, my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) recently met a representative of the Scottish Federation of Football Supporters' Clubs. A meeting will shortly be arranged with the supporters' groups and the Chairman of the United Kingdom World Cup Co-ordinating Group to enable a further exchange of views.

Some British citizens will be travelling to France to support other teams participating in the tournament, particularly the national teams of Jamaica and Nigeria. Officials are arranging to meet relevant representative groups to discuss any concerns which they may have about protecting the interests of those supporters.

Prison Health Service

Helen Jones: To ask the Secretary of State for the Home Department if he will list each *(a)* internal and *(b)* external review which is currently being undertaken into the Prison Health Service (i) in the regions and (ii) nationally. [33635]

Ms Quin: Prison health care is either the main focus or forms a significant dimension of the following current reviews:

National

- Organisation and delivery of prisoners' health care (Joint Prison Service/National Health Service Working Group).
- Nursing policy: role and qualifications of nurses and health care officers in prisons (internal).
- Drug strategy: balance between control and treatment measures (internal).
- Health care screening of prisoners on reception (internal).
- An evaluation of the effectiveness of drug treatment programmes (external consultants).

Regional

- Strategic health care review in North West region (internal).
- Review of health care provision—Isle of Sheppey prisons (internal).

Studies into health care provision at 13 prisons in Durham, East Anglia, Surrey and Yorkshire (external consultants).

Study into the needs of elderly and disabled prisoners at four prisons in Lancashire (external consultants).

FOREIGN AND COMMONWEALTH AFFAIRS

Montenegro

3. **Mr. Laxton:** To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the former Republic of Yugoslavia about forthcoming elections in Montenegro. [31797]

Mr. Tony Lloyd: I discussed prospects for the May parliamentary elections and other issues with President Djukanovic of Montenegro on 2 February. I also told Foreign Minister Jovanovic on 2 February that HMG were watching with interest the democratic transition in Montenegro.

South Korea

5. **Mrs. McGuire:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the UK's relations with South Korea. [31799]

Mr. Fatchett: We have an important political and economic partnership with the Republic of Korea. We congratulate Korea on the democratic milestone represented by the election of President Kim Dae-jung, a long-time campaigner for democracy and human rights. We are giving significant support to help Korea overcome its economic difficulties, both bilaterally and through the IMF. We fully support efforts to bring about a lasting peace on the Korean peninsula. We look forward to welcoming President Kim to London for ASEM II in April.

British Council

17. **Ms McCafferty:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the future role of the British Council in assisting UK exports. [31814]

Mr. Fatchett: Much of the Council's work demonstrates British excellence in the field of education and culture and hence supports and underpins exports in these areas. The Council has long been actively involved with the FCO, DfEE and DTI in promoting the use of British educational goods and service overseas, and study in Britain. In addition, the Council has commissioned research into the opportunities for increasing exports of the creative industries and is embarking on a number of pilot projects in this area. The Council will also pay an active role in the new Creative Industries Export Promotion Advisory Group which will involve both government and representatives of the cultural industries.

Indonesia

20. **Mr. Flight:** To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with other G7 countries relating to the political and financial problems in Indonesia. [31817]

Mr. Fatchett: My right hon. Friend the Chancellor of the Exchequer chaired the G7 Finance Ministers meeting last month at which the financial situation in South East Asia, notably Indonesia, was addressed. We have contact at official level with G7 partners on its political ramifications, and will discuss the issue fully in Birmingham.

I also recently visited Thailand, Malaysia, Indonesia and Singapore in order to discuss the current financial difficulties.

Kuwait

21. **Mr. Edwards:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Britain's relations with Kuwait. [31818]

Mr. Fatchett: Our relations with Kuwait are very good. I am visiting Kuwait on 11 and 12 March to take forward discussions on a wide range of issues, including our trade interests and close defence co-operation. We are particularly grateful to the Kuwaiti government and people for the generous welcome and political support shown to our forces stationed there.

Middle East Peace Process

22. **Mr. Jim Murphy:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Britain's role in the middle east peace process. [31820]

31. **Mr. Caplin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives the European Union is taking with regard to the middle east peace process. [31829]

Mr. Fatchett: I refer my hon. Friends to the oral answer my right hon. Friend the Foreign Secretary gave today to my hon. Friend the Member for Leeds, North-East (Mr. Hamilton).

Albania

23. **Shona McIsaac:** To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with Albanian political parties about the maintenance of constitutional government in Albania. [31821]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary met Prime Minister Nano during his visit to the UK last December. As Presidency, my right hon. Friend the Foreign Secretary also chaired an EU Political Dialogue meeting with Albania on 27 January. I visited Albania on 4–5 February and held talks with Prime Minister Nano and members of his Government, and the opposition leader, Dr. Berisha. In all these discussions, we have stressed the need for the maintenance of constitutional government in Albania.

EU Common Foreign and Security Policy

24. **Mr. Gerald Howarth:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Government's policy regarding a common European foreign policy. [31822]

Mr. Doug Henderson: Creating a more effective common European foreign and security policy is a key plank in the Government's European policy.

29. **Mr. Jenkin:** To ask the Secretary of State for Foreign and Commonwealth Affairs what measures he will pursue to promote common EU foreign policies. [31827]

Mr. Doug Henderson: We are committed to making the EU's common foreign and security policy more effective.

As EU Presidency, we have successfully promoted a common EU line on key foreign policy issues of the day.

We are taking forward EU preparations for implementation of the Amsterdam Treaty provisions to improve the quality of CFSP advice to the Council, to streamline CFSP decision-making, and to improve the external representation of the Union.

Departmental Commercial Sections

25. **Ms Rosie Winterton:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on commercial sections' priorities for 1998–99. [31823]

Mr. Fatchett: I refer my hon. Friend to the oral reply I gave today to my hon. Friend the Member for Wolverhampton South-West (Ms Jones).

Northern Ireland

26. **Mr. Randall:** To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the US State Department regarding US policy towards Northern Ireland. [31824]

Mr. Robin Cook: We discuss Northern Ireland with the US Administration at many different levels. For instance my right hon. Friend the Prime Minister discussed Northern Ireland with President Clinton during his recent visit to the US. There is also regular contact on Northern Ireland issues at Ministerial and official level.

EU Enlargement

27. **Mr. Hoyle:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the progress being made on EU enlargement. [31825]

Mr. Doug Henderson: I refer my hon. Friend to the oral answer I gave in the House today to my hon. Friend the Member for Harrow, East (Mr. McNulty).

Gulf States

28. **Mr. Spring:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about relations between the UK and the Gulf states. [31826]

Mr. Fatchett: The Gulf is an area of key importance for both the EU and the UK, strategically, economically and commercially. The EU's 1988 Cooperation Agreement with the Gulf Cooperation Council embodies the wide range of our shared interests. Britain has enjoyed friendly relations with the Gulf states for many years. We are therefore well-placed as EU Presidency to encourage greater cooperation and enhance relations.

Iraq

30. **Mr. Cash:** To ask the Secretary of State for Foreign and Commonwealth Affairs which of the member states of the European Union expressed support for the United Kingdom in its policy regarding preparations for military action against Iraq. [31828]

Mr. Fatchett: The vast majority of European Union member states were supportive of our policy of backing up diplomacy with the threat of military force.

Mr. Campbell-Savours: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his American counterpart on the question of the Basra enclave. [31793]

Mr. Fatchett: We are discussing with our US colleagues the most appropriate ways of carrying forward our policies on Iraq following the recent crisis with Saddam Hussein. In this context, all ideas will be fully discussed.

BBC World Service

32. **Dr. Julian Lewis:** To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has received from British embassies and high commissions regarding the quality, value and effectiveness of BBC World Service broadcasts. [31830]

Mr. Fatchett: Annual Public Diplomacy Reports received from British Embassies and High Commissions confirm that BBC World Service broadcasts are highly regarded by their listeners. These and other reports from our posts overseas underline the important contribution which the World Service makes to the promotion of Britain abroad and to the use of the English Language.

Libya

33. **Sir Teddy Taylor:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on relations with Libya. [31831]

Mr. Fatchett: Our relations with Libya are intimately linked with the issue of Lockerbie, the associated UNSCRs and the murder of WPC Fletcher. It is difficult to envisage a normal relationship with Libya until these issues are resolved.

Israel

34. **Mr. Jim Cunningham:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he ill make a statement on Britain's relations with Israel. [31832]

Mr. Fatchett: Britain enjoys friendly relations with Israel.

Mr. Burden: To ask the Secretary of State for Foreign and Commonwealth Affairs what action he is taking to promote compliance by Israel with United Nations resolutions. [31810]

Mr. Fatchett: We continue to support UN Security Council resolutions 242, 338 and 425. We believe that the negotiating framework laid down at Madrid and Oslo

based on these resolutions and the principle of "land for peace" offers the best prospect of a just, lasting and comprehensive peace in the Middle East.

"InfEuro" Newsletter

Sir Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs how many copies of the European Commission newsletter "InfEuro" are distributed in the United Kingdom. [32944]

Mr. Doug Henderson: The InfEuro newsletter is available on request from the European Commission in Luxembourg. There are currently about 13,500 subscribers in the UK, who receive copies six times a year.

"Britain in Europe" Pamphlet

Mr. Gray: To ask the Secretary of State for Foreign and Commonwealth Affairs what financial assistance was available from the European Community for the publication of the booklet, "Britain in Europe"; and from which budget the money originated. [32883]

Mr. Doug Henderson: None. The publication was funded entirely by commercial advertising and sponsorship.

Information (Distribution)

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs what volume of *(a)* magazines, *(b)* fact sheets, *(c)* booklets and *(d)* video cassettes, receiving funding from the European Commission, were distributed in the United Kingdom in 1997. [33483]

Mr. Doug Henderson: This information is not readily available and could be assembled only at disproportionate cost.

ASSIST Programme

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will be promoting *(a)* the ASSIST programme and *(b)* the Human Rights Project Fund during his forthcoming visits to (i) Thailand, (ii) Malaysia, (iii) Indonesia and (iv) Singapore. [33150]

Mr. Tony Lloyd *[holding answer 6 March 1998]:* The Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Leeds, Central (Mr. Fatchett), visited the countries concerned on 3–5 March as a special representative of the EU Presidency to discuss South East Asia's recent financial difficulties. This was not an appropriate occasion on which to address bilateral programmes.

Lockerbie

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on proposed action by Her Majesty's Government relating to the destruction of Pan Am 103, following his meeting with the representatives of the relations of British victims of the Lockerbie crime. [31934]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary will be happy to write to my hon. Friend following his meeting with the Lockerbie families. He expects to meet them early next month.

Mexico

Dr. Kumar: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made regarding human rights in Mexico. [31807]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary discussed the human rights situation in Mexico with the new Foreign Minister, Mrs. Green, on 12 February in Panama City. He made clear our concerns that those arrested in connection with the massacre in Chiapas should be brought to trial; and that there should be no impunity for those with connections with municipal or state government. I discussed human rights issues with Mrs. Green's predecessor last November.

Burma

Mr. Letwin: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he has taken since August 1997 to put pressure on the SLORC in Burma to improve its record on human rights. [33740]

Mr. Fatchett: We are working closely with EU and other partners to press the Burmese regime (now called the State Peace and Development Council) to improve its record on human rights. In December, we co-sponsored a UN Resolution on human rights in Burma. This month, we shall introduce a resolution on Burma at the UN Commission on Human Rights. We are also using our EU Presidency to renew a tough package of EU-wide measures against the Burmese Government. We continue to urge EU partners to extend these measures. We have also secured EU consensus for a programme of positive measures aimed at strengthening civil society and delivering humanitarian aid in Burma.

Chernobyl

Mr. Letwin: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the state of repair of the Chernobyl sarcophagus. [33737]

Mr. Fatchett: The safety of the Chernobyl sarcophagus is the responsibility of the Government of Ukraine. There is, however, broad international consensus that urgent action is needed to deal with the deterioration of the current structure. A shelter Implementation Plan (SIP) has now been agreed between Ukraine and G7 countries. Its aim is to stabilise the current shelter over the remains of the destroyed Unit 4 at Chernobyl; to remove the danger of a further explosion and finally to construct a temporary confinement to facilitate the removal of the most unstable parts. Implementation of the SIP has already started and efforts to ensure sufficient funding are underway.

Gibraltar

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 3 March 1998, *Official Report*, column *513*, what plans he has during the United Kingdom presidency for an initiative to overcome legal obstacles to enfranchisement for Gibraltarians by changing European Union law. [33683]

Mr. Doug Henderson: Our approach to the Presidency on Gibraltar-related issues was set out in my answer to the hon. Member for Vale of York (Miss McIntosh) of 6 February 1998, *Official Report*, column *843*. On my hon. Friend's particular point, we have no present plans to pursue the sort of initiative he describes, when the chances of agreement are so uncertain, and we have other priorities to pursue on Gibraltar's behalf.

China

Rev. Martin Smyth: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent European Union decisions regarding human rights in China. [32203]

Mr. Fatchett: I refer the hon. Member to the answer I gave to the right hon. Member for Tonbridge and Malling (Sir J. Stanley) on 5 March 1998, *Official Report*, column *711*.

LORD CHANCELLOR'S DEPARTMENT

Empty Property

Mr. Malcolm Bruce: To ask the Parliamentary Secretary, Lord Chancellor's Department what is his estimate of the *(a)* annual cost and *(b)* total value of the empty properties owned by (i) his Department, (ii) his agencies and (iii) other public bodies for which he has responsibility, in (A) 1995–96, (B) 1996–97, (C) 1997–98 to date and (D) 1997–98 full year. [26670]

Mr. Hoon: (i) The Department owned no empty property in these years but rent and service charges on vacant parts of buildings amounted to (A) £375,000 in 1995–96, (B) £620,000 in 1996–97, (C) £441,000 in 1997–98 to date and (D) £503,000 for the 1997–98 full year. (ii) The Court Service agency's empty properties cost (A) £450,000 in 1995–96, (B) £327,000 in 1996–97, (C) £601,000 in 1997–98 to date and (D) £715,000 for the 1997–98 whole year, with values of £26.472 million in 1995–96, £0.491 million in 1996–97 and £2.458 million in 1997–8 to date and for the whole year. (iii) Other public bodies incurred annual costs of (A) £946,000 in 1995–96, (B) £698,000 in 1996–97, (C) £407,000 in 1997–98 to date and (D) £499,000 for the 1997–98 full year with a value of only £80,000 for each year as most are leasehold with a nil valuation.

Departmental Pay

Mr. Duncan: To ask the Parliamentary Secretary, Lord Chancellor's Department how many people employed by *(a)* his Department and *(b)* the agencies for which his Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30752]

Mr. Hoon: This answer covers the Headquarters of the Lord Chancellor's Department (with Associated Offices), the Court Service, Public Trust Office, Land Registry, Public Record Office and Northern Ireland Court Service. The information requested is set out in the table.

	Less than £3.20 p.h.	*£3.20 to £3.60 p.h.*	*£3.60 to £4.00 p.h.*	*£4.00 to £4.62 p.h.*
LCD Headquarters	none	none	none	16 (of whom 14 are casuals)
Court Service[1]	none	195 (of whom 176 are casuals)	none	492 (of whom 102 are casuals)
Public Trust Office	none	none	none	none
Land Registry	none	none	1	25
Public Record Office	none	none	none	1
Northern Ireland Court Service	none	none	1	70

[1] Staff numbers as at 30 November 1997, excluding fee-paid ushers (for whom central records are not kept). Salary levels (expressed as hourly rates) for the Court Service exclude elements of the 1997–98 pay award which are not yet in payment.

Buildings Refurbishment

Mr. Malcolm Bruce: To ask the Parliamentary Secretary, Lord Chancellor's Department what is his estimate of the cost of buildings refurbishment carried out by his Department in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 to date and *(d)* 1997–98 full year; and if he will make a statement. [26672]

Mr. Hoon: The costs of refurbishment schemes are not monitored separately from other maintenance and improvement works and could be produced only at disproportionate cost. However, total figures for the Department, including the Court Service, are: *(a)* £26.3 million for 1995–96, *(b)* £19.4 million for 1996–97, *(c)* £6.5 million for 1997–98 to end December and *(d)* an estimated £19.4 million for 1997–98 full year. The majority of this has been spent by the Court Service to improve the facilities available in courts; £7 million was spent in 1995–96 accommodating most departmental headquarters staff in a single building and housing the newly created Court Service agency headquarters.

Magistrates Courts

Charlotte Atkins: To ask the Parliamentary Secretary, Lord Chancellor's Department what criteria determine the composition of Magistrates Courts Committees; and how they are appointed. [33718]

Mr. Hoon: Magistrates' Courts Committees (MCC) are composed of local magistrates who are appointed by their colleagues, on the basis of the skills and experience they bring to the committee.

The framework for the appointment of MCC members is set out in the Magistrates' Courts Committees (Constitution) Regulations 1994. Broadly, each bench in an MCC area elects a prescribed number of its members to operate as a Selection Panel. The selection panel is informed by the incumbent MCC how many new members are required for the following year. A written notice of application is required, containing details of qualifications and experience. Candidates for appointment to the committee must be nominated by a justice and seconded by three other justices. Each selection panel

determines its own method of selecting members to the MCC (whether through selection or election). Where a committee believes that additional skills are required which can only be provided by an individual who is not a magistrate, it is open to them to seek the Lord Chancellor's approval for a co-option to take place.

Charlotte Atkins: To ask the Parliamentary Secretary, Lord Chancellor's Department what are the powers of Magistrates Courts Committees in respect of the closure of local courts. [33716]

Mr. Hoon: Under section 56 of the Justices of the Peace Act 1997, decisions concerning the future of a magistrates court are for the relevant magistrates courts committee to determine, after consultation with the paying authority or authorities. The local authorities that contribute financially to the running of the service may appeal to the Lord Chancellor against a proposed closure. The procedure for such appeals is set out in section 56 of the Justices of the Peace Act 1997.

Charlotte Atkins: To ask the Parliamentary Secretary, Lord Chancellor's Department to what extent Magistrates Courts Committees are required to take into account *(a)* local opinion, *(b)* the opinion of the Magistrates' bench and *(c)* the opinion of the local district council before deciding to close a local court. [33717]

Mr. Hoon: The Justices of the Peace Act 1997 requires a magistrates courts committee to consult its local paying authority before making a determination to close a courthouse.

My Department does, however, encourage magistrates courts committees to extend their consultation processes wider than that required by the Justices of the Peace Act 1997 and to consider all representations received before making a final determination.

Charlotte Atkins: To ask the Parliamentary Secretary, Lord Chancellor's Department what is the average size of population covered by a local Magistrates Court. [33720]

Mr. Hoon: At April 1997, there were 492 full-time and part-time magistrates courthouses in use. The average population covered by a courthouse is around 106,000.

Conditional Fee System

Mr. Jim Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment the Lord Chancellor has made of the possibility that, under the conditional fee system, solicitors will not be found for the cases with less prospect of success. [33641]

Mr. Hoon: I think that there are likely to be cases where the prospects of success are not strong enough for solicitors to undertake a conditional fee agreement. However, we do not believe that weak cases ought to be brought whether through legal aid or conditional fees.

Mr. Jim Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department what assessment he has made of the possibility of people being deterred from taking legal action as a result of change from legal aid to conditional fees. [33640]

Mr. Hoon: We believe that clients with good cases will be able to find lawyers to take personal injury claims once these are removed from legal aid. Some 35,000 people have already used conditional fee agreements in this area, lawyers are experienced in taking cases on a conditional fee basis and there is a developed insurance market to provide protective insurance for clients. We welcome responses to the proposals in the consultation paper and if the hon. Member has views on how conditional fees could be made more attractive, I would be glad to receive them.

Mr. Jim Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department what plans the Lord Chancellor has to ensure that solicitors can be found for personal injury cases with only an even chance of success. [33642]

Mr. Hoon: If a case has a reasonable prospect of success, a solicitor would be prepared to undertake it on a conditional fee. We do not believe that cases ought to be brought unless they have a strong prospect of success. I do not see that the legal aid budget, paid for by the taxpayer, should pay for a case if a solicitor does not think it has strong enough prospects to take it on under a conditional fee.

Legal Aid

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his oral statement of 4 March 1998, *Official Report*, columns 1059–63, if industrial diseases claims will remain within the scope of legal aid. [33627]

Mr. Hoon: Subject to consultation, I would not expect these cases to remain within the scope of legal aid. I would welcome any views which the hon. Member would like to contribute during the consultation period which ends on 30 April this year.

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his oral statement of 4 March 1998, *Official Report*, columns 1059–63, what is the total sum that will be paid into the Transitional Fund; and when it will be established. [33628]

Mr. Hoon: The resources allocated to the transitional fund will be determined each year depending upon the total legal aid budget and the priorities for spending elsewhere. I anticipate that the fund will be established by the end of the year.

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his oral statement of 4 March 1998, *Official Report*, columns 1059–63, when he will introduce legislation to establish the Public Interest Fund. [33629]

Mr. Hoon: We plan to publish a White Paper in the Summer. This will set out our plans for longer-term reform, including seeking a new Bill, and will also set out our plans for assisting cases with a significant public interest.

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his oral statement of 4 March 1998, *Official Report*, columns 1059–63, what is the total sum to be paid into the Public Interest Fund; and what will be the source of that money. [33630]

Mr. Hoon: Until we have new legislation, we cannot establish a Public Interest Fund. However, we do intend to provide, under transitional arrangements, for personal injury cases excluded from legal aid which have a wider public interest, to continue to receive public subsidy until we can set up new arrangements with new legislation.

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department what research he has commissioned into the reasons for the scale of increase of the cost of civil and family legal aid over the last seven years; and if he will publish it. [33634]

Mr. Hoon: Neither I, nor the previous administration, have commissioned research into this area.

DEFENCE

Consultants

Mr. Malcolm Bruce: To ask the Secretary of State for Defence what is his estimate of the expenditure of his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies on external consultants in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year; and if he will also estimate the cost savings resulting from the employment of such consultants for each of the above years. [26633]

Mr. Spellar *[holding answer 5 February 1998]:* The total expenditure on external consultancy by the Ministry of Defence including agencies, for which a separate breakdown is not available, was £150.8 million in financial year 1995–96, and £136.7 million in financial year 1996–97. Details of this expenditure are placed in the Library of the House around June of each year.

The comparable figures for non-departmental public bodies not included in the Departmental totals have been recalculated and the figures are now assessed to be £77,503 during 1995–96 and £183,109 in 1996–97.

This year's exercise to calculate expenditure on external consultancy within MOD during financial year 1997–98 will be complete by early summer, when I will write to the hon. Member. I will also place a copy of my letter in the Library of the House.

Individual budget holders in the MOD have delegated powers to employ external consultants as they judge necessary, consistent with requirements for propriety and value for money. External consultants are engaged for assistance on a wide range of problems, but very seldom with the sole aim of securing financial savings. We do not, therefore, specifically assess cost savings as a result of the employment of external consultants.

Prisoners of War

Mr. Gibb: To ask the Secretary of State for Defence in compiling his report on the pay of prisoners of war during World War II, what account the Government took of whether or not the terms of the 1929 Geneva Convention were fulfilled in respect of reimbursing enemy Governments for payments by them to the British prisoners of war during the Second World War. [32264]

Mr. Spellar: The Review was fully aware of, and the Report covers, the 1929 Geneva Convention on the treatment of Prisoners of War of an enemy power and the question of the settlement of national debts between belligerents at the end of hostilities.

The Convention provided for the provision by the Detaining Power of some pay for officer Prisoners of War in the camps and that after the war this money would be refunded to each Detaining Power by the officers' own country. These matters were however subject to any special arrangements or agreements which the belligerent powers might make during and after the war.

At the time of the Peace Treaty with Italy, a mutual waiver of all claims in respect of Prisoners of War was agreed. Since for Germany no national authority existed with whom a settlement of this kind could be made, there was de facto a mutual waiver of claims, including those relating on both sides to Prisoners of War.

As the Report makes clear, the administration of servicemen's pay matters was a subject for their own Government. Deductions from home pay accounts in respect of payments made under the Geneva Conventions were not governed by these Conventions, but were a matter of British service pay policy.

Trident

Mr. Llew Smith: To ask the Secretary of State for Defence what assessment he has made of the recent report of the United States Department of Energy's Albuquerque operations office on the work of the Mason and Hanger Corporation on Trident weapons assembly for the United Kingdom. [33110]

Mr. George Robertson: Neither the Mason and Hanger Corporation nor any other United States organisation carries out Trident weapons assembly for the United Kingdom. Without a more specific reference it is not possible to identify the report to which my hon. Friend refers.

Millennium Compliance

Mr. David Atkinson: To ask the Secretary of State for Defence if the responsibility for the millennium compliance of computer-reliant military equipment supplied by the United States of America lies with the vendors; and if she will make a statement. [33314]

Mr. Spellar: When MOD purchases direct from a US company, it prefers to place contracts under English Law, which places the vendor under the same obligations as a UK company. In all such contracts with US companies it is a requirement that they be contractually bound to meet the MOD's Year 2000 compliance requirements and to provide an express warranty to this effect. When MOD contracts directly with US companies under US laws for the procurement of computer systems and software, a similar compliance requirement is included.

In cases where MOD procures on a Government to Government basis through the Foreign Military Sales, FMS, route with the US, the vendors are required to comply with the relevant US Government criteria. The US Government are committed to achieving Year 2000 compliance of Defence equipment.

UK Visiting Forces (USA)

Mr. Baker: To ask the Secretary of State for Defence what is the total number of United Kingdom visiting forces based in the United States; and where they are based. [33571]

Dr. Reid *[holding answer 9 March 1998]:* The total number of UK forces currently based in the United States is 374. Their location, broken down by Service, is as follows:

Location	*Number of personnel*
Royal Navy/Royal Marines/Royal Fleet Auxillary	
Annapolis, MD	3
Groton, CT	2
Monterey, CA	2
Norfolk, VA	58
Newport, RI	4
Philadelphia, PA	3
San Diego, CA	10
Washington, DC	23
Patuxent River, MD	4
Bay St. Louis, MS	1
Jacksonville, FL	1
Dahlgren, VA	1
Pensacola, FL	4
Indian Head, MD	1
Corpus Christi, TX	1
Mayport, FL	2
Harrisburg, PA	1
Fallon, NV	1
Miami, FL	1
Cherry Point, NC	1
Quantico, VA	5
Jacksonville, NC	4
Oceanside, CA	1
Brunswick, ME	1
Bridgeport, CA	1
Key West, FL	1
Omaha, NE	2
United Nations, NY	1
Tampa, FL	1
Fort Gordon, GA	1
Total	142
Army	
Washington, DC	27
Fort Monroe, VA	2
Fort Lee, VA	2
Fort Eustis, VA	3
Chalottesville, VA	2
Suffolk, VA	1
Fort Bragg, GA	2
Fort Gordon, GA	1
Fort Stewart, GA	1
Fort Benning, GA	3
Orlando, FL	1
Fort Rucker, AL	4
Fort McClellan, AL	2
Vicksburg, MS	1
Fort Polk, LA	1
Fort Sam Houston, TX	1
Medina, San Antonio, TX	4
Fort Hood, TX	2
Fort Bliss, TX	4
Fort Worth, TX	1
Fort Sill, OK	3
Fort Huachuca, AZ	1
Fort Irwin, CA	1
Fort Leavenworth, KS	5
Fort Leonard Wood, MO	2
Fort Knox, KY	3
Fort Benjamin Harrison, IN	1
Fort Drum, NY	1
West Point, NY	1
United Nations, NY	6
Fort Monmouth, NJ	1
Natick, MA	1
New Cumberland, PA	1
Carlisle College, PA	1
Baltimore, MD	1
St. Louis, IL	1
Student VMI	1
Total	96
Royal Air Force	
Washington, DC	26
Norfolk, VA	10
Philadelphia, PA	12
Marietta, GA	7
Chicago, IL	1
Wright Patterson AFB, OH	9
Lemoore, CA	2
Cherry Point, NC	3
Maxwell AFB, AL	4
Elmendorf AFB, AK	1
Whidbey Island, WA	1
Astoria, OR	1
Patuxent River, MD	3
Kelly AFB, TX	4
Scott AFB, IL	2
Hill AFB, UT	1
Charleston AFB, SC	1
Langley AFB, VA	4
Shepperd AFB, TX	2
Little Rock AFB, AR	1
Travis AFB, CA	3
Norfolk, VA	2
Hurlburt Field, FL	1
Seymore Johnson AFB, NC	2
Oceana, VA	2
Jacksonville, FL	1
United Nations, NY	1
Moody AFB, GA	1
Eglin AFB, FL	1
Kirkland AFB, NM	1
Luke AFB, AZ	3
Goodfellow AFB, MO	1
Miramar, CA	1
El Toro, CA	1
Lackland AFB, TX	2
Brooks AFB, TX	1
Barksdale AFB, LA	1
Yuma, AZ	2
Tinker AFB, OK	3
Edwards AFB, CA	1
USAF Academy (Co Springs), CO	1
Holloman AFB, NM	1
Peterson AFB, CO	1
USA Fort Rucker, AL	1
Robins AF, GA	1
Redstone Arsenal, AL	2
Las Vegas, NV	2
Los Angeles, CA	1
Total	136
Grand total	374

Note:

AFB—Air Force Base.

RAF Leeming

Mr. Baker: To ask the Secretary of State for Defence what tours for non-defence persons have taken place at RAF Leeming since 1 May; what was the purpose of such tours; what funds were raised through these tours; how such funds were defrayed; and if he will make a statement. [33644]

Mr. Spellar: Since 1 May 1997 to date RAF Leeming has hosted 104 non-defence visits which serve to generate a constructive relationship with the local community, including raising funds for local charities. Such visits have a minimal impact on the Station and its personnel and are conducted at no cost to the public purse.

Gibraltar

Mr. Hoyle: To ask the Secretary of State for Defence, pursuant to his answer of 5 February 1998, *Official Report*, column *261*, if he will provide the geographical location of *(a)* Regional Command South and *(b)* the new NATO headquarters for GIBMED. [33632]

Dr. Reid: The headquarters for Regional Command South in NATO's future command structure will be based at Naples, Italy. On the NATO command arrangements for Gibraltar which will apply under NATO's future command structure, I refer my hon. Friend to the answer I gave him on 25 February 1998, *Official Report*, column *261*.

Cwrt y Gollen Camp, Crickhowell

Mr. Livsey: To ask the Secretary of State for Defence if he will make a statement on the future of Cwrt y Gollen camp, Crickhowell. [33399]

Dr. Reid: As the hon. Member is aware from my recent discussions with him, the future of Cwrt y Gollen is currently under consideration. I will, of course, keep him fully apprised of developments.

WALES

Departmental Pay

Mr. Duncan: To ask the Secretary of State for Wales how many people employed by *(a)* his Department and *(b)* the agencies for which his Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30754]

Mr. Ron Davies *[holding answer 23 February 1998]:* The number of staff, including casuals, in the Welsh Office earning:

i. Less than £3.20 per hour: Nil

ii. Between £3.20 and £3.60 per hour: Nil

iii. Between £3.60 and £4 per hour: 367

iv. Between £4 and £4.62 per hour: 69.

The number of staff in Cadw, an Executive Agency of the Welsh Office earning:

i. Less than £3.20 per hour: Nil

ii. Between £3.20 and £3.60 per hour: Nil

iii. Between £3.60 and £4 per hour: 2

iv. Between £4 and £4.62 per hour: 25.

Surveys

Mr. Forth: To ask the Secretary of State for Wales if he will list each information, promotional, marketing and opinion survey contract, with its value, concluded by his Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002. [32022]

Mr. Ron Davies: The information requested is as follows:

Public Opinion Survey of the Revision of the "Patient's Charter for Wales" Document—Value: £30,000 to be paid in 1998–99

Consultation Paper on Better Ways of Involving the Public in the Planning and Oversight of NHS Services—Value: N/K—to be paid in 1998–99

Annual Surveys of Patient and User Experiences (possibly in conjunction with the Department of Health)—Timescales and costs are not yet known

Decennial Adult Dental Health Survey—Value: £19,000 provided to the Office for National Statistics for 1997–98—Funding for 1998–99 and 1999–2000 is still under consideration.

Business and Environment Campaign—Phase 1: Telemarketing Exercise to gauge awareness of the Department's Campaign—Value: £1,204 to be paid in 1997–98

Business and Environment Campaign—Phase 2: Telemarketing Exercise—Value: £21,233 to be paid in 1997–98

Welsh Design Advisory Service set up to provide Welsh companies with free advice and guidance on product design and materials choices—Value: £250,000 to be paid in 1997–98, £300,000 to be paid in 1998–99, £200,000 to be paid in 1999–2000

Welsh House Condition Survey: Household Interview Survey—Value: £710,052.5 to be paid in 1997–98

Welsh House Condition Survey: Physical Condition Survey—Value: £335,462 to be paid in 1997–98, £801,115 to be paid in 1998–99

Completion of the Radon Map of Wales—Value: £64,000 to be paid over the period 1996–98

Target Testing of Households in Radon Affected Areas—Value: £67,000 to be paid in the period 1997–99

Research Undertaken by the University of Wales Aberystwyth Farmers Intention Study—Value: £12,375 to be paid in the period 1997–98.

Research Undertaken by Central Office of Information on Behalf of the Welsh Office:

Understanding Devolution Project to inform development of the "Voice of Wales" White Paper—Value: £12,986 to be paid in 1997–98

Devolution Campaign Evaluation to evaluate the effectiveness of the Welsh Office's campaign to promote the referendum—Value: £23,148 to be paid in 1997–98

Research to inform communications on Welsh Assembly—Value: £58,586 to be paid in 1998–99.

Oil Spillages

Mr. Llwyd: To ask the Secretary of State for Wales what measures his Department is taking to protect the breeding populations along the Welsh coastline from oil spillages. [32579]

Mr. Win Griffiths: A number of Welsh marine sites are being considered for designation as Special Areas of Conservation under the European Council Habitats

Directive. Management plans are being drawn up for these sites in consultation with all relevant authorities, including those with shipping interests. In October, my right hon. Friend submitted the Pembrokeshire Islands, which incorporates the busy Milford Haven waterway, as a candidate SAC.

My right hon. Friend the Secretary of State for the Environment, Transport and the Regions is also taking measures to prevent accidental spills. These include the rigorous enforcement of international rules and standards and the funding of three emergency towing vessels, including one in the South Western Approaches. In addition, international agreement has been obtained to a ban on virtually all operational discharges in UK waters, penalties for offenders have been increased, and port waste management planning is now mandatory for all ports, harbours and marinas.

LG Factory (Suppliers)

Mr. Wigley: To ask the Secretary of State for Wales how many companies in Wales the industry section of the Welsh Office has assisted to act as suppliers to the new LG factory in Gwent; and if he will make a statement. [32977]

Mr. Hain: Current information available from the Welsh Development Agency's Source Wales, which itself has matched Wales-based suppliers to LG, shows that there are twenty two Wales-based suppliers to the company. However, we know that there are many other suppliers dealing direct with the company and with AMEC, Tarmac and their sub-contractors, which do not yet feature on the Source Wales database. The Agency is endeavouring to gather this information to provide a more complete picture.

Of the twenty two suppliers identified, a number have been supported under the Regional Selective Assistance Scheme or the Regional Innovation Grant Scheme, most of which pre-date the LG announcement. None of these have been supported for projects specifically to supply LG although the impact of that earlier support could well have helped the companies provide a service to LG.

I would not expect there to be many requests for support specifically to supply LG. Experience shows that businesses, whether they be indigenous or inward investors, want a diverse customer and supply base. While LG is already in production, that production is limited at this stage. I am confident that other Wales-based companies will do business with LG as the project progresses and develops and I am doing all I can to encourage this.

Health Service (Waiting Times)

Mr. Ancram: To ask the Secretary of State for Wales how many people have been waiting for longer than 18 months for treatment in *(a)* Bro Taf and *(b)* the Gwent Health Authority area. [33238]

Mr. Win Griffiths: The information requested is given in the table.

Area	*Number*	*Percentage of the total list*
Bro Taf	509	3
Gwent	573	4

Notes:
1. In Bro Taf, 97% of those waiting for inpatient/daycase treatment had waited less than 18 months.
2. In Gwent, 96% of those waiting for inpatient/daycase treatment had waited less than 18 months.

Health Service (Waiting Times)

Mr. Ancram: To ask the Secretary of State for Wales how many people have been waiting for longer than 12 months for treatment in the *(a)* Bro Taf, *(b)* Gwent, *(c)* Dyfed Powys and *(d)* Iechyd Morgannwg Health Authority areas. [33237]

Mr. Win Griffiths: The information requested is given in the following table:

Area	*Number*	*Percentage of the total list*
Bro Taf	2,420	14
Gwent	2,047	14
Dyfed Powys	1,538	11
Iechyd Morgannwg	721	7

Across Wales, 89 per cent. of those waiting for inpatient or day case treatment had waited less than 12 months.

Mr. Evans: To ask the Secretary of State for Wales how many people have been waiting for in-patient treatment for longer than (i) 12 and (ii) 18 months in the North Wales Health Authority area. [33307]

Mr. Win Griffiths: At the end of December 1997, 94 per cent. of Welsh residents in the North Wales Health Authority area waited less than 12 months for in-patient or day-case treatment and over 99 per cent. waited less than 18 months. 856 people (6 per cent. of those on the waiting list) had waited more than 12 months, and 65 people (0.6 per cent.) had waited more than 18 months.

Mr. Evans: To ask the Secretary of State for Wales how many people have been waiting for in-patient treatment for longer than 18 months in the *(a)* Dyfed Powys and *(b)* Iechyd Morgannwg Health Authority area. [33308]

Mr. Win Griffiths: The following is the information:

Dyfed Powys: 401 (3 per cent. of the total list)

Iechyd Morgannwg: 234 (2 per cent. of the total list)

In Dyfed Powys 97 per cent. of those waiting for in-patient/daycase treatment had waited less than 18 months for treatment;

In Iechyd Morgannwg 98 per cent. of those waiting for in-patient/daycase treatment had waited less than 18 months for treatment.

Mr. Evans: To ask the Secretary of State for Wales if he will make a statement on *(a)* current hospital waiting lists and *(b)* hospital waiting lists in April 1997 in respect

of hospital trusts in *(a)* Gwent, *(b)* Dyfed Powys, *(c)* Bro Taf, *(d)* North Wales and *(e)* Iechyd Morgannwg health authority areas. [33338]

Mr. Win Griffiths: The information is as set out in the table.

HA/Trust	*March 1997*		*December 1997*	
	inp/dcase	*o/p*	*inp/dcase*	*o/p*
Gwent				
Glan Hafren	9,862	13,779	10,284	14,855
Nevill Hall	2,431	6,165	2,083	5,548
Dyfed Powys				
Carmarthen and District	3,865	3,514	4,243	3,655
Ceredigion and Mid Wales	905	2,126	1,107	2,703
Pembrokeshire and Derwen	4,008	3,679	3,824	3,562
Llanelli/Dinefwr	2,421	3,629	1,960	3,250
Powys Healthcare	221	1,736	339	1,778
Bro Taf				
East Glamorgan	4,273	3,722	4,138	3,980
Llandough	1,247	2,456	1,339	2,725
North Glamorgan	1,803	5,153	1,901	5,595
Rhondda	—	2,234	3	2,305
UHW	11,266	13,166	11,804	14,917
North Wales				
Glan Clwyd	3,527	6,576	4,297	7,052
Gwynedd Hospital	2,817	4,875	3,883	5,948
Wrexham Maelor	4,379	6,100	4,724	7,321
Morgannwg				
Bridgend and District	2,881	5,420	2,993	5,371
Glan-y-Mor	1,492	4,553	1,515	4,979
Morriston	5,081	3,883	5,085	4,622
Swansea	2,056	5,824	1,626	5,337

Note:
Across Wales 90 per cent. of those waiting for an out-patient appointment had waited less than 6 months and 89 per cent. of those waiting for in-patient or day-case treatment had waited less than 12 months.

Non-domestic Rates

Mr. Ancram: To ask the Secretary of State for Wales what plans he has to allow local authorities to set the level of the non-domestic rate for their areas. [33318]

Mr. Win Griffiths: My right hon. Friend will consult shortly on his proposals for the operation of non-domestic rates in Wales. No changes to the present arrangements will be made until there has been full consultation with representatives of the business community and with local government.

Employment Measures

Mr. Ancram: To ask the Secretary of State for Wales how many jobs have been created or safeguarded in Wales through assistance from public funding in *(a)* 1996–97 and *(b)* 1997–98; what is the estimated number for 1998–99; and how many of these jobs were created or safeguarded as a result of negotiations commenced after 1 May 1997. [33283]

Mr. Evans: To ask the Secretary of State for Wales how many jobs were secured through assistance provided from public funds in 1996–97; how many he estimates will have been so secured in *(a)* 1997–98 and *(b)* 1998–99; and of those how many will be as a result of negotiations begun after 1 May 1997. [33278]

Mr. Hain: A range of services, including grant support, is provided by the Welsh Office, the Welsh Development Agency, the Development Board for Rural Wales, the Wales Tourist Board, the Training and Enterprise Councils, local authorities and other business development organisations. Information on all these is not held centrally in the form requested.

The following information relates to Regional Selective Assistance (RSA), the main form of regional aid in Wales. Grant is paid in instalments triggered by the achievement of agreed capital expenditure or job targets; details of jobs achieved are provided at each payment stage.

In 1996–97, £88 million RSA was offered toward 182 projects. This amount was in total associated with the creation or safeguarding of 13,953 jobs over the estimated 3 to 5 year life of each project. Latest figures confirm the achievement of 3,308 jobs on projects where some payment has been made.

Applications for assistance received after 1 May 1997 have so far resulted in £34.4 million RSA offered toward 97 projects with the creation or safeguarding of 7,158 jobs. To date 286 jobs have been achieved.

As RSA is a demand-led scheme it is not possible to make estimates of jobs expected from offers which may be made in 1998–99.

Welsh Language Road Signs

Mr. Evans: To ask the Secretary of State for Wales what estimate he has made of the cost of providing Welsh language road signs in *(a)* Monmouthshire, *(b)* Denbighshire, *(c)* Flintshire and *(d)* Newport in the last available year. [33277]

Mr. Hain: None; the information requested is not collected centrally.

Inward Investment and Trade Missions

Mr. Evans: To ask the Secretary of State for Wales if he will list the inward investment and trade missions sponsored by his Department in *(a)* 1996–97 and *(b)* 1997–98 and those planned for 1998–99 and the orders and jobs secured and expected to be secured by each. [33276]

Mr. Hain: Details of inward investment and trade missions undertaken and planned to date for the years in question are set as follows:

Trade missions

Trade missions undertaken in 1996–97 generated actual orders of just over £7 million and prospective orders of over £34.6 million. Trade missions undertaken in 1997–98 generated actual orders of just over £1.8 million and prospective orders of over £33.6 million. Details of numbers of jobs created are not collected but, of the companies involved in 1996–97, 60 have created new jobs and a further 27 expect to create employment opportunities. Of the companies involved in missions in 1997–98, 65 have reported job creation and a further 8 expect to create additional jobs.

Inward investment missions

The Welsh Office does not sponsor inward investment missions. Ministers do, however, participate in some inward investment missions undertaken by the Welsh Development Agency. Those

involving Ministers in 1996–97 and 1997–98 have resulted in the announcement of seven projects which promise the creation of 2,168 new jobs; 438 of those jobs have been created to date.

In addition, there was a visit to LG in Korea in July 1996 to announce the company's project for Wales and its associated 6,106 new jobs.

Trade missions	*Inward investment missions*
1996–97	
Republic of Ireland	United States of America
Germany	Visit to LG in Korea
Australia/New Zealand	Japan and Korea
South Africa	
South Korea and Taiwan	
Belgium/Netherlands	
Saudi Arabia/Kuwait/Oman	
Japan	
1997–98	
The Philippines/Vietnam	Japan and Korea
Hungary/Czech Republic	
Denmark	
Republic of Ireland	
Bahrain/Dubai/Jordan	
Thailand/Malaysia	
Argentina/Chile	
Israel	
Italy	
1998–99 (Planned)	
Spain	
Japan	
Poland	
South Africa	
Australia/New Zealand	
Saudi Arabia	
Singapore	
Republic of Ireland	

Green Belt

Mr. Evans: To ask the Secretary of State for Wales when the next figures for the amount of Green Belt land in Wales will be published. [33478]

Mr. Win Griffiths: There are currently no Green Belts in Wales.

New Deal (Pilot Schemes)

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the New Deal pilot schemes. [33530]

Mr. Hain: I am delighted to say that we have made good and rapid progress in implementing the New Deal for young people in the South-West Wales Pathfinder.

To date, well over 2,000 interviews with unemployed young people have been completed and almost 1,200 jobs pledged by more than 250 employers. A further 400 employers are expected to sign-up in the next three months.

This represents an excellent start to our crusade to bring hope to young jobless people and one which we will build-on when the New Deal is launched throughout Wales in April.

Concordats

Mr. Ancram: To ask the Secretary of State for Wales how many draft concordats his Department is currently preparing; who they are intended to be with; and what are the issues and matters covered by them. [33839]

Mr. Ron Davies: I refer the right hon. Member to the reply I gave to my hon. Friend the Member for Clwyd, West (Mr. Thomas) on 27 February 1998, *Official Report*, column *393*. I anticipate that the National Assembly for Wales will need concordats with a number of Ministerial and non-ministerial departments, although it is too early to say how many.

Drafting of the concordats will take some months but, subject to the restrictions in the Government's White Paper on Freedom of Information, the drafts will be published as soon as they are finalised.

Official Secrets Act

Mr. Shepherd: To ask the Secretary of State for Wales for what reasons elected members of the Welsh Assembly are to be subject to the Official Secrets Act. [33722]

Mr. Ron Davies: The Official Secrets Act 1989 makes it an offence for a Crown servant to make a damaging disclosure without authorisation of information relating to security and intelligence, defence, international relations, crime and special investigation powers of information entrusted in confidence to other states.

Clause 79 of the Government of Wales Bill seeks to apply the provisions of the 1989 Act, which apply to Ministers of the Crown (including Welsh Office Ministers) to those who will exercise corresponding functions within the National Assembly. Functions of the Assembly could be delegated to the Executive Committee, and also to subject committees. Clause 79 is drafted to enable those who exercise relevant functions to be in receipt of information subject to the Official Secrets Act on the same terms as Ministers are now.

Exchange Rates

Mr. Ancram: To ask the Secretary of State for Wales if he will estimate the value of export orders for goods and services lost by companies in Wales because of changes in exchange and interest rates since 1 May 1997 *(a)* in the current financial year and *(b)* in each of the next two financial years. [33619]

Mrs. Liddell: I have been asked to reply.

The economic effects of exchange rate and interest rate changes are difficult to isolate, especially at the regional level. Recent business surveys suggest that export orders in Wales have been hit by the strength of sterling, as in all other UK regions, but that output in the Welsh economy continues to expand.

MINISTER WITHOUT PORTFOLIO

Millennium Experience (Commercial Sponsors)

Mr. Maude: To ask the Minister without Portfolio what commercial sponsors of the Millennium Dome will receive in return for their money. [30513]

Mr. Mandelson: I refer the right hon. Member to the reply I gave to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on 9 March 1998, *Official Report*, column 59.

Millennium Experience (New Deal)

Mr. Mitchell: To ask the Minister without Portfolio how many jobs will be made available to young people under the New Deal at the Millennium Experience. [31349]

Mr. Mandelson: The Millennium Experience at Greenwich is expected to create 2,000 new jobs during construction, and a further 5,000 during the life of the Experience. The New Millennium Experience Company will be co-operating fully with Greenwich council, other local authorities in the area, and all other appropriate agencies to optimise opportunities under the New Deal and other programmes aimed at increasing job opportunities for young people.

Millennium Experience (Churches)

Mr. Mitchell: To ask the Minister without Portfolio if the Church of England will be required to pay for its exhibits in the Millennium Experience; and if other religions will be required to participate on the same basis. [31650]

Mr. Mandelson: The New Millennium Experience Company (NMEC) is working closely with Christian churches and other faith communities through the Lambeth Group to ensure that the Dome's contents reflect the contribution of Christianity and other religions to society. The NMEC is considering a number of sponsorship approaches relating to the zone whose working title is "Spirit Level".

Smaller Millennium Dome

Mr. Hoyle: To ask the Minister without Portfolio if he will make a statement on the contents of the smaller Millennium Dome; how it will be funded; and when the decision was taken to build it, and by whom. [31966]

Mr. Mandelson: A small theatre style building was part of the original proposal for which the New Millennium Experience Company (NMEC) received planning permission in January 1997. The facility proposed by the NMEC has a seating capacity for between 5,000 and 6,000 people. It will be funded from within NMEC's existing budget. The NMEC are currently developing proposals for the events and activities to be held in the smaller Dome.

Millennium Experience (Camelot)

Mr. Maude: To ask the Minister without Portfolio when he began discussions with Camelot concerning possible sponsorship of the New Millennium Experience. [32232]

Mr. Mandelson: I have had no discussions with Camelot. The New Millennium Experience Company (NMEC) is responsible for delivering the project, including achieving sponsorship. Camelot has been in discussion with the NMEC since the summer of 1997.

Mr. Fraser: To ask the Minister without Portfolio if he will make a statement on the role of Camelot as the distributor of tickets for the Millennium Experience. [32896]

Mr. Mandelson: The New Millennium Experience Company (NMEC) announced, on 24 February, their agreement in principle with Camelot to be official distributor of Millennium Experience tickets. This would put a ticket outlet within three miles of 95 per cent. of the UK population. Precise details of Camelot's role and involvement is subject to further discussion and negotiation between them and the NMEC.

DUCHY OF LANCASTER

Civil Service (Disabled Employees)

Mr. Sarwar: To ask the Chancellor of the Duchy of Lancaster what plans he has to improve the opportunities for employment and career development of disabled people in the Civil Service. [33215]

Dr. David Clark: My Department has established a number of initiatives to improve opportunities for disabled staff in the Civil Service.

The Programme for Action to Achieve Equality of Opportunity for Disabled People in the Civil Service provides a framework to help departments and agencies to recruit, develop and promote people on merit regardless of whether they have a disability. It is complemented by a good practice guide, "Focus on Ability", which gives practical advice.

Progress made under the Programme for Action is monitored by my department and reported to Parliament in the biennial Progress Report on Equal Opportunities in the Civil Service.

Overall numbers of disabled staff in the Civil Service have risen. Action to increase the number of disabled staff at senior levels is being taken primarily through the implementation of the recommendations made by an independent Advisory Panel on Equal Opportunities in the Senior Civil Service.

AGRICULTURE, FISHERIES AND FOOD

Fishing Industry

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food which EU member states have been given credit against their MAGP targets, affecting beam trawlers, for a reduction in the overall beam length. [32184]

Dr. John Cunningham: Footnote 4 to the table in Commission Decision 98/121/EC, approving the new MAGP IV objectives for the fishing fleet of the Netherlands, refers to compensation for a decrease in efficiency resulting from a reduction in beam length. I understand that this reflects the outcome of discussions between the Commission and the Netherlands about the Dutch MAGP III figures. Similar discussions took place about certain aspects of the UK MAGP III figures, which also resulted in adjustments in MAGP IV though these did not cover the question of beam length in our case. I am not aware of any other adjustments relating to beam length for any other Member State.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food what will be the position of a fisherman who exhausts his effort allocation before he has caught his quota; and if he will make a statement. [32182]

Dr. John Cunningham: As the Parliamentary Secretary, my hon. Friend the Member for Scunthorpe (Mr. Morley), has already made clear, the Government's preference is for controls on fishing effort to be managed by the industry itself, along the lines of existing quota management arrangements. Following discussions with industry representatives the available fishing effort in the pelagic and beam trawl segments has accordingly been allocated between the various producers' organisations (POs) and groups concerned. They have been invited to manage their uptake of effort to stay within these allocations on whatever basis they and their members consider appropriate. The Government are not seeking to impose any particular formula for this and are not making any allocations of effort to individual vessels. POs and groups will therefore have the flexibility to respond to local circumstances and, within their allocations, to take account of any special factors affecting particular members.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food under what legislative power he will impose effort targets on producer organisations. [32185]

Dr. John Cunningham: The legal obligation to reduce fishing effort by the UK fleet is contained in Commission Decision 98/124/EC which in turn is based on Council Decision 97/413/EC. As with management of catch quotas, the rules under which effort allocations have been made to producers' organisations are administrative and have been drawn up after full consultation with industry representatives. Any action to prevent further fishing by members of a producers' organisation which has exceeded its effort allocation will be taken by a licence variation under Section 4 of the Sea Fish Conservation Act 1967.

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food if he will list the means by which *(a)* Spain, *(b)* the Netherlands, *(c)* France, *(d)* Denmark and *(e)* Germany plan to achieve their MAGP IV objectives; if applications have been made to the European Union Commission for each of their schemes; what timespan the Commission has set for the implementation of each of the schemes; and if he will make a statement. [33038]

Mr. Morley: Under the terms of Council Decision 97/413/EC, all maritime Member States had until 30 June 1997 to submit to the European Commission national fishing effort limitation programmes for achieving the objectives fixed in MAGP IV, identifying and quantifying the means by which this is to be done. The Commission then had until 30 November 1997 to discuss these plans in detail with the Member States concerned and subsequently to approve them, with whatever modifications were found to be necessary.

In the event this process was not completed until 16 December 1997 and the resulting series of Commission Decisions was not published in the Official Journal of the European Communities until 12 February 1998. All 13 programmes are contained in volume L39 and all cover the period from 1 January 1997 to 31 December 2001.

Beef (Northern Ireland)

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food if he will list the outstanding issues requiring resolution in order to satisfy *(a)* the Standing Veterinary Committee, *(b)* the Commission, *(c)* the Council of Ministers and *(d)* other bodies directly involved in the process of the lifting of the ban on Northern Ireland beef exports, to the extent that they will support a recommendation to approve the Northern Ireland Certified Herd-Scheme; and when he expects the matter to go before the Council of Ministers. [31910]

Dr. John Cunningham *[holding answer 27 February 1998]:* At the Standing Veterinary Committee on 4 March, ten member states supported the Commission's proposal for the Export Certified Herds Scheme. One member state abstained, pending further clarification of technical concerns, while supporting the principle of resuming exports under the arrangements laid down in the Florence Agreement. Four member states remain concerned about the controls governing eligibility for the scheme despite the fact that it had the Commission's full support. Because the proposal was not adopted by qualified majority, it has been referred to the Agriculture Council for a decision on 16–17 March.

Departmental Pay

Mr. Duncan: To ask the Minister of Agriculture, Fisheries and Food how many people employed by *(a)* his Department and *(b)* the agencies for which his Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30757]

Mr. Morley *[holding answer 23 February 1998]:* Staff in the Department are salaried and are not paid by the hour. However, I am able to provide a breakdown based on salary levels divided by normal full-time working hours of 36 hours per week in London or 37 hours elsewhere. This is set out in the table. The figures are based on 1997 salaries which took effect from 1 April.

	Core MAFF
(i) less than £3.20 per hour	0
(ii) between £3.20 and £3.60 per hour	430
(iii) between £3.60 and £4.00 per hour	332
(iv) between £4.00 and £4.62 per hour	400

I have asked the Chief Executives of the Department's Agencies to respond to the hon. Member direct.

Letter from Johnston McNeill to Mr. Alan Duncan, dated 10 March 1998:

As Chief Executive of the Meat Hygiene Service (MHS), your question to the Minister of Agriculture, Fisheries and Food enquiring about the number of people employed at various hourly rates has been passed to me for reply with regard to this Executive Agency.

MHS staff are salaried and not paid by the hour. However I am able to provide date based on salary levels divided by normal full time working hours of 37 per week.

The MHS does not employ any persons at salary levels at less than £3.20 per hour; between £3.20 and £3.60 per hour or between £3.60 and £4.00 per hour.

7 people are employed at an hourly rate of between £4.00 and £4.62 an hour.

Letter from T. W. A. Little to Mr. Alan Duncan, dated 10 March 1998:

The Minister has asked me to reply to your question on hourly rates of pay within the Veterinary Laboratories Agency.

Staff at the VLA are salaried and are not paid by the hour. However, I am able to provide a breakdown based on the salary levels divided by normal working hours of 36 or 37 hours per week, depending on the location and grade of the staff. This is set out below. The figures are based on 1997 salaries which took effect from 1 April 1997.

	Number
(i) Less than £3.20 per hour	0
(ii) Between £3.20 and £3.60 per hour	0
(iii) Between £3.60 and £4.00 per hour	0
(iv) Between £4.00 and £4.62 per hour	107

Letter from P. W. Greig-Smith to Mr. Alan Duncan, dated 10 March 1998:

As Agency Chief Executive, I am responding to Mr Duncan's question to the Minister of Agriculture, Fisheries and Food regarding hourly rates of pay for staff within the Centre for Environment, Fisheries and Aquaculture Science.

Staff within this Agency are salaried and are not paid by the hour. However, I am able to provide a breakdown based on salary levels divided by normal full-time working hours of 37 hours per week for all shore-based staff. This is set out below. The figures are based on 1997 salaries which took effect from 1 April.

The Marine staff on the Agency's research vessels are also included in the table but the breakdown is based on a full-time working week of 56 hours, which reflects the shift system in operation covering a seven day working week.

	Number
(i) less than £3.20 per hour	0
(ii) between £3.20 and £3.60 per hour	1
(iii) between £3.60 and £4.00 per hour	5
(iv) between £4.00 and £4.62 per hour	21

Letter from John Fitzgerald to Mr. Alan Duncan, dated 10 March 1998:

In my Chief Executive's absence, the Minister has asked me to reply to your question about hourly rates of pay for staff in the Veterinary Medicines Directorate (VMD) as this is an operational matter for which the Chief Executive is responsible.

Staff in the VMD are salaried and not paid by the hour. However, based on salary levels divided by normal full time working hours of 36 hours per week, I can confirm that none of VMD's staff is paid less than £4.00 per hour and 6 staff are paid between £4.00 and £4.62 per hour. These figures are based on 1997 salaries which took effect from 1 April 1997.

Letter from G. K. Bruce to Mr. Alan Duncan, dated 10 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Pesticides Safety Directorate (PSD), to your question concerning the rates of pay for staff employed within the Agency.

The information you requested is as follows:

	Number of staff
(i) Less than £3.20 per hour	0
(ii) Between £3.20 and £3.60 per hour	6
(iii) Between £3.60 and £4.00 per hour	2
(iv) Between £4.00 and £4.62 per hour	6

Letter from P. I. Stanley to Mr. Alan Duncan, dated 10 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Central Science Laboratory (CSL), to your question concerning hourly rates of pay for employees.

Staff in CSL are salaried and are not paid by the hour. However, I am able to provide information based on salary levels divided by the normal full-time working hours of 37 per week and this is set out in the table below.

Rate of pay	*Number of employees*
Less than £3.20 per hour	0
Between £3.20 and £3.60 per hour	0
Between £3.60 and £4.00 per hour	1
Between £4.00 and £4.62 per hour	6

These figures are based on salaries which took effect from 1 August 1997.

Letter from Michael Finnigan to Mr. Alan Duncan, dated 10 March 1998:

The Minister has asked me to reply to your question about the hourly rate of earnings within the Farming and Rural Conservation Agency (FRCA).

Staff in FRCA are salaried and not paid by the hour. Set out below is a breakdown based on salary levels divided by normal full-time working hours of 36 hours per week in London, or 37 hours elsewhere. The figures are based on 1997 salaries which took effect from 1 April.

	FRCA
(i) less than £3.20 per hour	0
(ii) between £3.20 and £3.60 per hour	0
(iii) between £3.60 and £4.00 per hour	1
(iv) between £4.00 and £4.62 per hour	8

Animal Health Products (Germany)

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the use in Germany of animal health products banned in the United Kingdom. [33007]

Mr. Rooker: Such assessment is a matter for the Member State concerned.

Farmers

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the number of *(a)* dairy farmers and *(b)* general livestock farmers who will be in business in 2003; and what are the current figures. [33000]

Mr. Rooker: No. It would not be possible to derive such estimates without making a large number of assumptions. Restructuring of the agriculture industry is a continuous process. Currently, there are about 30,000 agricultural holdings in the United Kingdom classified as dairying and about 90,000 classified as cattle and sheep holdings. These do not include holdings where dairy herds or cattle and sheep are not the main enterprise.

Veterinary Medicines (Adverse Reactions)

Ms Lawrence: To ask the Minister of Agriculture, Fisheries and Food what progress has been made on

moving the responsibility for the monitoring and subsequent investigation of human suspected adverse reactions to veterinary medicines from the Veterinary Medicines Directorate to an independent research institute or university department. [32850]

Mr. Rooker: This recommendation of the Agriculture Committee was carefully reviewed by a Group convened by Professor D. H. Lawson, Chairman of the Medicines Commission. The Group concluded in November 1996 that it could not identify any independent body capable of taking over the Suspected Adverse Reactions Surveillance Scheme (SARSS). However the Group made a number of recommendations designed to improve public confidence in the objectivity of the Scheme's administration, including the reconstruction of the SARSS Appraisal Panel with an exclusively independent membership, all of which were accepted by the Government.

Imported Oxheads

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the safety of importing oxheads for use in *(a)* patés and *(b)* other foods. [33003]

Mr. Rooker: The Specified Risk Material Order 1997, which came into force on 1 January, prohibits the importation of ox-heads from animals more than 12 months of age (except those born, reared and slaughtered in Australia or New Zealand) for use in any food or animal feed because they contain Specified Risk Material as defined in Commission Decision 97/534/EC.

Meat Imports

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food what charges are made to importers of meat products to cover the expenses of health and hygiene inspections; and what assessment he has made of the impact of these charges on competition in the United Kingdom market between domestic and imported products. [33002]

Mr. Rooker: Council Directive 85/73/EEC, as amended, lays down minimum fees for veterinary checks at Border Inspection Posts (BIPs) on fresh meat and meat products imported into the Community from third countries. At present, for imports from all countries other than New Zealand, the minimum fee is 5 ECU a tonne and 30 ECU per consignment. The real costs of inspections are charged to importers, by the local authorities responsible for the BIPs, where these exceed the minimum fee. For New Zealand, in accordance with the Veterinary Equivalence Agreement between the EC and New Zealand, standard fees of 1.5 ECU a tonne and 30 ECU per consignment apply.

Directive 85/73/EEC also requires Member States to recover the costs of those hygiene inspections conducted at licensed fresh meat premises in accordance with harmonised EC meat hygiene rules. The Directive lays down standard charges (in ECUs) for hygiene inspections of red meat, poultry meat and game meat. Where the actual costs of inspection exceeds the standard charge, the Directive provides for actual costs to be charged. Thus both imported and domestically produced fresh meat is subject to hygiene inspection to ensure compliance with EC rules before being placed on the market, for which a harmonised fee is charged, in accordance with Directive 85/73/EEC.

Animal Food Products (South America)

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the risk of infection with E.coli in imported animal food products from South America. [33001]

Mr. Rooker: The Government are not aware of any evidence that implicates animal food products from South America in incidents of E.coli poisoning in the UK.

Dietary Supplements

Mr. Tredinnick: To ask the Minister of Agriculture, Fisheries and Food how many and what proportion of representations from *(a)* hon. Members and *(b)* others on his proposed vitamin B6 regulations were in favour of the proposals since July 1997. [33517]

Mr. Rooker: The regulations required to introduce the proposed controls on dietary supplements containing vitamin B6 have yet to be issued for consultation. However, the Government have received a large number of unsolicited representations since they announced in July their intention to make legislation to implement the recommendations of its advisory committees. No record has been kept of the number of representations which have either favoured or opposed the proposed controls.

Bovine Tuberculosis

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food (1) when he will issue guidelines on badger management in relation to areas where the Krebs experiment takes the form of such management; and if he will consult before implementing the guidelines; [33726]

(2) if it will be his policy to apply the Krebs experiment in all appropriate areas which suffer a high level of bovine TB incidence over a long period; [33734]

(3) what policy he will adopt in areas where the experiment takes the form of extermination *(a)* to ensure that the areas selected for the Krebs experiments are sufficiently isolated from their surroundings and *(b)* to ensure that the defined areas are sufficiently homogeneous, in the absence of a power to force landowners to exterminate badgers. [33736]

Mr. Rooker: It is important that the culling experiment recommended in the Krebs report on TB in Cattle and Badgers is capable of providing scientifically robust conclusions. Decisions on the timing and conduct of the experiment will not be reached until we have advice from the Expert Group set up in February under the chairmanship of Professor Bourne to advise on these issues.

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food what plans he has to consult farmers' representatives in relation to management practices at the point of a TB breakdown. [33732]

Mr. Rooker: The Krebs report makes some important recommendations on management practices. I shall certainly be discussing implementation of these and other

aspects of the report with farmers' representatives once we have made a preliminary assessment of all the responses to the consultation exercise on the report.

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food what forecast he has made of the PSBR costs of bovine TB at the present rate of increase in bovine TB incidence over the next 10 years. [33735]

Mr. Rooker: Departmental provision, including for bovine TB, for 1999–2000 and beyond is under review as part of the Comprehensive Spending Review. The costs of the TB control programme are potentially affected by a number of factors, including the EU legislative provisions governing TB testing which are currently under discussion in Brussels, and the incidence of the disease.

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food under what powers he will implement the Krebs recommendations. [33725]

Mr. Rooker: We shall announce how we propose to take forward implementation of the recommendations in the Krebs report once we have fully considered the responses to the public consultation on the report and in the light of advice from the Expert Group.

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food if he will offer the 125 per cent. compensation rate applied in the Woodchester Park experiments to all farmers with cases of bovine TB in areas where the Krebs experiment takes the form of total protection of badgers. [33733]

Mr. Rooker: We see no grounds for asking taxpayers to meet a larger share of farmers' losses. We are assessing the implications of implementation of the Krebs report for the enhanced compensation arrangements which currently apply at Woodchester Park (100 per cent. of either the animal's market value or 125 per cent. of the average monthly market price two months before valuation, whichever is less, plus consequential losses).

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food if he will implement Professor Kreb's recommendation that independent research should be conducted into *(a)* a definitive live animal test for bovine TB, *(b)* vaccines and *(c)* DNA-typing of badger latrines to identify whether badger setts are infected; what his timetable for such implementation will be; and what plans he has to institute a profit levy on manufacturers in the event that exchequer-funded experiments in these areas are successful. [33731]

Mr. Rooker: We are currently considering our TB research requirements in the light of the Krebs recommendations. We intend to publish a research requirements document in early April. This approach to commissioning research represents a significant move in the direction of open competition to ensure research is conducted by groups with the best expertise. However, elements of the programme that require particular facilities and expertise may be placed directly with commissioned contractors.

We would usually arrange to share with researchers any royalty revenue stream in the event of any commercially exploitable Intellectual Property (IP) arising from a project.

EDUCATION AND EMPLOYMENT

Departmental Pay

Mr. Duncan: To ask the Secretary of State for Education and Employment how many people employed by *(a)* his Department, *(b)* the agencies for which his Department is responsible, *(c)* schools, *(d)* colleges and *(e)* universities earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30745]

Dr. Howells *[holding answer 23 February 1998]:* The number of permanent staff in the Department for Education and Employment currently earning:

less than £3.20 per hour is 0

between £3.20 and £3.60 per hour is 83

between £3.60 and £4 per hour is 20

between £4 and £4.62 per hour is 25.

The number of permanent staff in the Employment Service and DfEE staff in the Government Offices currently earning:

less than £3.20 per hour is 0

between £3.20 and £3.60 per hour is 0

between £3.60 and £4 per hour is 874

between £4 and £4.62 per hour is 264.

The other information requested for schools, colleges and universities can be provided only at disproportionate cost.

Car Parking

Mr. Baker: To ask the Secretary of State for Education and Employment what plans he has *(a)* to reduce the number of car parking spaces available for use by staff and *(b)* to introduce charges for staff using workplace car parking spaces. [32453]

Dr. Howells *[holding answer 3 March 1998]:* In line with the Guide to Green Transport Plans circulated last September by the Under-Secretary of State for the Environment, Transport and the Regions, my hon. Friend the Member for Hampstead and Highgate (Ms Jackson), DfEE will actively consider this issue in preparing Green Transport Plans for its key buildings.

Mathematics Teachers

Mr. Don Foster: To ask the Secretary of State for Education and Employment how many mathematics teachers in secondary schools were teaching the subject in each of the last three secondary staffing surveys. [33832]

Ms Estelle Morris: Estimates of full-time teachers in secondary schools who held a qualification in mathematics and were teaching mathematics are given in the table:

Year of survey	*Number of teachers*[1]
1988	22,000
1992	21,000
1996[2]	20,000

[1] In addition there were some 4,000 teachers in secondary schools in 1988 and 2,000 in 1992 who held a qualification with mathematics as a subsidiary subject and were teaching mathematics.

[2] In 1996 no distinction was made between main and subsidiary subjects of qualifications, and only up to three subjects per qualification were collected compared with up to four subjects in 1988 and 1992.

Mr. Don Foster: To ask the Secretary of State for Education and Employment how many mathematics teachers there were in each of the last three staffing surveys whose highest qualification in mathematics was *(a)* a specialist degree or higher qualification in mathematics, *(b)* a degree in a related subject, *(c)* a PGCE or other certificate and *(d)* an Education degree. [33837]

Ms Estelle Morris: Estimates of full-time teachers in secondary schools with a qualification in mathematics are given in the table:

	Highest qualification[1]		
Year of Survey	*Degree*	*BEd*	*PGCE/Cert Ed*
1988	11,000	3,000	10,000
1992	11,000	3,000	11,000
1996[2]	13,000	5,000	9,000

[1] In addition there were some 2,000 teachers in 1988 and 1992 who held other qualifications with mathematics as a main subject, and 16,000 in 1988 and 11,000 in 1992 who held a qualification with mathematics as a subsidiary subject.
[2] In 1996 no distinction was made between main and subsidiary subjects of qualifications, and only up to three subjects per qualification were collected compared with up to four subjects in 1988 and 1992. In 1996 there were 1,000 teachers who held other qualifications in mathematics.

Class Sizes

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the LEAs who bid for money to reduce the size of classes at KS1 and had their bids *(a)* turned down and *(b)* reduced, indicating in each case the number of KS1 pupils in the authority's schools and the original amount of the bid. [33834]

Mr. Byers: I refer the hon. Member to the reply I gave on 4 March 1998, *Official Report*, column *677*.

Mr. Don Foster: To ask the Secretary of State for Education and Employment what was the size of the original bid by the Funding Agency for Schools to reduce KS1 classes; and to what extent it was scaled down. [33833]

Mr. Byers: Of the £22 million available to reduce infant class sizes in 1998–99, £680,000 was allocated to the Funding Agency for Schools pro rata on the basis of pupil numbers in GM primary schools. No specific bidding or applications process was involved.

School Sizes

Mr. Don Foster: To ask the Secretary of State for Education and Employment how many *(a)* infant, *(b)* junior and *(c)* primary schools there were with (i) less than 50 pupils and (ii) less than 100 pupils in September 1997. [33723]

Mr. Byers: Information on pupils in primary schools in September is not collected centrally.

Teachers (Qualifications)

Mr. Don Foster: To ask the Secretary of State for Education and Employment how many teachers working in primary schools do not have GCSE grade 'C' or equivalent in English and mathematics. [33724]

Ms Estelle Morris: This information is not held centrally.

Rural Primary School Teachers

Mr. Don Foster: To ask the Secretary of State for Education and Employment if the grade of Advanced Skills Teacher is available to teachers working in rural primary schools. [33840]

Mr. Byers: My right hon. Friend the Secretary of State is still consulting on his proposals to introduce a new grade of Advanced Skills Teacher. We do not intend that there should be any legal impediment to Advanced Skills Teacher posts being established in any school, or to prevent teachers working in rural primary schools from applying for such posts.

New Deal (Coventry)

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what estimate he has made of the number of jobs for sick and disabled people which will be created by the New Deal scheme in Coventry. [33648]

Mr. Alan Howarth: The aim of the New Deal for Disabled People is not specifically to create jobs but to explore a range of approaches to identify the most effective ways of helping disabled people and those with long-term health problems to move into work, and to avoid becoming dependent on long-term incapacity benefits in the first place. Until the results of the first year pilots are available it would not be sensible to predict the likely numbers of those who will secure work through this approach either nationally or in a particular locality such as Coventry.

European Union

Mr. Bercow: To ask the Secretary of State for Education and Employment if his Department approved the contents of "What Exactly is Europe? A Classroom Guide to the European Union"; and how many copies have been distributed in the United Kingdom. [32976]

Mr. Doug Henderson: I have been asked to reply.

No. The booklet was produced by the Commission Representation in London. They asked British teachers to write it and then sent samples to headteachers. Around 134,000 copies have since been distributed to schools.

TRADE AND INDUSTRY

Power Generators

Mr. Redwood: To ask the President of the Board of Trade if she has seen a copy of the signed agreement reached by the Paymaster General with the power generators. [26412]

Mrs. Beckett *[holding answer 30 January 1998]:* No agreement was reached between the power generators and the Government. Arrangements for coal deliveries were agreed by the relevant parties.

Coal Purchases

Mr. Redwood: To ask the President of the Board of Trade what assessment she has made of the effect of the recent mild weather on *(a)* future purchases of coal by the generators and *(b)* the timing of deliveries of coal to the generators. [32691]

Mrs. Beckett *[holding answer 3 March 1998]:* The volumes of coal purchased by the generators and the timing of deliveries are governed by the contracts between the generators and their various coal suppliers. The volume of coal actually burnt is, in part, influenced by the weather and variations against planned levels of burn may be reflected in the level of coal stocks held by the generators. The relationship between the weather and stock levels is not straightforward. Stock levels have fallen in recent months despite the mild weather.

PA Consulting Group

Mr. Llew Smith: To ask the President of the Board of Trade how many contracts her Department has placed with PA Consulting Group since 1979; and what has been the aggregate value of these contracts. [33488]

Mrs. Beckett: This information is not held centrally and could be provided only at disproportionate cost.

Pharmaceuticals

Mr. Gareth Thomas: To ask the President of the Board of Trade what assessment her Department has made of the comparative price of over-the-counter medicines in *(a)* the UK and *(b)* the rest of the EU. [33464]

Mr. Nigel Griffiths: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Wimbledon (Mr. Casale) on 11 February 1998, *Official Report*, column *217*.

Inward Investment

Mr. Redwood: To ask the President of the Board of Trade what was the level of inward investment into Britain in the last quarter of *(a)* 1997 and *(b)* 1996. [33297]

Mrs. Beckett *[holding answer 6 March 1998]:* I refer the right hon. Member to my answer to him on 16 February 1998, *Official Report*, columns *510–11*. Information for the fourth quarter of 1997 will be published by the Office for National Statistics (ONS) on 20 March 1998.

Gas-fired Power Stations

Mr. Redwood: To ask the President of the Board of Trade what advice the Government have received concerning the legality of a moratorium on new gas-fired power stations. [33298]

Mrs. Beckett *[holding answer 5 March 1998]:* I am satisfied that the arrangements for the handling of applications in relation to new power stations set out in my answer to my hon. Friend the Member for Rugby and Kenilworth (Mr. King) of 22 December 1997, *Official Report*, columns *519–20*, are legally sound.

Mr. Redwood: To ask the President of the Board of Trade in what circumstances the Government would consider an application for a new gas-fired power station before the conclusion of her review of energy sources for power generation. [33299]

Mrs. Beckett *[holding answer 6 March 1998]:* Our general approach is to defer decisions on power station applications until the work of the Review has been completed. I have said I would be prepared to consider, on their merits, reasoned requests for exceptions to be made in particular cases. In this context, I have also said I would be mindful of the environmental and other benefits of combined heat and power. I have indicated that such requests should be made in writing.

Industrial Tribunals

Dr. Kumar: To ask the President of the Board of Trade what arrangements she will make for the appointment of new lay members to the industrial tribunals. [34109]

Mr. Ian McCartney: The Government wish to review the recruitment and appointments procedures for industrial tribunal lay members to encourage the appointment of lay members from a wide variety of backgrounds, and to ensure that they are in line with the guidance of the Commissioner of Public Appointments. It is important that all users of tribunals have confidence in the lay members appointed to the tribunals and we therefore intend to consult the social partners and other interested parties on the review. We propose to make the next appointments of new lay members to the industrial tribunals in October 1999.

SOCIAL SECURITY

Officials (Entry Warrants)

Mr. Cohen: To ask the Secretary of State for Social Security how many of her officials are authorised to enter premises without a warrant. [29045]

Mr. Keith Bradley: There are no circumstances in which officials of this Department, in the course of their duties, are authorised to enter any premises without a warrant unless invited to do so by the owner or occupier.

Benefit Entitlement

Dr. Lynne Jones: To ask the Secretary of State for Social Security what savings would be made by withdrawing entitlement to *(a)* the state pension, *(b)* maternity pay and *(c)* disability living allowance from (i) households and (ii) individuals with gross income in excess of (1) £1,000,000 per annum, (2) £500,000 per annum, (3) £100,000 per annum, (4) £50,000 per annum, (5) £40,000 per annum and (6) £30,000 per annum. [23353]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the tables.

Estimated savings from withdrawing entitlement to basic retirement pension from those (i) benefit units (ii) individuals with gross income in excess of given thresholds: 1997–98

£ million

Basic state retirement pension	Total gross income in excess of: £30,000 p.a.	£40,000 p.a.	£50,000 p.a.[1]
(i) Benefit unit income	1,200	600	350
(ii) Individual income	450	250	150

[1] Due to the small sample size, figures are not available separately for income in excess of £100,000 p.a.; £500,000 p.a. and £1 million p.a.

Notes:

1. Results rounded to nearest £50 million.
2. Retirement Pension is a taxable benefit; as such removal of entitlement will lead to a fall in tax revenues. This effect is not allowed for in the above table.
3. No adjustment is made for any effects of the loss of RP on entitlement to other benefits.
4. Total gross income includes the Retirement Pension.
5. The Family Resources Survey is based on a sample of private households—the above estimates assume that recipients in residential care share the income characteristics of those in private households.
6. A "benefit unit" is a single adult or a couple, together with any dependent children. (Adults living in the same household as their parent(s) are each classified as separate benefit units, and are assessed separately for Income Support or Family Credit)
7. Figures are for Great Britain.

Source:

Family Resources Survey 1995/96, Government's Expenditure Plans 1997–98 to 1999–2000.

Estimated savings from withdrawing entitlement to SMP to women with annual taxable pay (net of pension contributions) in excess of given thresholds: 1995–96

£ million

Statutory maternity pay	Annual taxable pay (net of pension contributions) in excess of: £30,000 p.a.	£40,000 p.a.[1]
Total SMP payments made in 1995–96[2]	12.7	6.7

[1] Due to the small sample size, figures are not available separately for income in excess of £50,000 p.a.; £100,000 p.a.; and £1 million p.a.

[2] 1995–96 is the latest tax year for which information is available.

Notes:

1. Includes sums paid where the SMP period straddles two tax years (1994–95 and 1996–97).
2. Information is only available for individuals.
3. Figures are for Great Britain.
4. Figures rounded to the nearest £100,000.

Source:

The Lifetime Labour Market Database (LLMDB), a 1 per cent. sample of the National Insurance Recording System taken at February 1997.

Estimated savings from withdrawing entitlement to disability living allowance from those benefit units with gross income in excess of given thresholds: 1997–98

£ million

Disability living allowance	Total gross income in excess of: £30,000 p.a.	£40,000 p.a.[1]
Benefit unit income[1]	200	100

[1] Due to the small sample size, figures are not available for individual income, or for benefit unit income in bands in excess of £50,000 p.a.; £100,000 p.a.; and £500,000 p.a.; and £1 million p.a.

Notes:

1. Results rounded to nearest £50 million.
2. Loss of Disability Living Allowance entitlement affects entitlement to other benefits e.g. Income Support premia and Invalid Care Allowance. This effect is not allowed for in the above table.
3. Total gross income includes the Disability Living Allowance received.
4. The Family Resources Survey is based on a sample of private households—the above estimates assume that recipients in residential care share the income characteristics of those in private households.
5. A "benefit unit" is a single adult or a couple, together with any dependent children. (Adults living in the same household as their parent(s) are each classified as separate benefit units, and are assessed separately for Income Support or Family Credit).
6. Figures are for Great Britain.

Source:

Family Resources Survey 1995–96, Government's Expenditure Plans 1997–98 to 1999–2000.

Housing Benefit

Mr. Sarwar: To ask the Secretary of State for Social Security how many households are in receipt of housing benefit for *(a)* local authority homes, *(b)* private rented homes and *(c)* housing association homes. [28803]

Mr. Keith Bradley: The information is set out in the table.

Housing benefit recipients—Great Britain—August 1997

	Number
Local Authority tenants	2,762,400
Private tenants (excluding Housing Association tenants)	1,039,760
Housing Association tenants	789,500

Note:

Recipients may be a single person or a couple.

Source:

Housing Benefit Summary Statistics 1997—Update Number 2—available in the Library.

Child Support

Mr. Donohoe: To ask the Secretary of State for Social Security what is the average length of time between the Child Support Agency receiving an application and a maintenance award being made *(a)* in all cases and *(b)* in cases where the absent parent is an absent parent to more than one parent with care. [28596]

Mr. Keith Bradley: Information is not available in the format requested. Such information as is available is as follows.

We are looking for substantial and sustained operational improvements from the Child Support Agency, in particular on getting more maintenance paid, reducing the backlog and improving customer service.

The Child Support Agency aims to clear 60 per cent. of new maintenance applications within 26 weeks of receipt. In the current year, performance has been affected by the clearance of a substantial number of older cases. Nevertheless, in the months from April to the end of December 1997, 72 per cent. of maintenance applications were cleared within 26 weeks. A special exercise carried out by Departmental statisticians indicated that, including cases from the backlog, the median clearance time for those that resulted in a maintenance assessment for the three months ending 30 November 1997 was 37 weeks. Currently, around a third of all applications cleared by the Agency result in a maintenance assessment.

Average clearance times are not available for cases where a non-resident parent has more than one parent with care.

Mr. Donohoe: To ask the Secretary of State for Social Security (1) if, in a case where two parents with care make application to the Child Support Agency, with respect to the same absent parent, the first parent with care is given priority over the second; [28598]

(2) what measures she proposes to take in cases where the absent parent is an absent parent to more than one parent with care, and when the second parent with care makes application to the CSA before the first parent with care's application is processed. [28597]

Mr. Keith Bradley: Where there are two or more parents with care in respect of the same absent parent, applications for maintenance are normally dealt with in the order they are received. The non-resident parent's liability to pay maintenance for his children is then shared out between the parents with care based on their respective maintenance requirements.

Child support regulations that came into effect on 5 August 1996 cater for maintenance applications being processed other than in the normal order. However applications from more than one parent with care for maintenance from the same non-resident parent which were received before 5 August 1996 are not covered by these regulations. Procedures have now been developed for handling such applications.

Mr. Kirkwood: To ask the Secretary of State for Social Security how many child support appeal tribunal hearings have been held in each quarter to date; in what percentage of cases the CSO's decision was upheld; how many cases are awaiting a hearing; and what is the average time from the letter of appeal being received to a tribunal decision being made. [30056]

Mr. Keith Bradley *[holding answer 18 February 1998]:* The operation of the appeals system is a matter for the Independent Tribunal Service (ITS). The information is not available in the format requested. Such information as is available is in the table.

Quarter	*Appeals heard*	*Percentage of Child Support Officer's decisions upheld*[1]	*Cases awaiting hearing*	*Average clearance time (weeks)*
October to December 1993	22	50	586	n/a
January to March 1994	58	55.1	1,694	n/a
April to June 1994	161	51.5	2,538	n/a
July to September 1994	248	40.3	3,480	n/a
October to December 1994	437	33.4	4,337	n/a
January to March 1995	593	29	4,994	n/a
April to June 1995	941	24.3	4,637	n/a
July to September 1995	879	16.7	4,400	n/a
October to December 1995	1,010	14.3	4,474	42.58
January to March 1996	1,563	16.2	4,347	40.29
April to June 1996	1,845	15.3	3,734	36.32
July to September 1996	1,511	14.8	3,815	32.40
October to December 1996	1,559	16.5	3,957	30.46
January to March 1997	1,741	17.9	3,904	27.48
April to June 1997	1,865	18.8	3,875	27.79
July to September 1997	2,345	22.8	4,037	25.36

[1] The percentage figures are calculated by including all cases cleared at hearing, adjourned and postponed.

Notes:

1. There was a total of 16,778 appeals heard between 1 October 1993 and 30 September 1997. During the same four year period the Child Support Agency cleared 1,786,271 maintenance applications.
2. Appeals where Child Support Officer's decisions were not upheld include all of those cases where the tribunal overturned any part of the Child Support Officer's decision, whether or not this was the subject of the appeal.

Pensions

Mrs. Lait: To ask the Secretary of State for Social Security how many *(a)* current and *(b)* future pensioners own personal pension plans. [28476]

Mr. Denham: The information is not available in the format requested. Such information as is available using data drawn from the 1995 General Household Survey and Office of National Statistics population estimates is that in 1995 around 8.8 million individuals of working age had owned a personal pension plan.

The Lifetime Labour Market Database (based on 1 per cent. sample of National Insurance records) estimates that, at the end of the financial year 1995–96, 5,499,000[1] individuals of working age owned appropriate personal pension plans.

Note:

[1] This figure has been rounded to the nearest 1,000.

Mr. Webb: To ask the Secretary of State for Social Security what would be the effect in *(a)* gross pensions expenditure, *(b)* income-related benefits expenditure and *(c)* income tax revenues, of relaxing contribution rules so

that all adults over state pension age were to be immediately entitled to a full basic state pension in their own right. [31033]

Mr. Denham: The information is set out in the table.

£ billion

GB 1998–99	*Costs (+) / Savings (–)*
Additional RP cost	6.2
Offsets for other benefits paid to those over state pension age	–0.8
Income-related benefit offset	–1.2
Income tax offset	–0.3
Total net cost	3.9

Notes:
1. The costs/savings are in 1998–99 prices and are rounded to the nearest £0.1 billion.
2. Estimates of the gross cost are provided by the Government Actuary's Department.
3. The estimate of the change in income tax revenue, provided by the Inland Revenue, uses a projection of the 1995–96 Family Expenditure Survey.
4. Means-tested benefit offsets were calculated using the 1995–96 Family Resources Survey and the May 1996 Income Support Quarterly Statistical Enquiry, both uprated to 1997–98 prices, benefits and earnings levels, and calibrated to the forecasts underlying the 1997 Departmental Report.

Mr. Duncan Smith: To ask the Secretary of State for Social Security if she will make it her policy to phase out SERPs by closing it off to new entrants. [32974]

Mr. Denham: The Government are committed to retaining SERPS as an option for those who wish to remain in it. All representations on the future of SERPS are being considered as part of the Pensions Review.

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what representations she has received regarding the advantages of pension contributions being made on a voluntary basis. [32876]

Mr. Denham: Contributions to the State pension scheme including the State Earnings Related Pension Scheme or a contracted out second pension are compulsory for most people in employment. As part of the public consultation exercise of the Pensions Review, we received a number of representations proposing that contributions to private second pensions, that is, over and above the contracted out element, should remain voluntary and not compulsory. We are currently considering all of the representations we have received.

The Government's starting point is the need to secure better value from the contributions which people make to pensions and to make the best use of the money already in the system, whether this comes directly from individuals and employers, or indirectly from them through the NI system.

Incapacity Benefit

Mr. Wills: To ask the Secretary of State for Social Security (1) what research her Department has *(a)* commissioned and *(b)* evaluated into the health of incapacity benefit claimants; [29780]

(2) what records her Department maintains in respect of incapacity benefit claimants by reference to *(a)* the type of illness or disability of the claimant and *(b)* the type of functional incapacity on which their claim is based, other than those set out in the 1997 Social Security Statistics. [29779]

Mr. Denham: We routinely collect information on the medical conditions suffered by Incapacity Benefit claimants and these are summarised in the "Incapacity Benefit and Severe Disablement Allowance Quarterly Summary of Statistics", copies of which are available in the Library. In addition, information on the health and functional capacity of former Incapacity Benefit recipients will be available in the survey of those no longer receiving Incapacity Benefit due to be published in the Summer in the Department's Research Report Series.

Lone Parents

Ms Julie Morgan: To ask the Secretary of State for Social Security (1) how many lone parents in Wales who claim *(a)* income support and *(b)* housing benefit will have a lower level of income compared to present claimants after April as a result of the abolition of lone parent premium; [29990]

(2) what estimate she has made of the number of lone parents in Wales whose income will be reduced because of proposed changes to lone parent benefit; [29959]

(3) how many lone parents in Wales who claim council tax benefit after April will lose income as a result of the abolition of the lone parent premium. [29991]

Mr. Keith Bradley: Existing recipients of the lone parent rate of child benefit and family premium will be protected. There will be no cash losers. At the end of 1998/99, it is estimated that the number of lone parents making new claims in Wales who will receive the same rate as couples with children as a result of the measure to remove entitlement to the lone parent rate of family premium (from April 1998) and child benefit (from June 1998), will be around 14,000 in Income Support; 3,000 in Housing Benefit; 2,000 in Council Tax Benefit and 4,000 in Child Benefit.

Mr. Gibb: To ask the Secretary of State for Social Security if she will list for each OECD member state the age of the youngest child at which under social security regulations the lone parent concerned with the child's upbringing is required to seek work. [33631]

Mr. Keith Bradley: The information is not available in the format requested. Such information as is available is set out in the table.

The requirement-to-seek-work rules for lone parents in relation to the age of their youngest child as a condition for the receipt of social assistance benefits for those OECD countries

Country	
OECD Country	Requirement for lone parents to seek work as a condition for receipt of income-tested benefits
Austria	Requirement to seek work when youngest child is aged 3
Belgium	Discretionary
Denmark	Lone parents subject to same rules as apply to all other claimants (subject to availability of child care)
Finland	Requirement to seek work when youngest child is aged 3

The requirement-to-seek-work rules for lone parents in relation to the age of their youngest child as a condition for the receipt of social assistance benefits for those OECD countries

Country	
France	Lone parents may receive an income-related benefit *Allocations de parents isolé* (API) for one year, but are expected to take paid work once the youngest child is 3 years old—if they do not, they can claim income-related *Revenu Minimum d'Insertion* (RMI) which is payable at a lower rate
Germany	Lone parents must be available for part-time work when the youngest child reaches nursery school age and for full time work when the child reaches 14 years
Greece	None
Iceland	None
Ireland	Requirement to seek work when youngest child is aged 16
Italy	Discretionary
Luxembourg	Requirement to seek work when youngest child aged 6. Law on RMG (income support) to be tightened so that parents with children over 2 will only receive benefit if there is no suitable job available
Netherlands	Requirement to seek work when youngest child aged 5 (age 12 before 1994)
Norway	Requirement to seek work when youngest child aged 10
Portugal	No social assistance benefits for lone parents
Spain	Discretionary
Sweden	Requirement to seek work for all. Municipalities obliged to provide daycare for children aged between 1 and 12
Switzerland	Discretionary within individual cantons
UK	Requirement to seek work when youngest child is aged 16
Australia	Requirement to seek work when youngest child is aged 16
Canada	Requirement differs in each Province/Territory. In some, requirement to seek work when youngest child is aged 12. In others, it is when youngest child is 6 months old
Japan	No special requirements
New Zealand	Requirement to seek work when youngest child aged 16
United States	Federal guidelines are: Aid to Families with Dependent Children—requirement to seek work when youngest aged 4 Food stamps—requirement to seek work when youngest child aged 6 Different states vary the requirement to seek work[1]

[1] In August 1996, President Clinton signed the Welfare Reform Bill giving States considerable power to create their own welfare programmes. The transfer of responsibility from the Federal Government to individual States for the design of welfare systems has created variations in the implementation of these Federal guidelines among States. For example, in the state of Wisconsin long parents are expected to satisfy the work requirement once their youngest child reaches 12 weeks old.

Notes:

1. Information about the social assistance schemes or requirement-to-work rules for lone parents in the other OECD countries, namely the Czech Republic, Hungary, Korea, Mexico, Poland and Turkey, is not available.

2. Information about whether the requirements contained in the table are laid down in the social security legislation of the countries concerned or whether they are applied administratively is not available.

Source:

1. DSS Research Report No. 47—Social Assistance in OECD countries (1996).

2. The employment of lone parents (Family Policy Studies Centre) 1996.

Mr. Jim Cunningham: To ask the Secretary of State for Social Security what assessment she has made of possible disincentives to work resulting from abandonment of the lone parent rate of child benefit. [32871]

Mr. Keith Bradley: Steps have been taken to protect work incentives for existing lone parents. Existing recipients will continue to receive the higher rate of Child Benefit and lone parents will be able to claim the higher rate of Child Benefit when they leave Income Support for work. Independent research suggests that the average additional income for lone parents already in work and on Family Credit is over £50 a week above the estimate of their out-of-work income.

The Government are addressing the real barriers to work with the New Deal for Lone Parents, improvements to the child care disregard in the in-work benefits, the National Child Care Strategy and the Working Families Tax Credit.

Benefits Take-up

Mr. Gordon Prentice: To ask the Secretary of State for Social Security, pursuant to her answer of 24 February 1998, *Official Report*, column *209*, on the take-up of benefits, if she will list take-up rates of each benefit by benefit area office. [32238]

Mr. Keith Bradley: The information requested is not available.

War Pensions

Mr. Gordon Marsden: To ask the Secretary of State for Social Security (1) what plans she has to review the criteria for assessing entitlement to war pensioners' mobility supplement and constant attendance allowance for war disablement pensioners suffering from post-viral fatigue syndrome; [30242]

(2) what percentage of Gulf War veterans awarded war disablement pensions due to post-viral fatigue syndrome have *(a)* applied for war pensions' mobility supplement and constant attendance allowance and *(b)* been awarded these benefits since 1992; [30241]

(3) what medical guidance her Department has given to the War Pensions Agency in respect of the condition post-viral fatigue syndrome for assessing entitlement to (i) war disablement pensions, (ii) war pensioners' mobility supplement and (iii) constant attendance allowance. [30243]

Mr. Denham: The Government fully recognise the considerable debt of gratitude owed to all those who have been disabled as a result of service in the Armed Forces.

Under the Naval, Military and Air Forces Etc. (Disablement and Death) Service Pensions Order 1983, a war pension may be awarded for any disablement due to, or aggravated by, any service in the armed forces of the Crown. Awards are not made for a prescribed list of diagnoses or conditions but rather cases are considered on their individual merits within the relevant law. The Scheme includes a range of supplementary allowances aimed at those most seriously disabled. Where any disablement assessed at not less than 40 per cent. is such as to render the war pensioner unable to walk or restricts

severely his ability to do so, an award of Mobility Supplement may be made. Similarly, where the war pensioner's disablement is assessed at not less than 80 per cent. and is such that personal attendance on him is necessary, an award of Constant Attendance Allowance may be awarded.

By 31 January 1998, 1,938 claims for a War Disablement Pension had been received from Gulf War veterans. So far 1,301 awards have been made in respect of a wide variety of conditions but only one has been made in respect of post viral fatigue syndrome. A claim for War Pensions' Mobility Supplement and Constant Attendance Allowance was rejected as not meeting the criteria for an award.

No medical guidance on entitlement or eligibility for War Disablement Pension, War Pensioners' Mobility Supplement or Constant Attendance Allowance specific to the diagnosis post viral fatigue syndrome has been issued to War Pensions Agency medical advisers. Guidance is, however, available on chronic fatigue syndrome of which post viral fatigue syndrome is a recognised variant. The diagnosis chronic fatigue syndrome is used where certain defined diagnostic criteria known as the Fukuda criteria are met. Medical advisers are trained to consider any disablement, physical or mental and to make decisions on the facts of the individual case and within the relevant law on entitlement and all other war pensions issues.

There are no plans to review the criteria for assessing War Pensions' Mobility Supplement or Constant Attendance Allowance for war pensioners suffering from post viral fatigue syndrome.

Tribunals

Dr. Lynne Jones: To ask the Secretary of State for Social Security what plans the Government have to ensure that people appealing against decisions to reduce or withdraw benefit entitlement have access to free advice and representation at independent tribunal hearings. [31083]

Mr. Keith Bradley: People who appeal against decisions to reduce or withdraw benefit entitlement already have access to free advice and representation at tribunal hearings, through various welfare organisations and Citizens Advice Bureaux. Most advice agencies which offer free tribunal representation are funded by local authorities, by Department of Health section 64 grants or by a combination of the two.

The appeals leaflet, NI 246, which is attached to the appeal form, provides information about the options open to appellants for obtaining advice. Some people may receive advice from a solicitor through the Legal Advice and Assistance scheme.

There are no plans at present to extend the scope of legal aid to allow representation before tribunals.

Ministerial Meetings

Mr. Randall: To ask the Secretary of State for Social Security how many meetings have been requested with her Department's Ministers by *(a)* Labour and *(b)* Conservative hon. Members; and how many meetings have been granted in each category. [31300]

Ms Harman: My Ministerial colleagues and I meet a number of hon. Members from both sides of the House during the course of our business.

All Work Test

Dr. Lynne Jones: To ask the Secretary of State for Social Security how many people have been subject to the all work test *(a)* in Birmingham, *(b)* in the West Midlands and *(c)* nationally; what percentage failed the test; how many of those failing the test appealed; how many of the appeals were oral hearings; and what was the success rate for (i) hearings held orally and (ii) other appeals. [31272]

Mr. Denham: The information is not available in the form requested. Such information as is available is set out in the table.

April 1995 to 30 September 1997 inclusive	*Birmingham*	*West Midlands*	*National*
Number who have been subject to the All Work Test (AWT)	57,028	182,552	2,899,127
Number who have failed the AWT	9,922	26,333	415,957
Percentage AWT failure rate	17	14	14

Since its introduction in April 1995, the number of people who have appealed against the All Work Test is 11,294 in West Midlands region and 101,559 nationally.

Of the 8,238 appeals heard and decided in the West Midlands region, 3,791 were in the appellant's favour. Nationally, the figure was 78,402 of which 35,873 were in appellant's favour.

The percentage of appeals decided in the appellant's favour was 46 per cent. for West Midlands and 45.8 per cent. nationally.

Vaccine Damage Payments

Dr. Brand: To ask the Secretary of State for Social Security what provisions the Government intend to make to provide compensation to those who have suffered severe brain damage as a result of vaccination administered on behalf of the Department of Health. [30827]

Mr. Denham: The existing Vaccine Damage Payment scheme, which has been in place since 1979, provides a one-off payment, not compensation, to people severely disabled by vaccination against certain diseases. The Vaccine Damage Payments Act and Regulations set out the full conditions of entitlement. The scheme is currently under consideration.

Dr. Brand: To ask the Secretary of State for Social Security how many applications were made under the Vaccine Damage Payments Act 1979 in each year since 1993; and of these applications, how many were successful and which vaccines were involved. [30805]

Mr. Llew Smith: To ask the Secretary of State for Social Security how many payments have been made to applicants following assessment by the Vaccine Damage Payments Unit since its inception, by type of vaccine. [30939]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the table.

Claims and awards made by the vaccine damage payment unit

Year	*Claims*	*Awards*
1977–78	3	—
1978–79	1,772	21
1979–80	820	336
1980–81	125	251
1981–82	76	67
1982–83	101	38
1983–84	117	39
1984–85	98	35
1985–86	69	25
1986–87	76	17
1987–88	63	10
1988–89	39	3
1989–90	54	3
1990–91	34	1
1991–92	37	7
1992–93	51	13
1993–94	55	4
1994–95	77	6
1995–96	69	6
1996–97	70	5

Notes:

1. Applicants are asked to list all the vaccines they or their child have received. The award is not made in respect of a specific vaccine, as children receive several vaccines in the first few months of life.
2. The payments made in any one year do not necessarily relate to the specific claims made in that year. Also, if an award is made, a trust fund may need to be set up to administer the money on behalf of the disabled person.

Contributions Records

Mr. Dismore: To ask the Secretary of State for Social Security if she will list, in relation to those seeking amendments to their pre-1988 contributions records so as to reduce or cancel those records by determination under section 17 of the Social Security Administration Act 1992, how many applications for determination have been *(a)* made, *(b)* withdrawn and *(c)* determined; of *(c)*, how many were (i) successful and (ii) unsuccessful; and of *(a)*, *(b)* and *(c)* what was the average, lowest and highest cost of administering the determination process in the last five years. [31463]

Mr. Denham: A total of 35 applications for determination under section 17 of the Social Security Administration Act 1992 have been made by people seeking to have their record of pre-1988 contributions reduced or cancelled. One of these applications was subsequently withdrawn by the applicant and none of the determinations made in the other 34 cases resulted in any changes to the applicants' contribution records.

Information about the costs of administering the determination process in individual cases is not available, but the average cost of all determinations made by the Office for the Determination of Contributions Questions is estimated to be in the region of £750.

New Deal

Mr. Mitchell: To ask the Secretary of State for Social Security how many jobs she intends to make available in her Department under the New Deal. [31348]

Mr. Keith Bradley: This Department intends to play a full part in offering jobs under the New Deal and is currently considering arrangements for recruitment and training and the numbers of jobs we could offer.

Family Credit

Ms Perham: To ask the Secretary of State for Social Security when the new procedural instructions dealing with review procedures within the family credit unit were implemented; who issued the instructions; and what arrangements are in place to ensure that the Family Credit Customer Services are informed of them. [31952]

Mr. Keith Bradley: On 7 April 1997, changes were introduced in the Social Security system which simplified and aligned rules on the backdating of claims to benefits and reviews of benefit.

Information about the changes and new procedural instructions for Family Credit staff were issued by the Family Credit Adjudication Liaison Section. Instructions were issued to all staff (adjudication officers and above) at the Family Credit Unit, including staff in the Customer Services section.

Computerisation

Mrs. Dunwoody: To ask the Secretary of State for Social Security (1) what progress her Department is making with the introduction of the computerised social security benefits system in post offices; [32003]

(2) what is the target date for all post offices to be connected to the computerised social security system; [32005]

(3) how many post offices she plans to be connected to the computerised social security system in the next 12 months; and how many are currently connected; [32004]

(4) what assessment she has made of the service provided by ICL to introduce the computerised social security system into post offices. [32006]

Mr. Denham: There are currently 205 post offices in the South West and North East of England paying child benefit by payment card as part of a controlled trial of the new benefit Payment Card system.

Current planning assumptions are that all post offices will be automated by the end of 2000.

On current plans the trial will be extended to 305 post offices early in 1999.

The Benefits Agency and Post Office Counters Ltd. routinely monitor the project. The trial underway at the moment forms an important part of the monitoring process and is designed as one of a series of tests to assess the performance of the new systems before they are introduced nationally.

Vibration White Finger

Mr. Eric Clarke: To ask the Secretary of State for Social Security how many applications have been made for medical examinations relating to Vibration White Finger; and how many applications for industrial injuries disablement benefit have been *(a)* approved and *(b)* refused following medical examinations. [31728]

Mr. Denham: The information is not available in the format requested. Such information as is available is as follows:

The number of claims made to Industrial Injuries Disablement Benefit (IIDB) due to Vibration White Finger from 1 April 1995 to 31 December 1997 is 35,900[1].

The number of Vibration White Finger assessments following medical examination where the disease has been diagnosed, but at less than the level of disability which would attract a payment of benefit (below 14 per cent. disabled), in the same period, is 7,714[2]. The number assessed at 14 per cent. or over is 1,246[2]. There will be a relatively small, but unknown number of assessments made at less than 14 per cent. disabled, that will have resulted in a payment of IIDB, when aggregated with another disease.

[1] Figure based on a 10 per cent. sample of all claims to IIDB in Great Britain.

[2] Figures based on a 100 per cent. count of initial IIDB assessments in Great Britain.

Source:

Analytical Services Division.

Income Support

Mr. Gibb: To ask the Secretary of State for Social Security, pursuant to her answer of 23 January 1998, *Official Report*, column *738*, what is her estimate of the *(a)* mean average and *(b)* median average amount of income support unclaimed by pensioners in 1995–96. [33626]

Mr. Keith Bradley: The mean amount of Income Support unclaimed by pensioners in 1995–96 was £16.10 per week, and the median amount unclaimed by pensioners in the same year was £9.10 per week.

Children (Poor Households)

Mr. MacShane: To ask the Secretary of State for Social Security how many children are living in households that fall in each of the lowest three deciles of the distribution of equivalised incomes before housing costs; how many are living in lone parent households; and how many are living in households headed by a couple. [32410]

Mr. Keith Bradley: The information is set out in the table.

Number of children in households

millions

	Number of children in lone parent families	*Number of children in two parent families*	*All children*
Decile 1 (lowest)	0.3	1.2	1.6
Decile 2	0.8	0.9	1.7
Decile 3	0.7	0.9	1.6
All (Deciles 1–10)	2.8	9.8	12.7

Notes:

1. Figures are for 1995–96.
2. The data comes from the Department's Households Below Average Income (HBAI) series, based on the Family Resources Survey (FRS) and covering Great Britain. The FRS data were used to achieve a large enough sample size to provide more robust information. All results are subject to sampling error, and numbers may not sum due to rounding.
3. The income measure used is weekly net (disposable) equivalised income. The definition of income used follows that in the published HBAI series for FRS based results.
4. Figures include 0.6 million children in the bottom three deciles in families classified as self-employed; the reported income of these families may not be an accurate guide to their living standards. Comparisons with household expenditure also suggests that households in the bottom income decile may not have the lowest living standards.

Source:

Households Below Average Income (HBAI).

Written Answers to Questions

Wednesday 11 March 1998

ENVIRONMENT, TRANSPORT AND THE REGIONS

Great Western Trains

Mr. Drew: To ask the Secretary of State for the Environment, Transport and the Regions if he will instruct OPRAF to carry out an urgent investigation into the recent performance of Great Western Trains, with particular reference to *(a)* punctuality and *(b)* overcrowding. [33145]

Ms Glenda Jackson: The Franchising Director monitors the performance of train operating companies under the terms of the franchise agreement, and he has wide ranging powers under the franchise agreement and the Railways Act 1993 where performance fails to meet the required standards. These powers have been increased following the offer by First Group PLC, a shareholder in the Great Western franchisee, Great Western Holdings Ltd, to buy out the other share holders.

Public Appointments

Mrs. Lait: To ask the Secretary of State for the Environment, Transport and the Regions how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33257]

Angela Eagle: Up to now, no central record has been maintained of the source of candidates for the public appointments made by my Department. Potential candidates are identified from a wide range of sources, including the Public Appointments Unit and advertising. I regret that the information cannot be provided in the form requested.

Millennium Site

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the location and method of disposal of the contaminated soil removed from the Greenwich Millennium Experience site, indicating the tonnage involved; and what was the total cost to public funds of the site clearance. [33201]

Angela Eagle: The statutory remediation of the Greenwich Peninsula has been undertaken by British Gas as the original polluter. Following the completion of the statutory work English Partnerships has undertaken the development remediation to restore the site to a condition fit for its intended end use.

Contaminated soil which cannot be reused on site is disposed of at licensed landfill sites. The contractors employed by English Partnerships are responsible for selecting the location of the landfill sites and a number of different sites have been used. Around 200,000 tonnes of material from the site to be leased to the New Millennium Experience Company (NMEC) has been disposed of off-site.

The total cost of the remediation work carried out by English Partnerships on the NMEC site is £13.3 million, of which £3.4 million has been contributed by NMEC.

Green-field Land

Mr. Evans: To ask the Secretary of State for the Environment, Transport and the Regions (1) how many hectares of green-field land, not classified as Green Belt but currently available for building, there are in England; [33477]

(2) how many hectares of green field land not classified as Green Belt, but available for building, there were in England on 1 May. [33482]

Mr. Raynsford: There is no specific definition of 'green-field' land, but it could be interpreted as 'land not previously developed'. This would include land under rural uses (e.g. agriculture, forestry) and also vacant land in urban areas that was not previously developed. Information on the amount of such land available for housing is not held centrally. My Department is currently working with the Local Government Management Board, local authorities, English Partnerships, and others to provide, by early 1999, a consistent assessment of previously developed land available for housing. This will be the first stage of a comprehensive Land Use Database for England, which will in due course provide a basis for assessing other types of land available for development.

Mr. Evans: To ask the Secretary of State for the Environment, Transport and the Regions how many hectares of green-field land not classified as Green Belt have been built on since 1 May. [33476]

Mr. Raynsford: There is no specific definition of 'green-field' land, but it could be interpreted as 'land not previously developed'. This includes land under rural uses (e.g. agriculture, forestry) and also vacant land in urban areas that was not previously developed. The Department's Land Use Change Statistics provide information on the amount of land not previously developed that has changed to developed uses. Current developments of these statistics will enable separate identification of land inside and outside adopted green belt; estimates for changes that happened in 1994 should be available by mid-1998 and will be updated annually thereafter.

Green Belt

Mr. Evans: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for Chipping Barnet (Sir S. Chapman) of 11 February 1998, *Official Report*, column *234*, on the Green Belt for what reasons figures are not available for Green Belt recovery before 1 May 1997. [33484]

Mr. Raynsford: Information in the form requested is not collected centrally. I refer the hon. Member to the answer I gave to the hon. Member for Chipping Barnet (Sir S. Chapman) on 11 February 1998, *Official Report*, column *234*; the information relating to the period before 1 May 1997 could be provided only at disproportionate cost.

Mr. Evans: To ask the Secretary of State for the Environment, Transport and the Regions when the next figures will be published for the amount of Green Belt land in England. [33479]

Mr. Raynsford: There is no specific definition of 'green' land, but it could be interpreted as 'land not previously developed'. This would include land under rural uses (e.g. agriculture, forestry) and also vacant land in urban areas that was not previously developed. The Department of the Environment, Transport and the Regions has recently commissioned a major new survey of the British countryside. Countryside Survey 2000, as it is known, will provide figures on the amount of different rural land types and habitats. Results will be published in the year 2000.

Some land under rural uses is protected against development, as designated Green Belts. The most recent authoritative figures for the amount of land designated as Green Belt were for 1993. More up to date information will be available by summer 1998.

Schools

Dr. George Turner: To ask the Secretary of State for the Environment, Transport and the Regions (1) what account he takes of expenditure by local education authorities on the cost of home-to-school transport in determining the standard spending assessment for those authorities; [33492]

(2) what account he takes of expenditure by local authorities on the additional costs of educating pupils in village schools with below average pupil numbers in determining the standard spending assessment for those authorities. [33493]

Mr. Raynsford: In determining the total amount of education standard spending assessments, account is taken of the national costs of schooling including those costs related to home-to-school transport.

In setting the weight to be given to the sparsity factor in allocating the total of education standard spending assessments between authorities, account is taken of small schools with below average numbers of pupils for each teacher and of the costs of transport between home and school.

Capital Receipts

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions if he will list for each London borough the capital receipts *(a)* released in 1997–98 and *(b)* to be released in 1998–99, giving for each year the proportion used on new building and capital repairs. [30770]

Mr. Raynsford *[holding answer 24 February 1998]*: The available information is as follows:

1997–98	*Total capital receipts initiative resources*	*Proportionate planned spend on:* *LA stock*[1] %	*New build/ acquisition*[2] %
Barking and Dagenham	1,320	100	—
Barnet	1,147	37	63
Bexley	602	—	100
Brent	1,827	81	—
Bromley	523	—	91
Camden	2,658	100	—
City of London	80	100	—
Croydon	1,385	35	65
Ealing	1,757	63	37
Enfield	1,114	9	91
Greenwich	2,137	100	—
Hackney	3,282	66	32
Hammersmith and Fulham	1,718	100	—
Haringey	2,273	100	—
Harrow	633	57	40
Havering	787	94	—
Hillingdon	1,255	—	100
Hounslow	1,351	100	—
Islington	2,848	98	—
Kensington and Chelsea	1,095	50	—
Kingston upon Thames	470	100	—
Lambeth	3,317	100	—
Lewisham	2,542	80	—
Merton	729	66	—
Newham	2,282	100	—
Redbridge	888	54	45
Richmond upon Thames	646	100	—
Southwark	3,215	100	—
Sutton	580	not available	
Tower Hamlets	2,576	61	39
Waltham Forest	1,289	100	—
Wandsworth	2,727	100	—
Westminster	2,039	—	100
London total[3]	53,092	77	20

1998–99	*Total capital receipts initiative resources*	*Proportionate planned spend on:* *LA stock*[1] %	*New build/ acquisition*[2] %
Barking and Dagenham	4,713	100	—
Barnet	3,362	37	54
Bexley	1,998	—	21
Brent	5,577	37	41
Bromley	1,272	—	78
Camden	8,612	95	4
City of London	263	35	65
Croydon	3,726	25	65
Ealing	5,410	54	21
Enfield	3,145	82	18
Greenwich	6,555	90	—
Hackney	9,298	86	8
Hammersmith and Fulham	5,428	100	—
Haringey	6,754	94	—
Harrow	1,789	68	22
Havering	2,421	93	3
Hillingdon	3,508	7	90
Hounslow	3,871	87	13
Islington	9,168	100	—
Kensington and Chelsea	3,959	40	27
Kingston upon Thames	1,275	77	21
Lambeth	11,075	100	—
Lewisham	8,610	68	6

1998–99	Total capital receipts initiative resources	Proportionate planned spend on: LA stock[1] %	New build/ acquisition[2] %
Merton	2,244	62	26
Newham	7,164	not available	
Redbridge	2,275	36	63
Richmond upon Thames	1,854	80	20
Southwark	11,386	79	7
Sutton	1,758	75	15
Tower Hamlets	8,973	70	25
Waltham Forest	4,221	65	13
Wandsworth	8,722	86	—
Westminster	6,618	18	76
London total[3]	167,004	73	18

[1] Capital expenditure related to land, houses and other property within the Housing Revenue Account, including general environmental work on local authority estates.
[2] Local Authority Social Housing Grant to Registered Social Landlords for new build and purchase of dwellings plus new build and acquisition by local authorities.
[3] The proportions given are based on reporting authorities only.
Source:
Proforma C of Capital Receipts Initiative returns.

Household Projections

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to publish the University of Cambridge Department of Applied Economics study on the need for social housing, referred to in paragraph 19 of "Planning for the Communities of the Future" (Cm 3885). [33829]

Mr. Raynsford: This report was published in January 1998. A copy of the report 'An Economic Model of the Demand and Need for Social Housing' published by DETR has been placed in the House of Commons Library.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the proportion of the total number of new homes required between 1991 and 2011 which are for existing households migrating to other parts of England. [33820]

Mr. Raynsford: The household projections are not an estimate of the number of new homes that are required. However, it is possible to identify how much of the projected change in household numbers for each region is due to migration of households into or out of the region.

The latest household projections show that between 1991 and 2016 the number of households in England is projected to increase by 4.4 million. The table shows the projected change in households for each Government Office Region, together with the amount of change that is due to net migration of households into and out of the region (including migration to and from the rest of the world). Equivalent estimates for the period 1991 to 2011 are not available.

Household Growth and Migration Component 1991–2016

Government Office Region	Total growth in households	Thousands due to migration
North East	166	1
North West	412	–8
Merseyside	71	–42
Yorkshire and the Humber	387	28
East Midlands	418	122
West Midlands	367	–68
Eastern	582	190
London	629	–310
South East	807	257
South West	545	357
England	4,383	526

Note:
The net figure for England of 526,000 households arises from net migration into England of the individuals from other countries.
Source:
DOE, *Household Growth: where shall we live?*, TSO 1996.

Rail Freight

Sir Raymond Powell: To ask the Secretary of State for the Environment, Transport and the Regions what Government grants are available to Railtrack for investment in rail freight facilities. [33702]

Ms Glenda Jackson: Any company, including Railtrack, wishing to move freight by rail rather than by road is eligible to apply for freight facilities grant. The grant is awarded where the environmental benefits of avoiding road transportation justify Government support.

Ivory

Mr. Hancock: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will make it his policy to oppose the Convention on International Trade in Endangered Species proposals on the ivory trade; [33617]

(2) what recent representations he has received regarding the resumption of the ivory trade. [33616]

Angela Eagle: A number of individuals and organisations have expressed concern about the decision taken by a large majority at the CITES Conference in June 1997 to open the way for a limited resumption of trade in ivory. Many have also acknowledged the role played by the UK and other EU Member States in securing a deferral of commercial trade until essential safeguards are in place, including the establishment of systems for monitoring poaching and illegal trade. The EU abstained in the final vote but Member States have agreed to respect the majority will of the CITES Parties on a matter which is central to the basis of cooperation on which the future of CITES depends. Conservation of the elephant requires maximum effort to implement the full package agreed by the Conference which goes wider than commercial trade in ivory.

At its meeting in London last week, the CITES Standing Committee, under the UK's chair, reviewed progress. The Committee agreed proposals to allow audited ivory stockpiles to be sold for non-commercial purposes, and the proceeds used for conservation and related work in Africa. CITES representatives also endorsed proposals for two new systems for monitoring elephant poaching and trade. To assist further work, my right hon. Friend the Minister for the Environment

announced a contribution of £175,000. The Committee also allocated additional funds from the Convention's central budget.

Next year's meeting of the Standing Committee will decide whether the conditions which the Parties attached to the decision in 1997 have been met, and whether limited commercial trade can resume between three southern Africa countries and Japan.

Salisbury Transport Study

Mr. Key: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the names of the consultants appointed to assist his Department's Salisbury Transport Study and their terms of reference. [33954]

Ms Glenda Jackson: Consultants, to carry out the main work of the Study, have not yet been appointed. A competitive tendering process will be carried out at the end of this month to decide which consultants to appoint. We hope to announce the name of the successful bidders in May.

The terms of reference for the consultants are due to be finalised within the next two weeks.

A406

Mr. Love: To ask the Secretary of State for the Environment, Transport and the Regions if the spring deadline for the completion of the upgrade to the A406 at Sterling Way and Fore Street will be met; and what steps he is taking to ensure that there will be no further delay to the completion of these works. [33714]

Ms Glenda Jackson *[holding answer 10 March 1998]:* I have asked the Chief Executive of the Highways Agency, Mr. Lawrie Haynes, to write to my hon. Friend.

Letter from Lawrie Haynes to Mr. Andrew Love, dated 11 March 1998:

The Transport Minister, Glenda Jackson, has asked me to reply to your recent Parliamentary Question about the improvements to the A406 at Sterling Way and Fore Street.

When I wrote to you last July, the timetable I gave you for the expected completion of the tunnel and for the full contract was considered realistic. However, since then I am afraid that progress in completing the tunnel has been seriously affected by the unexpected high volumes of water penetrating the walls of the tunnel structure, a problem which became more prominent with the high rainfall of the early winter months. Happily, the contractor has sealed the leaks and the problem is now under control. An added difficulty is the complexity of the mechanical and electrical equipment, which requires highly specialised and skilled personnel.

We now expect the tunnel to be completed and open to traffic this June, whilst the full contract is planned to be completed by late Summer. However, with the aim of bringing forward the completion of the full contract, we are working with the contractor to see whether any of the works planned to be carried out after completion of the tunnel, can be carried out in parallel with the tunnel works.

If it would help, I would be happy to arrange a site visit, so that you can see the problems at first hand.

Rail Regulator (Correspondence)

Mr. Livsey: To ask the Secretary of State for the Environment, Transport and the Regions if he will establish how many items of correspondence the Rail Regulator recorded as missing in the last year. [33690]

Ms Glenda Jackson: The Rail Regulator has not recorded any items of correspondence missing in the last year. I understand, however, that he has assisted in the resolution of a complaint from one of the hon. Member's constituents, during which the train operator involved mislaid some earlier correspondence.

Basking Shark

Ms Walley: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to announce his decision in respect of endangered species status for the basking shark; and if he will make a statement. [34009]

Angela Eagle: Consultations have now concluded on the Joint Nature Conservation Committee's recommendations regarding species which should be afforded protection by their listing on Schedules 5 and 8 to the Wildlife and Countryside Act 1981. Preparations for an Order to implement the necessary protection are underway, and an announcement of the levels of protection to be afforded to all the species subject to current review, including the basking shark, is expected to be made before the end of March 1998.

British Waterways Board

Mr. Etherington: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement about the external financing limit for the British Waterways Board. [34327]

Angela Eagle: The 1997–98 External Financing Limit for the British Waterways Board will be increased by £1,000,000 from £51,360,000 to £52,360,000. This will enable them to carry out additional major repairs to the canal network and other urgent maintenance. It will be funded by an increase in grant-in-aid to the Board arising from savings elsewhere on Class VI, Vote 3.

Government Offices of the Regions

Mr. Mike Hall: To ask the Secretary of State for the Environment, Transport and the Regions if the Government propose to continue to have separate Government offices for the North-West and Merseyside. [34328]

Mr. Caborn: We have decided to merge the Government Offices for the North-West and Merseyside. Links between the Government Office and the proposed Regional Development Agency for the North-West will be simpler if they, like those in the rest of England, cover the same geographical area.

The intention is to establish the single Government Office by about October 1998. We will consult the unions before the merger takes effect. We intend the new Government Office, whose title will be the Government Office for the North-West, to retain premises in Manchester and Liverpool. The Liverpool office has a particularly important role in the administration of Objective 1 European funding and the associated programmes.

Building Inspectors

Mr. Alan Johnson: To ask the Secretary of State for the Environment, Transport and the Regions how he

intends to handle applications from bodies seeking Approved Inspector status under part II of the Building Act 1984. [34329]

Mr. Raynsford: I intend to make regulations further amending the Building (Approved Inspectors etc.) Regulations 1985. These amendment regulations will provide that, with effect from a date later this year, applications from corporate bodies seeking approved inspector status shall be made to a designated body, not, as now, to the Secretary of State. I intend that the Construction Industry Council will be designated for this purpose. The CIC is already the designated body for applications from individuals seeking approved inspector status.

In preparation for this change, I am arranging for the CIC to undertake assessment of all new applications from corporate bodies received by my Department from now on. I will decide such applications in the light of the CIC's advice, in cases where the CIC's assessment is complete before the coming into effect of the amendment regulations. In cases where assessment is not complete when the amendment regulations take effect the decision will become the responsibility of the CIC.

There are a number of applications currently with the Department from companies seeking approved inspector status. I have decided to approve an application from RBC Ltd. This approval will take effect from 1 April 1998. My Department is notifying local authorities of this approval, in accordance with the Approved Inspectors Regulations. Subject to consultation with the applicants, the Department will arrange for the CIC to take forward the assessment of some of the remaining applications currently with the Department on the same sort of basis as for new applications.

Wider competition between approved inspectors and local authority building control should be a stimulus to greater efficiency and higher standards of service to the customer. To help bring about this result, I am working to devolve the setting of charges for local authority building control to individual local authorities. I also wish to see arrangements put in place for setting and monitoring compliance with common standards of building control applicable across the public and private sectors. I therefore welcome the establishment by the Local Government Association, the Construction Industry Council and the Association of Corporate Approved Inspectors of a Steering Group to draw up recommended standards and monitoring arrangements. The Steering Group will be holding its first meeting shortly.

LORD CHANCELLOR'S DEPARTMENT

Official Hospitality

Mr. Malcolm Bruce: To ask the Parliamentary Secretary, Lord Chancellor's Department what is his current estimate of the expenditure of his Department, its agencies and non-departmental public bodies on hospitality since 1 May 1997. [27795]

Mr. Hoon: £98,313.

Consultants

Mr. Malcolm Bruce: To ask the Parliamentary Secretary, Lord Chancellor's Department what is his estimate of the expenditure of his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies on external consultants in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year; and if he will also estimate the cost savings resulting from the employment of such consultants for each of the above years. [26668]

Mr. Hoon: The table shows the estimated expenditure figures for External Consultants during the required periods:

£

	Department	*Agencies*	*NDPBs*
(i) 1995–96	1,231,000	645,000	64,260
(ii) 1996–97	397,662	1,836,793	104,615
(iii) 1997–98 to date	415,274	1,446,467	33,541
(iv) 1997–98 (full year estimate)	783,179	2,423,730	66,595

The Agencies with expenditure were the Court Service, Public Record Office, Public Trust Office, Land Registry and Northern Ireland Court Service. The NDPBs with expenditure were ACLEC, Legal Aid Board, Law Commission, Court Service Tribunals and the Legal Aid Department for Northern Ireland. In many cases consultants are employed to contribute particular skills to an element of a much larger process. As a result their work will be only one of several factors leading to the eventual outcome. There is therefore no ready way of apportioning their particular contribution to savings achieved. Those specialists were not available from within Departmental resources.

Official Accommodation

Mr. Forth: To ask the Parliamentary Secretary, Lord Chancellor's Department how many rooms there are in the Lord Chancellor's official accommodation; and how many will be fully open to the public. [32953]

Mr. Hoon: There are nine rooms in the Lord Chancellor's official residence, not including utility or bath rooms. Five of these rooms, the dining room, drawing room, principal bedroom, and the River Room, together with its Study Annex, will be open to the public.

Conveyancing

Mr. Hunter: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will take measures to enable a vendor to recover from a potential purchaser conveyancing costs incurred at the request of the potential purchaser if the latter withdraws their offer before completion. [32961]

Mr. Hoon: It would not be appropriate to take such a step in advance of the report of the consultants who are currently undertaking a detailed study of the house buying process on behalf of the Government. However, this is one of many helpful suggestions which have been made with a view to making the process more certain, and each will be considered carefully in the light of the report by the consultants.

Conditional Fees

Mr. Garnier: To ask the Parliamentary Secretary, Lord Chancellor's Department if *(a)* solicitors and *(b)* barristers will be permitted to use the conditional fee arrangement proposals announced on 4 March for actions for (i) defamation, (ii) passing off, (iii) malicious falsehood, (iv) false imprisonment, (v) malicious prosecution, (vi) breach of confidence and (vii) breach of copyright claims. [33896]

Mr. Hoon: The Government see no reason to limit the types of proceedings for which conditional fees should be available other than where there are statutory prohibitions. Conditional fee agreements would therefore be available for the matters mentioned by the hon. and learned Member if the Government's proposal was implemented. I would welcome views on the proposal during the consultation period which ends on 30 April.

DEFENCE

Public Appointments

Mrs. Lait: To ask the Secretary of State for Defence how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33245]

Mr. Spellar: MOD seeks nominations of candidates for appointments to public bodies using a wide range of sources, including the Public Appointments Unit and advertising, to ensure that there is the widest possible dissemination of information about vacancies. Since 1 May 1997, 4 appointments to public bodies have been made from the Public Appointments Unit list. In addition, a further 11 have been considered for appointment but were not successful.

Export Licences

Mr. Faber: To ask the Secretary of State for Defence how many applications for export licences were circulated to his Department by the Export Control Organisation during each of the four week periods beginning (i) 3 May 1997, (ii) 31 May 1997, (iii) 28 June 1997, (iv) 26 July 1997, (v) 23 August 1997, (vi) 20 September 1997, (vii) 18 October 1997, (viii) 15 November 1997, (ix) 13 December 1997, (x) 10 January 1998 and (xi) 7 February 1998. [33374]

Mr. Spellar: The information requested is set out in the table:

Four week period beginning	*Number of applications received*
3 May 1997	724
31 May 1997	765
28 June 1997	715
26 July 1997	939
23 August 1997	775
20 September 1997	768
18 October 1997	865
15 November 1997	864
13 December 1997	501
10 January 1998	789
7 February 1998	968

Gulf War Syndrome

Mr. Livingstone: To ask the Secretary of State for Defence how many notices of intention to claim compensation for their illnesses have been received so far by his Department from service personnel who served in the Gulf War; and how many writs have so far been received from such personnel. [33844]

Dr. Reid: Up to 6 March 1998 the Ministry of Defence had received a total of 1,751 notices of intention to claim in respect of Gulf related illness. 93 have been withdrawn, leaving a total of 1,658 current notices of intention to claim held by my Department. Of these, 260 are in respect of civilians or the children of Service personnel and civilian Ministry of Defence employees. No writs have yet been served against the Ministry of Defence in respect of any of these cases.

In addition to these 1,658 notices of intention to claim, the Ministry of Defence is investigating 10 claims alleging negligence in the diagnosis and treatment of Post Traumatic Stress Disorder said to have arisen from service in the Gulf. 5 of these claimants have issued proceedings.

Chemical Weapons

Mr. Livingstone: To ask the Secretary of State for Defence if he intends to publish the section on riot control agents which was included in the United Kingdom's initial declaration to the Organisation for the Prohibition of Chemical Weapons; and if he will make a statement. [33845]

Dr. Reid: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

Nuclear Weapons

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 28 January 1998, *Official Report*, columns *247–48*, on nuclear weapons, at which of his Department's properties the five station nuclear accident response teams are based; and when, and for what reasons, the name of the teams was changed from special safety teams. [33854]

Dr. Reid: The five RAF nuclear accident response teams are based at RAFs Honington, Marham, Brize Norton, Lyneham and St. Athan. Their title was changed from special safety teams to nuclear accident response teams in 1996 as it was felt the new term was more definitive.

RAF Menwith Hill

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 26 January 1998, *Official Report*, columns *32–33*, on RAF Menwith Hill, how many reviews of breaches of security at RAF Menwith Hill have been carried out by the National Security Agency since 1990; and on how many occasions his Department received copies of the reports resulting from such reviews. [33857]

Dr. Reid: Two reviews of breaches of security have been conducted by the National Security Agency at RAF Menwith Hill since 1990. One was conducted in

October 1993, as the hon. Member is already aware, and the other in April 1997. My Department was made aware of the contents of both reports at the time.

Fisheries Protection Service

Mr. Bruce George: To ask the Secretary of State for Defence if he will make a statement on the future of the Fisheries Protection Service. [33999]

Dr. Reid: The Royal Navy's involvement in Fishery Protection is currently being examined within my Department's Strategic Defence Review.

Explosives (Thefts)

Mr. Livsey: To ask the Secretary of State for Defence how many sticks of plastic explosive were removed from the Sennybridge Infantry Training Centre, Wales in the period June to September 1997. [33685]

Dr. Reid: Five sticks of plastic explosive were stolen from the Army Training Centre, Sennybridge last year. The individual responsible for the theft has since been sentenced to seven years' imprisonment.

Mr. Livsey: To ask the Secretary of State for Defence if he will publish the findings of the board of inquiry review into the theft of explosives from the Sennybridge Infantry Training Centre. [33687]

Dr. Reid: Boards of Inquiry are investigations internal to the Ministry of Defence and their findings are not normally published under exemption 2 of the Code of Access to Government Information. I will, however, write to the hon. Member when the Board of Inquiry has reported, with its findings.

Mr. Livsey: To ask the Secretary of State for Defence how many incidents of *(a)* explosives and *(b)* detonators being removed or stolen from army bases were reported in the period September 1996 to March 1998. [33684]

Dr. Reid: Between September 1996 and March 1998 one case of explosives and detonators being removed or stolen from an Army establishment was reported. This was the case involving the Army Training Centre, Sennybridge.

Mr. Livsey: To ask the Secretary of State for Defence what assessment he has made of the security lapses which allowed plastic explosives and detonators to be stolen from Sennybridge Infantry Training Centre in 1997. [33686]

Dr. Reid: A Board on Inquiry has been instigated to investigate the theft of explosives from the Army Training Centre, Sennybridge.

HOME DEPARTMENT

Mr. Clifford Hughes

Mr. Blunt: To ask the Secretary of State for the Home Department when Mr. Clifford Hughes can expect to receive an amended firearm certificate, number 97/1143. [33976]

Mr. Michael: The processing of applications for firearms certificates, including amendments to those certificates, is a matter for the police force in whose area the applicant resides or works. No record is kept centrally of certificates granted or amended.

Campsfield House

Dr. Harris: To ask the Secretary of State for the Home Department when he expects to publish the Manwaring Report on Campsfield House. [33977]

Mr. Mike O'Brien: The Manwaring Report on Campsfield House was not intended for publication. This report was a management document to assist in dealing with the immediate aftermath of the disturbance on 20 August 1997. The report of Her Majesty's Chief Inspector of Prisons, which covers similar ground, will be published shortly.

Whitemoor Prison

Mr. McNamara: To ask the Secretary of State for the Home Department what instructions were issued prior to 9 September 1994 to senior officers at HMP Whitemoor concerning the completion of written reports following serious incidents at the prison. [32778]

Ms Quin: Instructions issued to officers prior to 9 September were those contained in Circular Instruction 18/1988, a copy of which is in the Library. This instruction to governors, which was issued on 12 May 1988, revised earlier guidance to staff on the reporting of incidents.

Mr. McNamara: To ask the Secretary of State for the Home Department how many staff attended the training session held on how to behave in court for HMP Whitemoor personnel due to give evidence at the January 1997 trial of those accused of the HMP Whitemoor escape; who conducted the training session; and what subjects were covered in the training session. [32780]

Ms Quin: All staff required to attend court hearings were invited to attend a general training session on court procedures. No training was provided in respect of the presentation of evidence connected with the specific trial itself. Training in court procedures using hypothetical cases, including the practice of giving evidence, was provided by a designated governor at Whitemoor who had responsibility for court liaison.

The governor also produced a training pack to assist officers called to give evidence at court. In the course of the trial proceedings, a copy of this training pack was supplied to the defence.

Mr. McNamara: To ask the Secretary of State for the Home Department what disciplinary action was taken against staff at HMP Whitemoor assessed by his Department to have given misleading information to the Woodcock Inquiry. [32781]

Ms Quin: No formal disciplinary action was taken against any staff in respect of matters arising out of the Whitemoor escape.

Mr. McNamara: To ask the Secretary of State for the Home Department on what dates between 24 April 1994 and 8 September 1994 the HMP Whitemoor Governor visited the special secure unit within the prison. [32782]

Ms Quin: Records are incomplete in terms of detailing visits to the Unit. The then Governor believes he visited the Unit on three to six occasions in the period April 1994 to September 1994.

Mr. McNamara: To ask the Secretary of State for the Home Department (1) on what date metal detecting portal equipment was *(a)* delivered to and *(b)* installed at the visitors' entrance at HMP Whitemoor; [32783]

(2) on what date an x-ray machine was *(a)* delivered to and *(b)* installed at the visitors' entrance at HMP Whitemoor; [32784]

(3) if *(a)* metal detecting portal equipment and *(b)* an x-ray machine at the special secure unit at HMP Whitemoor were in place in September 1994. [32785]

Ms Quin: The metal detecting portal equipment was delivered and installed in May 1995. The x-ray equipment was delivered and installed in May 1995. No metal detecting portal equipment or x-ray equipment was in place in the Special Secure Unit in September 1994.

Mr. McNamara: To ask the Secretary of State for the Home Department on how many occasions between 1 May 1994 and 9 September 1994 searches were carried out of HMP Whitemoor staff arriving for work; and if it was possible for staff approaching the prison to see in advance that such searches were being carried out. [32786]

Ms Quin: Regular searching of staff was not carried out before September 1994 and records of searches of staff were not maintained. It would have been possible for staff approaching the prison to see that such searches were in progress.

Mr. McNamara: To ask the Secretary of State for the Home Department if he will place in the Library transcripts of interviews with prison staff conducted by Sir John Woodcock and his inquiry team into the 9 September 1994 escape from HMP Whitemoor. [32787]

Ms Quin: The Woodcock investigation into the escape from Whitemoor was an independent inquiry commissioned by the then Home Secretary. Sir John Woodcock made it clear in the introduction to his report that all information provided to the inquiry would be treated with total confidentiality. Staff and others were told that the information provided would not be released without their consent or by order of a court.

Prison Staff

Mr. McNamara: To ask the Secretary of State for the Home Department if he will place in the Library a copy of advice issued in 1991 to prison governors encouraging them to provide training to staff on being a witness in court; and what monitoring is carried out to assess the effectiveness of such training. [32779]

Ms Quin: Circular Instruction 7/91 gives guidance to governors and staff in order to alleviate anxieties about the experience of appearing as a witness in court, and to avoid possibly prejudicing the outcome of a trial due to inappropriate behaviour. It was issued following the serious disturbances during April 1990 which resulted in unprecedented numbers of prison staff and prisoners being called as prosecution witnesses in criminal trials. Part 1 deals with prison staff appearing as prosecution witnesses and Part 2 relates to prisoners appearing as prosecution witnesses against other prisoners. A copy is available in the Library.

The Prison Service, in response to this Circular Instruction, provides staff with cards which give useful information to witnesses preparing to give evidence in court. No formal monitoring has been carried out to assess the effectiveness of such guidance.

Manslaughter Sentences

Mr. Evans: To ask the Secretary of State for the Home Department what was the average sentence for a person convicted of manslaughter in the last year for which figures are available. [33496]

Mr. Michael: In 1996, 232 offenders were sentenced at the Crown Court for manslaughter offences—an offence under Common Law or the Offences against the Person Act 1861, sections 5, 9 and 10. Of these, 13 were given hospital or restriction orders under the Mental Health Act 1983, sections 37(1) and 41, five a community sentence, three a fully suspended sentence and six were detained under section 53 of the Children and Young Persons Act 1933. The remaining 205 were given a custodial sentence, of which 13 were life sentences. The average sentence length (excluding life) was 61.2 months.

Manslaughter due to diminished responsibility is an offence under the Homicide Act 1957, section 2.

Of the 22 offenders sentenced at the Crown Court in 1996 for this offence, 15 were given hospital restriction or guardianship orders under the Mental Health Act 1983, sections 37(1) and 41. The remaining seven were given a custodial sentence, including one life sentence. The average sentence length (excluding life) was 61 months.

Mr. Evans: To ask the Secretary of State for the Home Department if he will make a statement on the range of sentences available for those convicted of manslaughter. [33473]

Mr. Michael: The maximum penalty for manslaughter is life imprisonment and under section 2 of the Crime (Sentences) Act 1997 the courts must impose a life sentence on offenders convicted of manslaughter committed after 1 October 1997 who have a previous conviction for a serious offence (as defined in the 1997 Act), unless there are exceptional circumstances.

Subject to the requirements of the 1997 Act, sentences in individual cases are a matter for the courts to decide from the full range of sentences available, taking into account the seriousness of the offence, including whether the offence is so serious that only a custodial sentence can be justified. The range of sentences available to the courts include: absolute or conditional discharges; fines; community sentences; hospital orders; suspended sentences; or immediate custody.

Laboratory of the Government Chemist

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department, pursuant to his answer of 2 March 1998, *Official Report*, columns *468–69*, what were the reasons for the increase in the value of contracts placed with the Laboratory of the Government Chemist in 1996 and 1997. [32998]

Mr. Straw: Two high value contracts have been let since 1996 with the Laboratory of the Government Chemist (LGC).

The Prison Service (Supply and Transport Services) initiated a competitive tender in late 1995 for a single contract to replace large numbers of small contracts with various suppliers because they were not cost effective. LGC won this competition (but has in a subsequent competition lost it to a competitor with effect from April 1998).

The Police Information Technology Organisation had previously let a competitive contract to University Diagnostics Ltd. which was subsequently bought by LGC (in early 1997).

Eurostar (Immigration Officers)

Mr. Hoyle: To ask the Secretary of State for the Home Department under what authority officers of the Metropolitan police perform the duties of immigration officers on Eurostar services between Brussels and London, Waterloo. [33363]

Mr. Michael: Metropolitan Police officers do not perform the duties of immigration officers on any Eurostar services. Officers can carry our frontier controls in order to operate the requirements of Prevention of Terrorism legislation. Metropolitan Police officers do work jointly with other control authorities, including the Immigration Service. On occasions when Metropolitan Police officers operate on board trains without an immigration officer the police officers are asked that they clearly show their police warrants to ensure passengers identify them as police officers.

Human Rights Commissioner

Ms Walley: To ask the Secretary of State for the Home Department what plans he has to appoint a human rights commissioner; and if he will make a statement. [33341]

Mr. Mike O'Brien: We have no plans at present to appoint a human rights commissioner. Our position on the appointment of a commissioner or the establishment of a commission remains as set out in the White Paper "Rights Brought Home: the Human Rights Bill" (Cm 3782) which we published on 24 October 1997.

Prison Service

Mr. McNamara: To ask the Secretary of State for the Home Department in what capacity Mr. Brodie Clarke currently serves in the Prison Service. [32788]

Ms Quin: Mr. Clarke is Head of the Pay and Industrial Relations Group.

Special Secure Units

Mr. McNamara: To ask the Secretary of State for the Home Department if he will list the conclusions and recommendations of the further review by Sir Donald Acheson of the effect upon prisoners' health of detention in the special secure units; and if he will place a copy of the review in the Library. [32812]

Ms Quin: I refer my hon. Friend to the answer I gave to my hon. Friend the Member for Enfield, Southgate (Mr. Twigg) on 5 March 1998, *Official Report*, columns *709–10*. A copy of Sir Donald Acheson's report was placed in the Library on 5 March.

Strip Searching

Mr. McNamara: To ask the Secretary of State for the Home Department if he will list the conclusions and recommendations of the review evaluated by his Department into strip searching procedures; and if he will place a copy of the review in the Library. [32813]

Ms Quin: The Prison Service's review of strip searching is now expected to be completed by May. A copy will be placed in the Library when it is completed.

Millennium Compliance

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department how many officials or individuals, working within his Department on millennium compliance have *(a)* given notice of their intention to leave and *(b)* left the Department in the last six months. [32311]

Mr. Straw *[holding answer 3 March 1998]:* Two members of staff working on millennium compliance have left the Department in the last six months. No other members of staff have given notice of their intention to leave.

Surveys

Mr. Forth: To ask the Secretary of State for the Home Department if he will list each information, promotional, marketing and opinion survey contract, with its value, concluded by his Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002. [32011]

Mr. Straw: Information in the form requested is not held centrally and could be obtained only at disproportionate cost.

Circus Animals

Mr. Hoyle: To ask the Secretary of State for the Home Department if he will propose EU legislation to protect the welfare and safety of animals in circuses during the United Kingdom's presidency of the EU. [33915]

Mr. George Howarth: We have no plans for such a proposal during the United Kingdom's Presidency.

Animal Experiments

Mr. Baker: To ask the Secretary of State for the Home Department how many prosecutions have been initiated in respect of cruelty inflicted on animals in the course of approved experiments for each year since 1980; and if he will make a statement. [33017]

Mr. George Howarth *[holding answer 6 March 1998]:* Prosecutions for such an offence would be instigated under the Protection of Animals Act 1911 offences of cruelty to animals. The Court Proceedings database, held centrally, can identify only the number of prosecutions brought under the Act irrespective of circumstances. However, further sources of information

suggest that there have been no prosecutions, in England and Wales, for cruelty to animals during the course of approved experiments.

Asylum Seekers

Mr. Gorrie: To ask the Secretary of State for the Home Department how many asylum seekers have been detained in Scotland under Immigration Act powers in each of the past five years; what is the (i) longest, (ii) shortest and (iii) average time for which they have been detained in each year; and how many cases each year resulted in the asylum seekers being *(a)* deported, *(b)* released and *(c)* dealt with otherwise. [33460]

Mr. Mike O'Brien: Regrettably, the information requested is available only at disproportionate cost through examination of individual case records.

My officials are currently engaged in an exercise to determine the status and length of detention of persons detained under Immigration Act powers in Scottish prisons at a particular point in time. I will let the hon. Member have a summary of the findings when that exercise has been completed.

Juveniles (Secure Accommodation)

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Birmingham, Selly Oak (Dr. Jones) of 2 March 1998, *Official Report*, column *466*, on secure accommodation for juveniles, how many of the 460 places in local authority secure accommodation which he expects to be available by the end of 1998 were initially planned for after 1 May 1997. [33319]

Mr. Boateng: I have been asked to reply.

The 460 total includes six places which have been planned for since 1 May 1997.

HOUSE OF COMMONS

Holding Answers

Mr. Baker: To ask the President of the Council how many and what percentage of written parliamentary questions asked in the current Session have received a holding answer, broken down by Department. [31850]

Mrs. Ann Taylor: The number of holding answers given by each Department and the percentage this represents up to 25 February 1998 are as follows:

Department	*Holding answers*	*Percentage*
Attorney-General	0	0
CDL	14	4.58
Culture, Media and Sport	144	19.12
Defence	176	9.93
DTI	642	29.38
Education and Employment	115	6
Environment and Transport	235	7.97
FCO	129	8.74
Health	70	2.68
Home	286	11.62
International Development	16	3.51
Lord Chancellor	6	1.12
MAFF	264	16.25
Northern Ireland	170	22.28
Scottish Office	355	27.12
Social Security	56	2.62
Treasury	637	30.79
Welsh Office	34	2.86
Prime Minister	227	35.2
President of the Council	4	2.68
Minister without Portfolio	32	12.85

CULTURE, MEDIA AND SPORT

Public Appointments

Mrs. Lait: To ask the Secretary of State for Culture, Media and Sport how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33242]

Mr. Chris Smith: My Department seeks candidates from a range of sources including the Public Appointments Unit, the Department's own register of people who have expressed an interest in public service, through advertising and executive search. Of those appointed since 1 May, eight were on the PAU list, although in each case they had first come to our attention from other sources.

Mr. Peter Davis

Mr. Maude: To ask the Secretary of State for Culture, Media and Sport from what budget the financial settlement to Mr. Peter Davis in respect of his resignation as Director-General of the National Lottery will come. [28601]

Mr. Chris Smith: Payments to the former Director-General of the National Lottery will be met from the Oflot Vote. The Consolidated Fund will be reimbursed for these voted costs in the normal way from the National Lottery Distribution Fund.

National Lottery

Mr. Maude: To ask the Secretary of State for Culture, Media and Sport what account he will take of the conclusions of the investigation by the Director-General of Oflot into whether Camelot remains a fit and proper body to run the Lottery in assessing its role as a sponsor of the New Millennium Experience and distributor of tickets for that event. [32233]

Mr. Chris Smith: The proposal that Camelot use their network of National Lottery ticket machines to distribute tickets for the Millennium Experience at Greenwich is a matter for the Acting Director General of the National Lottery. He gave his approval to the proposal which has been agreed in principle between Camelot and the New Millennium Experience Company on 19 February 1998.

The Acting Director General of the National Lottery's investigation into the fitness and propriety of GTech Holdings Corporation to be involved in and benefit from the National Lottery is a separate matter and has not yet been concluded.

WALES

Public Appointments

Mrs. Lait: To ask the Secretary of State for Wales how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33244]

Mr. Ron Davies: None. As I announced in a press release on 13 June 1997, it is my general policy to advertise appointments to attract a wide field of candidates. My Department is in the process of setting up a new list of potential candidates drawn from responses to these advertisements and other nominations received. This list will be used in conjunction with advertisements in future.

Private Finance Initiative

Mr. Barry Jones: To ask the Secretary of State for Wales how many private finance initiative projects there are in Wales; and if he will make a statement. [33532]

Mr. Ron Davies: There are 11 signed Private Finance Initiative projects that fall to my area of responsibility. Together, these projects have an expected capital value of some £33 million and include a £6 million Community Hospital in Chepstow, a contract for which was signed last month.

Exchange Rates

Mr. Barry Jones: To ask the Secretary of State for Wales what representations he has received on the impact of current sterling levels upon the exporting industries in Wales; and if he will make a statement. [33538]

Mr. Hain: I have received two such representations. The Government recognise the difficulties for exporters and manufacturers affected by the strong pound. The effect on exchange rates and exports is a factor that the Bank of England takes into account in determining interest rates.

Mr. Ancram: To ask the Secretary of State for Wales if he will estimate the number of jobs lost by companies in Wales because of the changes in exchange and interest rates since 1 May 1997 *(a)* in the current financial year and *(b)* in each of the next two financial years. [33620]

Mrs. Liddell: I have been asked to reply.

The economic effects of exchange rate and interest rate changes are difficult to isolate, especially at the regional level. The claimant unemployment rate in Wales fell from 6.6% to 5.7% between May 1997 and January 1998. Low inflation and responsible wage bargaining will be key factors in securing healthy longer term job prospects.

National Assembly

Mr. Ancram: To ask the Secretary of State for Wales when he will announce the venue for the National Assembly for Wales. [33897]

Mr. Ron Davies: I hope to announce my decision shortly.

Mr. Ancram: To ask the Secretary of State for Wales what categories of classified documents or other information will be made available to *(a)* all members of the National Assembly for Wales, *(b)* members of the Executive Committee and *(c)* members of other committees. [33932]

Mr. Ron Davies: Final decisions have not yet been reached on this matter. The categories of classified documents and other information extend beyond those dealing with subjects covered by the Official Secrets Act 1989. It will be important for those charged with making decisions on behalf of the Assembly to have available to them such documents or information as are necessary for the proper discharge of their functions.

Mr. Ancram: To ask the Secretary of State for Wales what assessment (i) he has made and (ii) his Department has made, of the practical effects of making members of an elected assembly Crown servants for the purposes of the Official Secrets Act 1989. [33930]

Mr. Ron Davies: The practical effects are likely to be limited, given that the Official Secrets Act 1989 is concerned with the unauthorised disclosure of information on matters which generally will not relate to the Assembly's functions. Ministers of the Crown, who are members of an elected Parliament, are Crown servants for the purposes of the Official Secrets Act 1989.

Mr. Ancram: To ask the Secretary of State for Wales whether refusal to accept being made a Crown servant for the purposes of the Official Secrets Act 1989 will disqualify an otherwise duly elected member of the National Assembly for Wales from being an Assembly member. [33929]

Mr. Ron Davies: The effect of clause 79 of the Government of Wales Bill is that a member of the National Assembly for Wales would automatically be a Crown servant for the purposes of the 1989 Act. There would therefore be no question of a member being disqualified for refusing to accept such a status.

Mr. Ancram: To ask the Secretary of State for Wales if a candidate for the National Assembly for Wales will be required to indicate their agreement if elected to being made a Crown servant for the purposes of the Official Secrets Act 1989; and whether failure so to do would be a bar to candidature. [33931]

Mr. Ron Davies: No.

PRIME MINISTER

Ministerial Visits

Q13. **Mr. Todd:** To ask the Prime Minister when he expects to pay an official visit to South Derbyshire. [32169]

The Prime Minister: I have no immediate plans to do so.

Departmental Employees

Mr. Salmond: To ask the Prime Minister if he will list the number of his Department's employees by UK region, indicating the wage bill *(a)* in total and *(b)* by region in the last year for which figures are available and separately identifying the costs of London allowances and weightings. [30085]

The Prime Minister *[holding answer 18 February 1998]:* For this purpose, my office is part of the Cabinet Office. I refer the hon. Member to the reply given by my hon. Friend the Parliamentary Secretary, Office of Public Service, on 9 March 1998, *Official Report*, columns *66–67*.

Departmental Buildings

Mr. Salmond: To ask the Prime Minister if he will list the location and running costs in the last year for which figures are available of each of his Department's buildings. [30086]

The Prime Minister *[holding answer 18 February 1998]:* For this purpose, my office is part of the Cabinet Office. I refer the hon. Member to the reply given by my hon. Friend the Parliamentary Secretary, Office of Public Service, on 9 March 1998, *Official Report*, columns *67–68*.

TREASURY

Savings

Mr. Jim Cunningham: To ask the Chancellor of the Exchequer what assessment he has made of the possible impact of the introduction of the Individual Savings Account on the older saver. [32125]

Mr. Darling *[holding answer 5 March 1998]:* This will depend on a number of factors, including the choices savers make about how to invest their savings. However, the Government's aim with the ISA is to introduce a simple, flexible, accessible and fair tax-free savings environment and to spread the benefit of tax relief on savings to many more savers. We propose not to require cash investors to lock their savings away in order to qualify for tax relief.

Mr. Jim Cunningham: To ask the Chancellor of the Exchequer what plans he has to allow older investors who have more than £50,000 in PEPs and TESSAs to transfer the whole value of their PEPs and TESSAs into an individual savings account. [32126]

Mr. Darling *[holding answer 5 March 1998]:* The Government will announce their proposals in due course.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will estimate the additional cost of the tax relief planned for the individual savings account in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02, if the overall ISA investment limit of £50,000 is increased to (i) £60,000, (ii) £75,000 and (iii) £100,000, assuming no change in the annual investment limits; and if he will make a statement. [24570]

Dr. Cable: To ask the Chancellor of the Exchequer what is the approximate number of people that would lose tax exemption, and what is the estimated tax revenue which would be achieved, if the upper savings limit under the ISA scheme were set at *(a)* £50,000, *(b)* £75,000, *(c)* £100,000 and *(d)* £200,000. [25262]

Mr. Fallon: To ask the Chancellor of the Exchequer if he will estimate the cost of tax relief per annum of raising the transfer limit from TESSAs and PEPs to the new individual savings account to *(a)* £60,000, *(b)* £100,000 and *(c)* £150,000. [26231]

Mr. Darling *[holding answer 22 January 1998]:* This would depend on how investors decided to invest their capital.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer if he will estimate the additional cost of tax relief on the individual savings account, for each of the next five years, of altering the proposals as set out in his consultative document of December 1997 so as to allow total individual holdings of PEPs and TESSAs as at 1 December 1997 to be transferred into the new individual savings account without regard to the £50,000 overall investment limit; and if he will make a statement. [24553]

Mr. Darling *[holding answer 22 January 1998]:* The effect on the cost of allowing investors to transfer all their PEP and TESSA investments into individual savings accounts would depend on how investors invest their capital.

Mr. Gibb: To ask the Chancellor of the Exchequer if he will estimate the additional cost of allowing all existing personal equity plans to continue alongside the new individual savings accounts without being counted towards the £50,000 limit on investments. [31551]

Mr. Darling *[holding answer 26 February 1998]:* This would depend on how people decided to invest their capital in PEPs and TESSAs.

Mr. Malcolm Bruce: To ask the Chancellor of the Exchequer what are his estimates for the cost of tax relief under *(a)* the new individual savings account and *(b)* the continuation of PEPs and TESSAs, for (i) 2000–01, (ii) 2001–02 and (iii) 2002–03; and if he will make a statement. [24569]

Mr. Sayeed: To ask the Chancellor of the Exchequer what estimates he has made of the cost to the Treasury of the tax exemptions under the proposed system of ISAs *(a)* in each of the 10 years following introduction and *(b)* according to (i) sex, (ii) the age groups 21 to 30, 31 to 40, 41 to 50 and 51 to 60 years, (iii) marital status, (iv) employment in the categories (1) working full-time, (2) part-time, (3) housewife and (4) unemployed, (v) number of dependent children aged 0 to 4, 5 to 10 and 11 to 16 years and (vi) socio-economic group; and if he will indicate the assumptions used to calculate the estimates. [27319]

Mr. Darling *[holding answer 22 January 1998]:* The estimated cost to the Exchequer of the ISA proposals is broadly similar to the combined cost of TESSAs and PEPs, but estimates are sensitive to assumptions made, e.g. how people decide to invest their capital.

Mr. Gibb: To ask the Chancellor of the Exchequer (1) what assessment his Department has made of the advantages of making the annual limits for ISAs divisible by 12; [28727]

(2) what are the monthly limits for individual savings accounts for those contributing monthly by standing order. [28726]

Mr. Darling: *[holding answer 10 February 1998]:* No monthly limits are proposed.

Mr. Lilley: To ask the Chancellor of the Exchequer if he will ensure that copies of all the responses to the individual savings account consultation process are placed in the Library. [29185]

Mr. Darling: *[holding answer 12 February 1998]:* I refer the right hon. Member to the answer I gave to the hon. Member for East Worthing and Shoreham (Mr. Loughton) on 5 February 1998, *Official Report*, columns 775.

Mr. Fallon: To ask the Chancellor of the Exchequer if he will estimate the revenue cost of introducing individual savings accounts with no limit on the total amount that may be invested in such accounts. [26350]

Mr. Darling: It is not possible to estimate the cost because this would depend on the way in which people decide to invest their capital.

Mr. Fallon: To ask the Chancellor of the Exchequer if he will estimate the amount needed to invest in a tax-free savings account, at current rates of interest, in order to generate a yearly interest income equivalent to *(a)* the state pension for a single person, *(b)* the average income for a single pensioner, *(c)* the average income for a pensioner couple, *(d)* £10,000 per annum, *(e)* £15,000 per annum and *(f)* £20,000 per annum. [26233]

Mr. Darling: The Government are committed to spreading the savings culture; that is why we are introducing individual savings accounts. However, the Government believe that pensions are, on the whole, the better vehicle for providing a secure income in retirement.

We are reviewing the current pension arrangements in the Pensions Review and plan to introduce Stakeholder Pensions in the near future.

ISAs are designed to complement pensions; they are not a substitute for them.

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer how many representations he has received critical of the proposed £50,000 limit on ISAs. [27724]

Miss McIntosh: To ask the Chancellor of the Exchequer if he will make a statement on the £50,000 limit on transfer of funds from PEPs and TESSAs to the new ISAs. [27640]

Mr. Letwin: To ask the Chancellor of the Exchequer how many *(a)* individuals and *(b)* bodies have written to his Department about his proposals to limit tax relief on TESSAs and PEPs in connection with the establishment of ISAs. [32035]

Mr. Darling *[holding answer 2 March 1998]:* We have received a large number of representations, making helpful comments on our proposals for individual savings accounts, which comment on a number of different areas including the £50,000 limit. The consultation period has now finished and, as I made clear in the House on 3 March 1998, *Official Report*, columns 868–75, we are considering the responses received.

Mr. Gibb: To ask the Chancellor of the Exchequer what would be the estimated cost of tax relief on PEPs on the assumption that tax credits are not paid and single company PEPs are abolished. [28728]

Mr. Darling *[holding answer 10 February 1998]:* This would depend on how much investors decided to invest their capital in PEPs.

Mr. Lilley: To ask the Chancellor of the Exchequer if he will publish the assumptions underlying estimates that tax relief on PEPs and TESSAs was £800 million and £450 million in 1997–98 and would be £1,150 million and £550 million in 2000–01 if the current tax reliefs remained. [32060]

Mr. Darling: The Exchequer cost of tax relief for PEPs for 1997–98 of £800 million includes a cost of £300 million for capital gains tax, and £500 million for income tax, of which basic rate repayments are £400 million (including some £300 million relating to the payment of tax credits on dividends on shares of UK companies) and £100 million is higher rate relief. The estimated cost for 2000–01 of £1,150 million assumes that the scheme would continue with the current tax reliefs. The capital gains tax cost is estimated to be £375 million, and the income tax cost £775 million, of which basic rate repayments are £575 million (including some £450 million relating to the payment of tax credits on dividends on shares of UK companies) and £200 million is higher rate relief.

The cost of tax relief for TESSAs for 1997–98 of £450 million includes basic rate relief of around £400 million and higher rate relief of £50 million. The estimated cost for 2000–01 of £550 million includes basic rate relief of around £500 million and higher rate relief of £50 million.

Mr. Lilley: To ask the Chancellor of the Exchequer by how much he estimates tax relief would be reduced as a result of applying annual and overall limits of £5,000 and £50,000 to PEPs and TESSAs if those schemes kept their current tax reliefs. [32061]

Mr. Darling: This would depend on how individuals invested their capital.

Mr. Sayeed: To ask the Chancellor of the Exchequer how many people made use of the system of carry back, carry forward provisions for contributions to personal pension plans in each of the last three years for which figures are available, broken down by *(a)* sex, *(b)* the age groups 21 to 30, 31 to 40, 41 to 50 and 51 to 60 years, *(c)* marital status, *(d)* employment in the categories (i) working full-time, (ii) part-time, (iii) housewife and (iv) unemployed, *(e)* number of dependent children aged 0 to 4, 5 to 10 and 11 to 16 years and *(f)* socio-economic group; and what estimates he has made of future changes in these figures, with particular reference to the introduction of ISAs. [27315]

Mr. Heathcoat-Amory: To ask the Chancellor of the Exchequer how many new *(a)* TESSA and *(b)* PEP schemes have been opened since 2 December 1997. [27725]

Mr. Cousins: To ask the Chancellor of the Exchequer if he will estimate the number and present value of holdings in PEPs *(a)* in total and *(b)* in bands of values of £10,000. [23662]

Mr. Fallon: To ask the Chancellor of the Exchequer if he will estimate how many people hold overall TESSA and PEPs investments worth more than *(a)* £50,000, *(b)* £60,000, *(c)* £100,000 and *(d)* £200,000. [26230]

Mr. Lilley: To ask the Chancellor of the Exchequer how many people invested *(a)* up to £1,000, *(b)* £1,001 to £2,000, *(c)* £2,001 to £3,000, *(d)* £3,001 to £4,000, *(e)* £4,001 to £5,000 and *(f)* £5,001 to £6,000 in (i) PEPs and (ii) TESSAs in the most recent year for which figures are available. [32067]

Mr. Darling *[holding answer 2 March 1998]:* The information is not available in the form requested because the last Government failed to require providers to submit enough information on their returns to the Inland Revenue.

Mr. Cousins: To ask the Chancellor of the Exchequer what assumptions about equity asset growth and future increases in ISA contribution or asset-value ceilings underlie his answer to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) of 22 December 1997, *Official Report*, column 472; and which major provider of PEP mortgages is the source of his estimates. [23034]

Mr. Geoffrey Robinson: The question refers to a calculation made by the Halifax. It is based on a gross return on equities of 6 per cent. above retail price inflation, adjusted to allow for charges and taxes.

National Asset Register

Mr. Gibb: To ask the Chancellor of the Exchequer if he will list all the Government assets in the National Asset Register sold since 1 May, together with sale proceeds and the name of the Government department in receipt of the proceeds. [33649]

Mr. Darling *[holding answer 10 March 1998]:* A table listing total figures for sales of assets over the last financial year will be provided in the Government's forthcoming Financial Statement and Budget Report.

Ministerial Accommodation (Taxation)

Mr. Gibb: To ask the Chancellor of the Exchequer if a Minister of the Crown is subject to the same tax regime in respect of accommodation and furnishings as an employee who is provided with accommodation and furnishings by his employer. [33870]

Dawn Primarolo *[holding answer 10 March 1998]:* The same tax rules apply for Ministers of the Crown as for other office-holders and employees.

Advance Corporation Tax

Mr. Gibb: To ask the Chancellor of the Exchequer what is his Department's estimate of total surplus unrelieved ACT at the latest date for which figures are available. [33321]

Mr. Geoffrey Robinson *[holding answer 6 March 1998]:* It is estimated that the current amount of surplus unrelieved ACT is £7 billion.

Overseas Visits

Mr. Bercow: To ask the Chancellor of the Exchequer how many overseas visits have been made by his Department's political advisers at public expense since 1 May. [25181]

Mr. Gordon Brown *[holding answer 23 January 1998]:* Special Advisers, along with other departmental officials, have accompanied Ministers to monthly European Finance Ministers' Meetings and European Council meetings and to five international meetings including the G7 Summit.

Departmental Pay

Mr. Duncan: To ask the Chancellor of the Exchequer how many people employed by *(a)* his Department and *(b)* the agencies for which his Department is responsible earn (i) less than £3.20 per hour, (ii) between £3.20 and £3.60 per hour, (iii) between £3.60 and £4 per hour and (iv) between £4 and £4.62 per hour. [30748]

Mrs. Liddell *[holding answer 23 February 1998]:* The information requested is as follows:

Chancellor of the Exchequer's departments and agencies	*Less than £3.20 per hour*	*Between £3.21 and £3.60 per hour*	*Between £3.61 and £4.00 per hour*	*Between £4.01 and £4.62 per hour*
Customs and Excise	—	1,092	853	372
Inland Revenue	—	—	2,244	1,567
HM Treasury	—	—	—	19
Government Actuary's Department	—	—	—	—
National Savings	—	99	25	249
The Royal Mint[1]	—	—	2	26
Valuation Office Agency	—	190	114	300
Office for National Statistics	—	93	30	201

[1] Excludes six apprentices in full time external education.

The figures have been based on current staff in post (both permanent and casual) in each of the Chancellor of the Exchequer's departments and agencies. The calculation of hourly rates has been based on annual salaries divided by the number of weeks in the year and number of conditioned hours in a week. Where relevant, London weighting and London allowances have been included in the hourly rate calculations.

VAT (Energy Use)

Mr. Alan Simpson: To ask the Chancellor of the Exchequer, pursuant to the answer of 23 February 1998, *Official Report*, columns *60–61*, if the rate of 6 per cent. VAT imposed by the Belgian Government covers the purchase of energy-saving materials in Belgium; and what discussions he has held with his Belgian counterpart concerning the formal response received from the European Commission by the Belgian Government following their decision to reduce the rate charged upon such goods. [32189]

Dawn Primarolo: We are not aware that the Belgian authorities apply a reduced rate to purchases of energy saving materials for DIY installation, or that they have been challenged by the Commission. If any information comes to light I will write to my hon. Friend.

I have had no discussions with Belgian colleagues about this issue.

Publications

Mr. Flight: To ask the Chancellor of the Exchequer if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33660]

Mrs. Liddell: Items subscribed to on a regular basis by the Treasury and Cabinet Office library include:

(a) Magazines and Newsletters

Official Journal, series C, L and S

The Week in Europe

(b) Serials and Annuals (including statistics)

Bulletin of the European Union

General report on the Activities of the European Union

Directory of Community Legislation in Force and other Acts of the Community Institutions

Inter-institutional Directory of the European Union

Europe info: directory of networks and other European Union information sources

Consultative Assembly annual report

European Economy

Europe in Figures

Eurostat Yearbook

Eurostat: Basic statistics of the Community

Eurostat: Regions Statistical Yearbook

Eurostat: Labour Force Survey

Eurostat: Employment in Europe

Eurostat: Eurostatistics—data for short term economic analysis

Eurostat: External trade statistics

Results of the Business Survey carried out among managements in the Community

National Accounts ESA

(c) Other publications

COM documents.

SCOTLAND

Chapelcross Nuclear Reactor

Mr. Baker: To ask the Secretary of State for Scotland if he will list the dates since 1968 on which the Chapelcross Magnox reactor has been inspected for his Department by BNFL or its predecessor. [23403]

Mr. Wilson *[holding answer 19 January 1998]:* Chapelcross site, like all other nuclear sites in the UK, is licensed by the Health and Safety Executive's Nuclear Installations Inspectorate (NII). Regular and frequent inspections are a condition of the site licence and other statutory requirements. Since 1968 a total of 240 inspections have been carried out by the NII, who will continue the programme of inspections during the remaining operating life of the reactors on the site.

Periodicals

Mr. Malcolm Bruce: To ask the Secretary of State for Scotland what is his estimate of the expenditure of his Department on newspapers and magazines in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 to date and *(d)* 1997–98 full year; and if he will list the newspapers and magazines purchased or subscribed to on a regular basis. [26643]

Mr. Dewar *[holding answer 5 February 1998]:* My Department's expenditure on newspapers and magazines (including journals and periodicals) was as shown in the table. A list of the titles purchased has been deposited in the House Library.

£

Year	*Expenditure*
1995–96	215,911
1996–97	220,116
1997–98 (to end January)	185,101
1997–98 (estimate)	210,000

National Galleries of Scotland

Mr. Charles Kennedy: To ask the Secretary of State for Scotland (1) what account he took, in his recent appointment of new trustees of the National Galleries of Scotland, of the individual views of those appointed towards the establishment of a National Gallery of Scottish Art in Glasgow; if he will assess the financial implications of the policy of establishing such a gallery for the outreach programme involving municipal galleries; and if he will make a statement; [31930]

(2) if he will make a statement on the future of the outreach project in respect of the loaning of centrally held art exhibits to municipal galleries, indicating what recent discussions he has had on the matter with the trustees of the National Galleries of Scotland. [31931]

Mr. Galbraith *[holding answer 2 March 1998]:* In making appointments to the Board of Trustees, my right hon. Friend is obliged by the National Galleries of Scotland Act 1906 to have regard to the desirability of appointing people with knowledge or experience of Fine Arts, or of management, industrial relations,

administration or of any other subject which would be of use to the Board in exercising their functions. He also takes into account other factors such as the gender and geographic balance of the Board as a whole. He does not take account of the views of candidates on any particular aspect of the Board's business.

It is a matter for the Board of Trustees to consider in the first instance the financial implications of any policies which they are contemplating or are pursuing. Where firm, and costed, proposals are presented to my right hon. Friend which require adjustment of existing levels of grant-in-aid he would, first of all, have to be convinced of the merits of the proposals in policy and other relevant terms and, thereafter, to be in a position to provide any additional funding required—taking account of available resources and other competing bids for public funds.

As far as the proposed National Gallery of Scottish Art and Design is concerned, the Board of Trustees are aware of the Government's view that the capital costs of the project would need to be met from non-Government sources and that half of the running costs for at least the first four years of operation would have to be met from private sources. They are also aware that the provision of the balance of the running costs from public funds would be a matter for consideration in future public expenditure rounds.

The Board of Trustees at the invitation of the then Secretary of State agreed in May 1997 to consider a scheme for lending works of art to municipal and other suitable galleries. My right hon. Friend understands that the Trustees are giving consideration to a possible scheme taking account of resource requirements and he awaits their proposals.

Asbestosis

Mr. Sarwar: To ask the Secretary of State for Scotland what was the incidence and geographical distribution of deaths in Scotland from asbestosis and related diseases for the last five years. [33213]

Mr. Galbraith: The information requested is given in the tables.

Asbestos-related deaths

Table 1: Deaths from asbestosis without mention of mesothelioma; by health board area[1] of Scotland, 1992–96

	1992	1993	1994	1995	1996
Scotland	13	16	14	19	10
Argyll and Clyde	2	3	4	1	2
Ayrshire and Arran	0	0	1	0	0
Fife	3	1	0	2	0
Forth Valley	1	1	1	2	1
Grampian	1	1	2	1	0
Greater Glasgow	5	6	4	7	4
Highland	0	0	0	1	1
Lanarkshire	1	1	0	1	0
Lothian	0	2	1	3	1
Orkney	0	0	0	1	0
Tayside	0	1	1	0	1

Table 2: Deaths from asbestosis mentioning mesothelioma; by health board area[1] of Scotland, 1992–96

	1992	1993	1994	1995	1996
Scotland	5	4	2	3	3
Argyll and Clyde	1	0	0	0	0
Fife	0	0	1	0	0
Grampian	0	0	0	1	0
Greater Glasgow	4	3	0	2	2
Lanarkshire	0	0	1	0	1
Lothian	0	1	0	0	0

[1] Where a health board area is not listed there were no relevant deaths.

Sewerage Charges

Mr. Browne: To ask the Secretary of State for Scotland what relief he will give to domestic customers in respect of sewerage charges in 1998–99. [34451]

Mr. Dewar: The relief available will be £16.47 to customers in the East of Scotland water authority area, £19.48 in the North of Scotland area, and £15.83 in the West of Scotland area.

MINISTER WITHOUT PORTFOLIO

Millennium Dome

Mr. Mitchell: To ask the Minister without Portfolio what is the life span of the plastic interior of the Millennium Dome; and how stable the colour is. [31846]

Mr. Mandelson: The PTFE-coated glass fibre material covering the Dome and its interior has a minimum lifespan of 25 years. There will be a slight alteration in colour over the first few months of exposure to daylight; thereafter the colour remains stable.

DUCHY OF LANCASTER

Public Appointments

Mrs. Lait: To ask the Chancellor of the Duchy of Lancaster how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33241]

Dr. David Clark: I have made three appointments from the Public Appointments Unit list to public bodies since 1 May 1997. These are: *(a)* two appointments to the 'Better Regulation Task Force'; and *(b)* one appointment to the 'Civil Service Appeal Board'.

In addition, I have also made two appointments from the Public Appointments Unit list to the Committee on Standards in Public Life on behalf of the Prime Minister.

Mr. Burden: To ask the Chancellor of the Duchy of Lancaster (1) what steps Her Majesty's Government are taking *(a)* to publicise the existence of public appointment forms and *(b)* to increase the number of applications from the general public to public appointments; [33466]

(2) how many application forms to be considered for public appointment have been *(a)* requested by members of the public and *(b)* sent out in the last 12 months. [33465]

Dr. David Clark: It is important that as many people as possible should have the opportunity to apply for public appointments. All departments seek nominations from a wide range of sources, including advertising, the Public Appointments Unit's central list, other departmental databases and consultation with interested bodies.

Information about the Public Appointments Unit is sent to a range of organisations on a regular basis, and is also available on the Internet.

Members of the public are encouraged to register their details with the Unit by completing a self-nomination form. During the past year, over 2,000 of these forms have been issued. Individuals with specific interests are also advised to register their names with the relevant Government departments.

Government Information

Mr. Matthew Taylor: To ask the Chancellor of the Duchy of Lancaster for what reasons applicants who make requests for information under the Code of Practice on Access to Government Information are required to ask their hon. Members to submit their appeals to the Ombudsman; and if he will remove this requirement. [33846]

Dr. David Clark: Complaints to the Parliamentary Ombudsman in respect of alleged maladministration, which since 1994 has included non-compliance with the Code of Practice on Access to Government Information, are governed by S.6(3) of the Parliamentary Commissioner Act 1967. This requires complaints to be made to a Member of the House, although not necessarily to the complainant's own Member. Under the proposed Freedom of Information Act set out in the White Paper "Your Right to Know" (Cm 3818), appeals would be made direct to the new Information Commissioner.

Absenteeism

Mr. Malcolm Bruce: To ask the Chancellor of the Duchy of Lancaster if he will estimate the rates of absenteeism in his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies, for (i) 1995–96, (ii) 1996–97 and (iii) 1997–98 to date; and if he will make a statement. [26580]

Mr. Kilfoyle *[holding answer 5 February 1998]:* For this purpose the Cabinet Office includes the Prime Minister's Office and the Office of Public Service.

These figures are drawn from records of certificated and non-certificated sick absence; attendance records are not held centrally. Figures for rates of absenteeism in non-departmental public bodies are not centrally held.

Department/Agency	*1995–96*	*1996–97*	*1997–98*
Cabinet Office	8.7	9.4	7.1
Civil Service College	5.7	8.1	5.9
Security Facilities Executive	3.5	7.6	4.8
The Buying Agency	12.3	14.2	13.5
Property Advisers to Civil Estate	8.7	14.2	8.1
Government Car and Despatch Agency	[1]—	1.2	0.6
Central Computer and Telecommunications Agency	6.6	7.5	5.6
Her Majesty's Stationery Office	[1]—	10.7	15.5

[1] Not known.

Absence rates represent total days absent divided by total number of staff.

New St. Andrew's House

Mr. Salmond: To ask the Chancellor of the Duchy of Lancaster (1) what has been the total cost of refurbishment and renovation work on New St. Andrew's House, Edinburgh, since January 1995; [33978]

(2) what is the cost to date of marketing New St. Andrew's House for sale. [33979]

Mr. Kilfoyle: Responsibility for these matters has been delegated under the terms of the Framework Document to Property Advisers to the Civil Estate. I have asked its Chief Executive, Mr. John Locke, to write to the hon. Member.

Letter from John C. Locke to Mr. Alex Salmond, dated 9 March 1998:

I have been asked by the Parliamentary Secretary, Office of Public Service, to reply to your Parliamentary Questions about the total cost of refurbishment and renovation work and the cost to date of marketing New St Andrews House, Edinburgh.

The decision to vacate New St Andrews House was taken because of the potential Health & Safety hazard arising from the presence of sprayed asbestos installed in the building as a recognised acoustic treatment during construction. The two prominent Scottish Agents appointed by PACE to advise on the disposal of the building recommended that the removal of the asbestos prior to the sale would enhance the sale price by eliminating the much publicised blight.

A 12 month contract for the removal of the asbestos was let at a total cost of £1,701,613.00 inclusive of VAT. The contract included the provision of a Show Suite on part of the 8th Floor designed to illustrate that good quality offices could be created within the building. The remainder of the building has been left in a shell and core condition.

Following the completion of the asbestos removal and confirmation that there was no Government requirement for the accommodation, the disposal of the property was launched on 31 October 1997. A closing date for tenders has been set at 31 March 1998. To date the sum of £69,870.00 has been expended on fees, marketing, brochures, advertising and VAT. The indicative sale price is £7.5M.

EDUCATION AND EMPLOYMENT

School Transport

Dr. George Turner: To ask the Secretary of State for Education and Employment what was the average cost per pupil of providing home to school transport for each local education authority in the last year for which figures are available. [33490]

Mr. Byers: The table sets out the information requested for 1996–97, the latest year for which figures are available.

Cost per pupil in LEA maintained schools

LEA	*Cost per pupil (£)*
Barking and Dagenham	38
Barnet	53
Barnsley	5
Bath and North East Somerset	80
Bedfordshire	40
Berkshire	68
Bexley	34

Cost per pupil in LEA maintained schools

LEA	*Cost per pupil (£)*
Birmingham	34
Bolton	10
Bradford	40
Brent	94
Bristol	47
Bromley	70
Buckinghamshire	95
Bury	24
Calderdale	40
Cambridge	85
Camden	62
Cheshire	58
City of London	228
Cornwall	66
Coventry	23
Croydon	37
Cumbria	85
Derbyshire	61
Devon	87
Doncaster	26
Dorset	87
Dudley	28
Durham	59
Ealing	87
East Riding of Yorkshire	84
East Sussex	55
Enfield	40
Essex	139
Gateshead	25
Gloucestershire	106
Greenwich	59
Hackney	42
Hammersmith and Fulham	78
Hampshire	50
Haringey	49
Harrow	0
Hartlepool	28
Havering	23
Hereford and Worcester	72
Hertfordshire	60
Hillingdon	45
Hounslow	36
Isle of Wight	50
Isles of Scilly	64
Islington	53
Kensington and Chelsea	63
Kent	99
Kingston upon Hull	33
Kingston upon Thames	44
Kirklees	34
Knowsley	36
Lambeth	104
Lancashire	54
Leeds	38
Leicestershire	65
Lewisham	11
Lincolnshire	81
Liverpool	30
Manchester	40
Merton	0
Middlesbrough	30
Newcastle upon Tyne	6
Newham	25
Norfolk	103
North East Lincolnshire	33
North Lincolnshire	70
North Somerset	80
North Tyneside	28
North Yorkshire	100
Northamptonshire	59
Northumberland	91
Nottinghamshire	27
Oldham	17

Cost per pupil in LEA maintained schools

LEA	*Cost per pupil (£)*
Oxfordshire	76
Redbridge	52
Redcar and Cleveland	36
Richmond upon Thames	29
Rochdale	33
Rotherham	31
Salford	43
Sandwell	7
Sefton	27
Sheffield	0
Shropshire	90
Solihull	33
Somerset	72
South Gloucestershire	51
South Tyneside	3
Southwark	68
St. Helens	36
Staffordshire	46
Stockport	2
Stockton on Tees	33
Suffolk	68
Sunderland	1
Surrey	98
Sutton	58
Tameside	31
Tower Hamlets	13
Trafford	46
Wakefield	21
Walsall	22
Waltham Forest	33
Wandsworth	81
Warwickshire	61
West Sussex	56
Westminster	99
Wigan	23
Wiltshire	106
Wirral	49
Wolverhampton	26
York	48

Dr. George Turner: To ask the Secretary of State for Education and Employment what was the total cost to local education authorities of providing home to school transport in the last year for which figures are available. [33494]

Mr. Byers: LEA expenditure in England on home to school transport was £381 million in 1996–97, the latest year for which figures are available.

Higher Education Funding

Mr. St. Aubyn: To ask the Secretary of State for Education and Employment (1) what estimate he has made of the combined cumulative savings in the financial years 1998–99 to 2000–2001 at 1995–96 prices from the abolition of student grants and the introduction of tuition fees under the Government's preferred approach to the future funding of higher education; [33266]

(2) what estimate he has made of the cumulative additional loans expenditure in the financial years 1998–99 to 2000–2001 at 1995–96 prices under the Government's preferred approach to the future funding of higher education. [33265]

Dr. Howells *[holding answer 6 March 1998]:* We said in July 1997 that our estimate of the cumulative combined savings from the Government's new higher education funding policy is £250 million by 2000–01. The

estimated cumulative additional loans expenditure of £2,250 million by 2000–01 is offset by savings of £2,500 million resulting from the effect of the new fees and grants policy. These figures are for the United Kingdom and in 1995–96 prices. They do not reflect our decision to pay out loans on a termly basis, which released money in 1998–99. Further information will be available following the outcome of the Comprehensive Spending Review.

Teachers (Ill Health Retirement)

Mr. White: To ask the Secretary of State for Education and Employment if he will give the definition of permanently unfit to work used when determining whether a teacher is eligible to retire on the ground of ill health. [33366]

Dr. Howells: The Teachers' Pensions Regulations 1997 define incapacitated in the case of a teacher as unfit by reason of illness or injury to serve as such and likely permanently to be so despite appropriate medical treatment. Permanently is interpreted as including any teaching, full or part-time, up to the scheme's normal retirement age of 60.

Staffordshire Training and Enterprise Council

Mr. Jenkins: To ask the Secretary of State for Education and Employment what are the amounts currently held in the accounts of Staffordshire TEC. [33149]

Dr. Howells: As of 31 December 1997, Staffordshire TEC's unaudited management accounts were:

retained profits £10,743 million;

cash at bank £9,665 million.

Primary Schools

Dr. George Turner: To ask the Secretary of State for Education and Employment what estimate he has made of the average annual cost per pupil of providing education in maintained primary schools, with pupil numbers of *(a)* under 30, *(b)* 30 to 39, *(c)* 40 to 49, *(d)* 50 to 59, *(e)* 60 to 69, *(f)* 70 to 79, *(g)* 80 to 89 and *(h)* 90 or above. [33491]

Mr. Byers: The information requested is not readily available and could be provided only at disproportionate cost.

New Deal (Local Authorities)

Mr. Waterson: To ask the Secretary of State for Education and Employment what steps his Department has taken to encourage local authorities to participate in the New Deal programme; and what representations the local authority associations have made to him on the *(a)* aims and *(b)* administration of the scheme. [32885]

Mr. Andrew Smith: Effective local partnerships are essential to the success of the New Deal. Local authorities clearly have an important part to play in this. We have encouraged them to become involved fully in local New Deal arrangements and they have done so very successfully.

In addition, I have met on a number of occasions with the Local Government Association (LGA), whose Chairman, Sir John Harman, is a member of the New Deal Advisory Task Force. The LGA and individual local authorities have expressed support for the New Deal and have provided a wide range of comments and proposals concerning many aspects of the programme, all of which we welcome.

Ofsted Inspections

Mr. Hinchliffe: To ask the Secretary of State for Education and Employment what percentage of each category of service for children aged under eight years which are subject to statutory social services inspection are also subject to Ofsted inspection; and what was the number of Ofsted inspections undertaken of these services during the last available year. [33849]

Mr. Byers: 15,190 service providers registered under Section 71(1)b of the Children Act 1989 and 488 local authority day nurseries and family centres registered under Section 18 of that Act are in receipt of nursery grant and are subject to Ofsted inspection.

Between September 1996 and March 1997, Ofsted carried out 2,187 inspections of providers registered under the Children Act and in receipt of nursery grant. From April 1997 to 6 March 1998, Ofsted completed a further 10,589 inspections of these providers, and I expect around 2,000 more to have been completed by the end of this month.

Task Force Projects

Mrs. Ballard: To ask the Secretary of State for Education and Employment what representations he has received on the environmental criteria for task force projects in the new deal for unemployed under 25-year-olds. [33893]

Mr. Andrew Smith: The Department for the Environment, Transport and the Regions, in consultation with my Department and other Government Departments, drew up the environmental criteria against which projects will be assessed. Environmental organisations were consulted fully. We have not had further representations, but we welcome feedback from environmental groups.

New Deal (Voluntary Sector)

Mr. Waterson: To ask the Secretary of State for Education and Employment what representations the voluntary sector have made to his Department concerning the aims of the New Deal programme since the publication of the NCVO/NACVS information pack. [32887]

Mr. Andrew Smith: We have carried out a wide range of consultations with the voluntary sector to encourage them to contribute to the New Deal, and have worked with NCVO and NACVS as part of this process. We are very grateful to both organisations for providing an information pack to enhance that effort. The process of consultation continues, and Ministers and officials are continuing to meet with representatives of the voluntary sector to discuss their potential involvement in New Deal. Given the wide scope of contact, it is not possible to identify specific representations in response to the information pack, but we welcome any feedback—positive or negative—that the voluntary sector may have.

Unemployment (Young People)

Mr. Waterson: To ask the Secretary of State for Education and Employment what are his Department's latest estimates of the cost of providing employment, training and education opportunities for 18 to 24-year-olds who have been unemployed for six months or more. [32886]

Mr. Andrew Smith: The New Deal will provide employment, training and education opportunities for 18 to 24 year olds who have been unemployed for six months or more. The latest estimate of the cost to the Department for Education and Employment of the New Deal for Young People during this Parliament is £2.7 billion. The actual cost will depend upon the level of unemployment and experience of running the New Deal.

New Deal (Christchurch)

Mr. Chope: To ask the Secretary of State for Education and Employment what is his estimate of the number of people in the Christchurch constituency who will be eligible for the New Deal in April. [32698]

Mr. Andrew Smith *[holding answer 4 March 1998]:* In January 1998 twenty seven 18–24 year olds were recorded as having claimed Jobseeker's Allowance (JSA) for six months or more in Christchurch. The New Deal for 18–24 year olds will benefit all young people who have been claimant unemployed for six months or more and remain unemployed, and all those who reach six months' claimant unemployment.

I have placed in the Library a list showing the indicative planning assumptions for participation in the New Deal for 18–24 year olds in 1998–99 in each local unit of delivery. These planning assumptions are based on current unemployment levels. They are not forecasts of the actual numbers who will participate in the New Deal for 18–24 year olds.

The planning assumption for the Dorset unit of delivery, which includes Christchurch, is that some 2,400 18–24 year olds may be eligible for the New Deal in 1998–99.

Ministerial Visits

Mr. Wilshire: To ask the Secretary of State for Education and Employment if he will list those visits made within the United Kingdom since 1 May on which *(a)* he and *(b)* other Ministers within his Department have been accompanied under Rule 83 of the Ministerial Code indicating (i) those persons accompanying and (ii) the cost to public funds. [23749]

Dr. Howells *[holding answer 19 January 1998]:* Of the visits made within the United Kingdom since 1 May 1997 none of the Ministers from the Department for Education and Employment was accompanied by spouses under Rule 83 of the Ministerial Code.

Departmental Publicity

Mr. Bercow: To ask the Secretary of State for Education and Employment what has been the cost of media presentations and press conferences which he has given, other than those held at his Department. [25151]

Dr. Howells *[holding answer 23 January 1998]:* Since 2 May 1997, direct expense has been incurred in mounting media presentations and press conferences involving Ministers held outside the Department or its Agencies as follows:

Event	*Place*	*Date*	*Cost (£)*
Launch of White Paper "Excellence in schools"	London	11 June 1997	15,385.27
Launch of National Year of Reading	London	29 January 1998	5,000.00
Total			20,385.27

Overseas Visits

Mr. Bercow: To ask the Secretary of State for Education and Employment how many times his wife has accompanied him on overseas visits; and what was the cost of her travel and other expenses. [25152]

Dr. Howells *[holding answer 23 January 1998]:* I refer the hon. Member to my reply given to his hon. Friend the Member for Spelthorne (Mr. Wilshire) on 15 January 1998, *Official Report*, column 298.

Mr. Bercow: To ask the Secretary of State for Education and Employment how many overseas visits have been made by his Department's political advisers at public expense since 1 May. [25153]

Dr. Howells *[holding answer 23 January 1998]:* The overseas trips attended by political advisers are set out in the table.

Destination	*Date*	*Minister*	*Adviser attendance*
Luxembourg	26–27/06/97	Secretary of State	Hilary Benn and Sophie Linden
Paris, France	15–16/10/97	Secretary of State	Sophie Linden
Brussels, Belgium	6–7/11/97	Andrew Smith	Lisa Barclay
Brussels, Belgium	17–18/11/97	Secretary of State	Hilary Benn

Political Advisers (Support Staff)

Mr. Bercow: To ask the Secretary of State for Education and Employment how many secretarial and support staff work full-time in support of his political advisers. [25193]

Dr. Howells *[holding answer 23 January 1998]:* There are currently two full-time support staff working to the Department's political advisers.

Official Cars

Mr. Bercow: To ask the Secretary of State for Education and Employment how many official cars are available for use by Ministers in his Department; and how many new cars have been acquired for the use of Ministers in his Department since 1 May. [25154]

Dr. Howells *[holding answer 23 January 1998]:* There are seven official cars available for use by the Secretary of State and six Ministers in this Department.

One new car has been acquired since 1 May 1997 when the number of Ministerial appointments was increased from six to seven.

Official Entertainment

Mr. Bercow: To ask the Secretary of State for Education and Employment how many receptions have been held in his Department since he took office; how many people have attended; and what was the total cost of these events. [25156]

Dr. Howells *[holding answer 23 January 1998]:* Since 2 May 1997 seven receptions have been held in the Department; 250 people have attended. The total cost of these events is £1,488.

New Deal (Maximum Age)

Mr. Reed: To ask the Secretary of State for Education and Employment what the maximum age for entry to the New Deal will be. [30998]

Mr. Andrew Smith: The New Deal for 18–24 year olds will be open only to those in that age bracket. The New Deal for lone parents is available to all eligible people in receipt of income support regardless of age. The New Deal for people with a disability or long-term illness is open to people up to retirement age. The same is true of the New Deal for adults over 25 who have been unemployed for two years or more. We are currently considering extending the New Deal approach to people over 25 who have been unemployed for shorter durations.

Surplus Places

Mr. Don Foster: To ask the Secretary of State for Education and Employment if he will list the proportion of school places in each English county which his Department has identified as surplus in the year 1996–97 in *(a)* primary and *(b)* secondary schools and the proportion of surplus places in each county in the financial year 1996–97 in (i) primary and (ii) secondary schools. [30997]

Mr. Byers: Surplus place figures are collected annually and provide a snapshot of the position as at January of that year. For the position as at January 1997 I refer the hon. Member to the reply given to my hon. Friend the Member for Selby (Mr. Grogan) on 26 February 1998, *Official Report*, column *364*.

Training (Over-55s)

Mr. Reed: To ask the Secretary of State for Education and Employment what measures he is introducing to provide training for those over 55 years old. [30999]

Mr. Andrew Smith: As from April 1998, work based training will be introduced for long-term unemployed adults, including those aged between 55 and 63. This will help them to improve their skills and job prospects through an individually tailored combination of guidance, work experience, training and qualifications.

Those over 55 years, who have been unemployed for two years or more, will also be eligible for training opportunities available through the New Deal for long-term unemployed people, which starts in June.

A-level Turkish

Mr. Love: To ask the Secretary of State for Education and Employment how many people have gained an A Level qualification in Turkish in each of the past five years. [31654]

Dr. Howells: The numbers of people that have achieved an A level qualification in Turkish over the past five years is given in the table.

Year	*Number*
1193	87
1994	114
1995	118
1996	125
1997	162

Consultants

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what is his estimate of the expenditure of his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies on external consultants in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year; and if he will also estimate the cost savings resulting from the employment of such consultants for each of the above years. [26682]

Dr. Howells *[holding answer 5 February 1998]:* Information in the form requested could be supplied only at disproportionate cost.

Absenteeism

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment if he will estimate the rates of absenteeism in his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies, for (i) 1995–96, (ii) 1996–97 and (iii) 1997–98 to date; and if he will make a statement. [26683]

Dr. Howells *[holding answer 5 February 1998]:* Information in the form requested is not available.

Education Spending (Essex)

Mr. Bob Russell: To ask the Secretary of State for Education and Employment if he will make a statement on (1) the Government's recommended level of spending on education in Essex and the actual level of expenditure for each of the last four financial years; [30702]

(2) if he will make a statement on the Government's recommended level of spending on education in Essex and the figure set by Essex County Council for the financial year 1998–99. [30706]

Mr. Byers: Government support for education spending is provided mainly through the education SSA system but these are not recommended levels of expenditure. Information derived from the authority's General Fund Revenue Account returns suggests that Essex has spent above the level of its education SSA in recent years. For 1998–99, we believe that Essex County Council should use all of the £27 million increase in the education SSA to raise standards in schools.

£ million

	Education SSA	Education spend
1997–98	571.8	582.8
1996–97	567.6	573.5
1995–96	540.5	548.6
1994–95	548.5	549.6

1. Year-on-year comparisons cannot easily be made because of local authority changes of function.
2. The Education Spend figures include a share of net revenue expenditure which cannot be attributed to individual service SSA blocks and capital expenditure charged to the revenue account.

Sixth Form Colleges (Redundancies)

Mr. Hancock: To ask the Secretary of State for Education and Employment how many compulsory redundancies have been imposed by sixth form colleges in each council area in each of the last three years. [31941]

Dr. Howells: The information is not available.

Class Sizes

Mr. Hancock: To ask the Secretary of State for Education and Employment what has been the average class size in sixth form colleges in each council area in each of the last three years; and what estimates he has made for the next three years. [31940]

Dr. Howells: This information is not centrally available.

A-levels

Mr. Hancock: To ask the Secretary of State for Education and Employment how many A level subjects have been discontinued in sixth form colleges in each local education authority area in each of the last three years. [31943]

Dr. Howells: The information is not available on the basis requested. The following data, on a regional basis, give details of planned withdrawal of A level courses as notified to the Further Education Funding Council in July each year.

Number of discontinued A level courses, by FEFC region

	1995–96	1996–97	1997–98
Greater London	—	—	1
East Midlands	2	1	—
West Midlands	—	1	5
Eastern	3	—	2
North West	3	—	11
South East	4	13	2
South West	1	—	—
Yorkshire and Humberside	2	4	1
Northern	—	1	2
Total	15	20	24

Periodicals

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what is his estimate of the expenditure of his Department on newspapers and magazines in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 to date and *(d)* 1997–98 full year; and if he will list the newspapers and magazines purchased or subscribed to on a regular basis. [26685]

Dr. Howells *[holding answer 5 February 1998]:* The DfEE Information and Library Network (ILN) purchases a range of newspapers and magazines. The overall spend is detailed in the table.

Date	£
1995–96	12,970
1996–97	15,790
1997–98	[1]13,890
1997–98	[2]15,208

[1] to end of February.
[2] full year estimate.

Transsexuals (Employment Rights)

Kali Mountford: To ask the Secretary of State for Education and Employment what plans he has to hold discussions with *(a)* legal experts, *(b)* medical experts and *(c)* representatives of transsexual people with regard to the consultation paper Legislation Regarding Discrimination on Grounds of Transsexualism in Employment. [33124]

Mr. Alan Howarth: The Department intends to have discussions with medical experts and representatives of transsexual people as part of the consultation process. Legal expertise is available within the Department and Government, although we will consider any comments received from others in the legal community who wish to respond to the consultation document.

Kali Mountford: To ask the Secretary of State for Education and Employment what submissions his Department has received in response to the consultation paper Legislation Regarding Discrimination on Grounds of Transsexualism in Employment. [33125]

Mr. Alan Howarth: The consultation period is not yet over. So far the majority of comments received in response to the Consultative Paper have been from transsexuals and organisations representing their interests. These have been generally helpful in assisting in clarifying typical experiences at work. Comments from employers, trade unions, local authorities, the medical profession, and educationists are expected.

Kali Mountford: To ask the Secretary of State for Education and Employment what assessment he has made of the ECJ ruling in the case of P v S and Cornwall County Council, with reference to the consultation document Legislation Regarding Discrimination on Grounds of Transsexualism in Employment; and if he will make a statement. [33126]

Mr. Alan Howarth: The European Court of Justice has ruled that to dismiss a person on grounds of gender reassignment is contrary to the Equal Treatment Directive. This Government are fully committed to implementing the ruling in UK law, and will make decisions on necessary changes in the light of outcomes from the current consultation.

Rural Primary School Teachers

Mr. Don Foster: To ask the Secretary of State for Education and Employment what steps he will take to

ensure that rural primary schools are able to fund the additional costs of the Advanced Skills Teacher grade. [33895]

Mr. Byers: I refer the hon. Member to the reply I gave him on 10 March 1998, *Official Report*, column *168*.

School Standards

Mr. Don Foster: To ask the Secretary of State for Education and Employment what is his Department's calculation of the proportion of all maintained primary schools with year 6 pupils first inspected by OFSTED in each school year from 1994–95 for which their rating on OFSTED's scale 1 to 7 in inspectors' official judgment recording form subject reports given for their year 6 pupils' comparative standards of achievement at Key Stage 2 in at least one of English, maths and science in the year of inspection is different from that rating they are assigned when all those schools are ranked by the average of the National Curriculum levels attained by their pupils in their Key Stage 2 SAT tests in each of English, maths and science for the same school year of inspection, and when each of these rankings is then partitioned into seven equal groups of schools from the highest scoring group one to the lowest scoring group seven, and each school is then rated by its group number; and if he will list the average level attained per pupil by each such group stated to three decimal places. [28834]

Mr. Byers: This is a matter for HM Chief Inspector of Schools. I have asked him to write to the hon. Member and to place a copy of his letter in the library.

Trainee Teachers

Mr. Llwyd: To ask the Secretary of State for Education and Employment what steps his Department is taking to increase the number of recent graduates applying for teacher training. [32546]

Ms Estelle Morris: Maintaining teacher recruitment is one of the major challenges facing the Government and our response to the first report of the Education Select Committee on teacher recruitment, which was published on 29 January, includes details of the action we are taking to encourage more students to become teachers. In particular, as part of our commitment to encourage more graduates to take up teaching as a profession, we have already announced that trainee teachers on postgraduate certificate of education (PGCE) courses will not have to make means-tested contributions towards tuition fees.

New Deal (Personal and Advisors)

Mr. Derek Foster: To ask the Secretary of State for Education and Employment what steps are being taken to ensure that the internal recruitment of New Deal personal advisers does not adversely affect other Employment Service programmes. [32294]

Mr. Alan Howarth: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Derek Foster, dated March 1998:

The Secretary of State for Education and Employment has asked me to reply to your question about the steps that are being taken to ensure that the internal recruitment of New Deal personal advisers does not adversely affect other Employment Service programmes. This is something which falls within my responsibilities as Chief Executive of the Employment Service.

As you know, the role of the Personal Adviser is crucial to the success of New Deal. The Employment Service has considered very carefully the numbers of advisers required both for New Deal and other advisory work. The Employment Service is making staffing arrangements accordingly, and we have selected New Deal Personal Advisers to ensure this function is carried out effectively.

We will be keen to ensure there will be no adverse effects on other Employment Service programmes and I will be keeping our performance in this area under review, and will make any necessary adjustments. I would be very pleased to discuss with you any particular areas of concern.

I hope this is helpful.

Millennium Compliance

Mr. Dorrell: To ask the Secretary of State for Education and Employment when he expects system testing for Year 2000 computer compliance to be completed within his Department. [32398]

Dr. Howells *[holding answer 5 March 1998]:* System testing for Year 2000 computer compliance is expected to be completed by the end of March 1999.

Mr. Dorrell: To ask the Secretary of State for Education and Employment if he will list all the contracts placed with external contractors by his Department in connection with Year 2000 computer compliance setting out *(a)* the name of the contractor, *(b)* the date the contract was placed, *(c)* the scope of the contract and *(d)* the date when the work is expected to be complete. [32397]

Dr. Howells *[holding answer 5 March 1998]:* The Department has not placed any contracts with external contractors in connection with Year 2000 computer compliance. The Department does, however, have a partnership agreement under which its computer applications are developed and maintained by the FI Group. Under the agreement responsibility for making the applications Year 2000 compliant rests with the FI Group. In parallel with the work of the FI Group the Department's own staff are making compliant the networks and computers on which the applications are run. The joint programme of work is due to be completed by the end of March 1999.

Mr. Dorrell: To ask the Secretary of State for Education and Employment how many officials or individuals working within his Department on Year 2000 computer compliance have *(a)* given notice of their intention to leave or *(b)* left the Department in the last six months. [32396]

Dr. Howells *[holding answer 5 March 1998]:* The senior official responsible for co-ordinating the Department's programme of work for Year 2000 computer compliance retired at the end of January. No other official or individual working on Year 2000 computer compliance has, during the last six months, left or given notice of intention to leave.

Schools (Information)

Sir Richard Body: To ask the Secretary of State for Education and Employment what factors determined the decision on whether to distribute material to schools on *(a)* the United Kingdom Presidency of the European Union, *(b)* the Commonwealth Heads of Government meeting at Edinburgh, *(c)* the UK Chairmanship of G8 and *(d)* the UK chairmanship of other institutions. [33015]

Dr. Howells: The decision to mark the UK Presidency of the EU by sending schools a resource pack was largely influenced by a demand from teachers for more sharing of examples of ways in which European awareness can enrich the curriculum and contribute to raising standards.

Because 1997 was designated "The Year of the Commonwealth" by Commonwealth organisations, the Department, in conjunction with the Joint Commonwealth Societies' Council, sent schools a teaching pack "Our Modern Commonwealth" which included information on the Commonwealth Heads of Government meeting.

Employee Travel

Mr. Baker: To ask the Secretary of State for Education and Employment if he will estimate the cost of employee travel on office business, broken down into *(a)* fuel allowances, *(b)* unproductive time during travel, *(c)* other costs related to car transport and *(d)* costs related to public transport, for (i) 1994–95, (ii) 1995–96, (iii) 1996–97 and (iv) 1997–98. [32440]

Dr. Howells *[holding answer 3 March 1998]:* Information in the form requested could be supplied only at disproportionate cost.

Head Teachers

Mr. Llwyd: To ask the Secretary of State for Education and Employment what percentage of head teachers are female. [32547]

Ms Estelle Morris: The latest available figures show that 55 per cent. of head teachers in maintained primary schools and 23 per cent. of head teachers in maintained secondary schools in England in January 1997 were female.

Green Transport Co-ordinator

Mr. Baker: To ask the Secretary of State for Education and Employment when he appointed a Green Transport co-ordinator; and on what date the appointment took effect. [32471]

Dr. Howells *[holding answer 3 March 1998]:* The Guide to Green Transport Plans circulated last September by the Parliamentary Under-Secretary of State, Department of the Environment, Transport and the Regions, my hon. Friend the Member for Hampstead and Highgate (Ms Jackson), encouraged Departments to appoint green transport co-ordinators. The Department for Education and Employment appointed a co-ordinator on 5 October 1997 and the appointment took effect from that date.

Students

Mr. Willis: To ask the Secretary of State for Education and Employment how many students are currently in part-time *(a)* further and *(b)* higher education. [32824]

Dr. Howells: The number of part-time students can be expressed on either a snapshot or a whole year basis. The latest available figures on both counts are given in the following table.

Part-time[1] home and overseas students in the UK 1996–97 (provisional)

	Snapshot[2]	*Whole Year[3]*
Higher Education[4]	742.6	1,977.6
Further Education	2,097.1	3,717.4

[1] For HE short (less than 19 weeks) full-time courses are recorded as part-time; for FE such courses are recorded as full-time.
[2] The number of students who were on a course which was running on 1 December for HE students and 1 November for the majority of FE students.
[3] The number of students who were on a course during some point in the academic year.
[4] The whole year figure includes an estimated 941,000 students on courses not leading to a qualification on credit and which are not included in the snapshot figures.

TRADE AND INDUSTRY

Retail Petrol Industry

Mr. Boswell: To ask the President of the Board of Trade what progress has been made in negotiations between the Office of Fair Trading and the retail petrol industry to compile a code of practice covering contractual relationships between wholesalers and retailers. [31702]

Mr. Nigel Griffiths *[holding answer 2 March 1998]:* The Director General of Fair Trading met with representatives of petrol wholesalers and retailers in October last year in an attempt to facilitate better relations between them. However, the Director General has no powers under the competition legislation to impose a code of practice on the petrol industry, nor is he involved in the negotiation of a code; this is for industry to devise.

Millennium Compliance

Mr. David Atkinson: To ask the President of the Board of Trade on what date she expects to hold the EU Conference to tackle the Millennium Bug. [33312]

Mrs. Roche: The event will take place in May at a date to be determined. Further details will be made available shortly.

Amending Voice Telephony Directive

Mr. Breed: To ask the President of the Board of Trade what is the Government's policy in respect of Article 8 of the Amending Voice Telephony Directive. [33234]

Mrs. Roche: The Government will be consulting shortly on their proposed implementation of the Amending Voice Telephony Directive including proposals on how to implement Article 8 of the Directive.

Mr. Breed: To ask the President of the Board of Trade what plans she has to consult with disabled people and disability organisations in respect of the Amending Voice Telephony Directive. [33232]

Mrs. Roche: The Government will be consulting shortly on their proposed implementation of the Amending Voice Telephony Directive. People with disabilities and disability organisations will be consulted as part of this exercise.

Mr. Breed: To ask the President of the Board of Trade what is the timetable for compliance with the Amending Voice Telephony Directive. [33235]

Mrs. Roche: The Amending Voice Telephony Directive comes into force on 30 June 1998. The Government plan to consult shortly on their proposals for implementing the Directive.

Mr. Breed: To ask the President of the Board of Trade what plans she has to ensure that the actions required to comply with the Amending Voice Telephony Directive are in line with OFTEL's proposals. [33231]

Mrs. Roche: OFTEL's proposals on telecommunications services for people with disabilities and the responses to OFTEL's consultation should provide useful input to the development of the Government's proposals on implementation of the Amending Voice Telephony Directive, on which the Government will be consulting shortly.

Mr. Breed: To ask the President of the Board of Trade what is her Department's definition of fixed public phone services. [33233]

Mrs. Roche: The term fixed public telephone services is defined in EC law. In the Amending Voice Telephony Directive it is defined as follows:

"Fixed public telephone services may include—in addition to voice telephony service—access to emergency "112" services, the provision of operator assistance, directory services, provision of public pay phones, provision of service under special terms and/or provision of special facilities for customers with disabilities or with special social needs, as set out in this Directive, but does not include value added services provided over the public telephone network."

The Government will be consulting shortly on their proposed implementation of the Amending Voice Telephony Directive.

Export Licences

Mr. Faber: To ask the President of the Board of Trade if she will list all those departments to whom export licence applications are circulated where necessary by the Export Control Organisation. [33371]

Mrs. Roche: Licences to export strategic goods and other export licences that are required because of UN trade sanctions are issued by the President of the Board of Trade. The Export Control Organisation of this Department is the licensing authority. All relevant individual licence applications are circulated by the DTI to other Government Departments with an interest, as determined by them in line with their policy responsibilities. These include the Foreign and Commonwealth Office, the Ministry of Defence and the Department for International Development. For specific applications other departments may be involved, in particular where the export of the goods concerned is controlled only because of UN trade sanctions.

Publications

Mr. Flight: To ask the President of the Board of Trade if she will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which her Department subscribes. [33662]

Mr. Nigel Griffiths: Publications are purchased as required to support the work of the Department. A list is not kept centrally.

Antiques and Fine Art

Mr. Heathcoat-Amory: To ask the President of the Board of Trade what are the figures for each year since 1994 for United Kingdom imports and exports of *(a)* antiques and *(b)* fine art to and from each country for which figures are available. [33508]

Mrs. Roche: Due to the volume of information requested, the answer has been placed in the Library of the House.

Norweb

Mr. Hoyle: To ask the President of the Board of Trade if she will make a statement on the closure of the Norweb maintenance depot and its impact on customers. [33972]

Mr. Battle: The location and number of maintenance depots in a public electricity supplier's authorised area are matters for the supplier concerned. The DGES has introduced guaranteed and overall standards of performance to which public electricity suppliers are required to adhere.

Takeovers (Utilities)

Mr. Hoyle: To ask the President of the Board of Trade if she will assess the benefits of outlawing takeovers of United Kingdom utilities by overseas companies. [33973]

Mr. Nigel Griffiths: Where an acquisition falls to be considered under the merger provisions of the Fair Trading Act 1973, my right hon. Friend the President of the Board of Trade will consider each case on its merits.

Sub-post Offices

Mr. Ieuan Wyn Jones: To ask the President of the Board of Trade how many sub-post offices have *(a)* closed and *(b)* been opened, in Wales, in each of the last five years. [33486]

Mr. Ian McCartney: I understand from the Post Office that data on the numbers of sub-post offices opened and closed in Wales in each of the last five years are not available. Only since the end of the 1996–97 financial year has it been possible for them to disaggregate accurately the numbers of post offices in the Marches and other adjacent areas of England from those in Wales. In total there was a net closure of 18 sub-post offices in Wales between end March 1997 and March 1998.

Regional Selective Assistance

Dr. Ladyman: To ask the President of the Board of Trade if she will list, for each offer of regional selective assistance made in England during 1997, the percentage of the project's capital cost represented by the grant offered; and if she will group them by region and indicate, for each offer, if it related to an area of full or intermediate assisted area status. [33707]

Mrs. Roche: Each year there are more than 1,000 offers of Regional Selective Assistance in England. Information about the capital costs of individual projects is commercially confidential. However, the table shows the range of percentages of grant to capital costs for the total of RSA offers in 1997. These vary widely according to the type of project and reflect the selective nature of the RSA scheme whereby projects are secured for the minimum necessary cost.

Percentage

Region	*Development area*		*Intermediate area*	
	Minimum	*Maximum*	*Minimum*	*Maximum*
East Midlands	9.41	27.83	3.74	14.81
Merseyside	3.05	29.50	—	—
North East	0.89	29.53	7.71	14.54
North West	9.27	18.55	1.63	15.08
South East	4.38	27.57	1.57	14.09
South West	9.70	24.36	3.81	14.68
West Midlands	3.35	27.06	2.38	16.65
York and Humber	0.65	19.95	2.60	14.21
East	—	—	2.81	13.67
London	—	—	2.72	14.30

Note:
Percentages calculated on basis of Net Grant Equivalent, which is the discounted value of the grant net of tax as a proportion of the discounted fixed capital costs.

Post Office

Mrs. Lait: To ask the President of the Board of Trade what progress has been made in giving the Post Office greater commercial freedom. [33674]

Mr. Ian McCartney: I have been reviewing carefully the views advanced by interested parties during the consultations which followed my announcement last year of a review of options for granting the Post Office greater commercial freedom. These will inform our decisions on the next phase of the work. I will make an announcement in due course.

Welsh Development Agency

Mr. Wigley: To ask the President of the Board of Trade what discussions have taken place during the past three months between Mr. David Durie of the Regional Policy Unit of her Department, and the Chief Executive of the Welsh Development Agency, on matters relating to the international work undertaken by the Welsh Development Agency; and if she will make a statement. [32984]

Mrs. Roche: Mr. Durie met the Chief Executive of the WDA informally last November but has not met him since.

HEALTH

General Social Care Council

Dr. Cable: To ask the Secretary of State for Health if he will include proposals for a national register of residential care workers in the White Paper on a General Social Care Council. [33379]

Mr. Boateng: In preparation for the White Paper we are considering the functions of the General Social Care Council, including registration, in discussions within the Government and with the key stakeholders in social care.

Dr. Cable: To ask the Secretary of State for Health when he plans to publish the White Paper on a General Social Care Council. [33377]

Mr. Boateng: I refer the hon. Member to the reply I gave on 24 February 1998, *Official Report*, column *172*.

Myalgic Encephalomyelitis

Mr. Hancock: To ask the Secretary of State for Health (1) how much his Department has spent on research into the role of general practitioners in the diagnosis and treatment of ME in the last three years; [33345]

(2) how much his Department has spent on research into *(a)* the psychological treatment of chronic fatigue syndrome and *(b)* the physical causes of chronic fatigue syndrome in each of the last three years; [33343]

(3) how much support was given by the Medical Research Council for research into ME and chronic fatigue syndrome in each of the last three years; [33342]

(4) how much his Department has spent on research into the role of general practitioners in the diagnosis and treatment of chronic fatigue syndrome in each of the last three years; [33339]

(5) how much his Department has spent on research into *(a)* the psychological treatment of ME and *(b)* the physical causes of ME in each of the last three years. [33344]

Ms Jowell: The information is not available in the form requested. Different people in different places have recognised a variety of outbreaks of "related" conditions of chronic fatigue syndrome/myalgic encephalomyelitis (CFS)/(ME) over the last 35 years. However, there is no general agreement about which term should be used. There are advantages and disadvantages in using either the term CFS or the term ME and we will continue to use both.

The main agency through which the Government support medical and clinical research is the Medical Research Council (MRC), an independent body which receives its grant-in-aid from the Office of Science and Technology, which is part of the Department of Trade and Industry. Priorities for funding research in the Department are set very carefully, based on the burden of disease and other criteria, and, as such, bids for conducting research into CFS/ME will always be considered.

The MRC currently provides support for one small project grant in the area of CFS/ME. This is being undertaken by Dr. R. K. Morriss at the University of Manchester and is entitled "The role of noradrenaline in the neuropsychological pathogenesis of the chronic

fatigue syndrome". The total amount awarded is £37,000. The MRC is always willing to consider new ideas for research and will consider applications on their scientific merits.

Another research project funded by the Department is entitled "Rehabilitation in the chronic fatigue syndrome—a controlled trial of cognitive-behavioural therapy". This study is complete and considered the question of whether cognitive behaviour therapy can reduce disability in CFS/ME. It was funded by South Thames Regional Office. Funding was for £59,034.

The Department has been funding a research project through the National Health Service research and development programme called "Should General Practitioners manage chronic fatigue syndrome? A controlled trial". This is part of the national programme on primary/secondary care interface. It is an ongoing research project. The NHS funding for this project is £64,433.

In addition, the NHS Standing Group on Health Technology has recently identified the latest series of priority areas for which it anticipates commissioning primary research or systematic reviews. One of the topics identified is management strategies for CFS.

Medical Research

Mr. McNamara: To ask the Secretary of State for Health what has been the amount of money spent on medical research for each of the last five years by his Department; and what are the spending proposals for the next five years. [33324]

Ms Jowell: The Department funds a wide range of health services research which includes medical research. However, the Department's support for medical research is not accounted for separately. Expenditure on National Health Service research and development and on R&D in the health and social services, for the past five years is given in the table; projected spend is also included where available. The NHS R&D levy was first created in April 1996 and figures for NHS R&D prior to this are not available on the same basis.

The Department also funds research through the non-departmental public bodies and from other smaller budgets within the Department. Details of this research are contained in the Department's publication "Summary of Department of Health R&D in Non-Departmental Public Bodies and Divisions Outside RDD" (September 1997), copies of which are available in the Library. The Department also contributes to the Biomedical and Health Research programme, part of the European Community's overall research programme.

Departmental expenditure is also detailed in the "Forward Look of Government-funded Science, Engineering and Technology" (HMSO) published by the Office of Science and Technology, copies of which are available in the Library.

R&D spend in the Department of Health from 1993

£ million

Year	*[1]Spending DH policy related R&D*	*NHS R&D Levy (from April 1996)*
1993–94	23.5	—
1994–95	24.4	—
1995–96	24.5	—
1996–97	28.5	431.8
1997–98 (estimate)	25.4	425.3
1998–99 (plan)	28.4	423.6

[1] Figures are outturn expenditure, except where indicated.

Mr. McNamara: To ask the Secretary of State for Health how much was spent by each European Union member state on central government-funded medical research in each of the last five years. [33326]

Ms Jowell: The Department of Health does not hold information on other European Union member states' central government expenditure on medical research. The Statistical Office of the European Communities, EUROSTAT, publishes annual statistics on research and development spend in EU member states which includes some information on medical research in the breakdown of government research and development spend. The most recent information is available in "Research and Development: Annual Statistics 1997" EUROSTAT, published by The Office for Official Publications of the European Communities.

Mr. McNamara: To ask the Secretary of State for Health what are the criteria adopted by his Department in assessing the cost/benefit of each medical research project. [33325]

Ms Jowell: In assessing research and development priorities the Department considers the relevance and impact of any topic on the health of the population. Through consultation mechanisms it seeks to support research which is feasible, of good quality, likely to produce value for money for the National Health Service and result in benefits to patient care. The main principles on which decisions for selecting projects are carried out are:

burden of disease and potential benefits to patients

relevance to NHS and government policies

value for money to NHS and public

appropriateness of study design and research methodology

well defined protocol linked to peer review

capability of the research terms

Research Ethics Committee approval where appropriate.

SOCIAL SECURITY

Pensions

Mr. McNulty: To ask the Secretary of State for Social Security if she will make a statement on the general and compensation levies payable under the Pension Schemes Act 1993 by occupational and personal pension schemes. [34452]

Mr. Denham: Regulations to be laid in the near future will allow the development of more efficient administrative procedures for collection of the levies; that will reduce paperwork and be less burdensome for schemes, particularly small ones. The regulations will also simplify the calculation of levy liability, so that new schemes will have to pay only in their third year.

The general levy covers the costs of bodies which exist either to safeguard the rights of, or to provide information to, pension scheme members. These bodies are the Occupational Pensions Regulatory Authority, the Pensions Advisory Service, the Pensions Registry and the Pensions Ombudsman. Rates of general levy for the 1998–99 year are shown in the table.

£

		Occupational Pensions		*Personal Pensions*	
Scheme size (members)	*Basis*	*Amount per member*	*Minimum payment*	*Amount per member*	*Minimum payment*
2 to 11	Each scheme	—	10.00	—	3.75
12 to 99	Member	1.10	—	0.35	—
100 to 999	Member	0.80	110	0.25	35
1,000 to 4,999	Member	0.65	800	0.20	250
5,000 to 9,999	Member	0.50	3,250	0.15	1,000
10,000+	Member	0.35	5,000	0.10	1,500

Child Support Agency

Mr. Fearn: To ask the Secretary of State for Social Security (1) what plans the Child Support Agency has to reduce the number of offices from which customers can be dealt with by *(a)* telephone. *(b)* personal interview and *(c)* visits to their home address; [29262]

(2) when hon. Members were informed of the planned changes in CSA offices in their constituencies; what representations she has received from them; and what plans she has to re-examine the proposed changes; [29264]

(3) what consultations there have been in respect of CSA office changes with *(a)* customers, *(b)* their representatives, *(c)* customer support and advice groups and *(d)* other local interested parties; [29263]

(4) what assessment she has made of the impact of the proposed closure of Child Support Agency offices on *(a)* customers' transport costs and *(b)* civil service administrative costs; [29268]

(5) what assessment she has made of the impact of the proposed closure of Child Support Agency offices on other agencies in local areas with particular reference to citizens advice bureaux. [29265]

Mr. Keith Bradley: We expect the Child Support Agency to provide a consistent, fair and efficient service to all its clients. We are looking closely at all aspects of the child support scheme to see where improvements can be made. We aim to bring forward a consultation document on our proposals by the Summer.

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to the hon. Member.

Letter from Faith Boardman to Mr. Ronnie Fearn, dated 10 March 1998:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about the operational reorganisation of the Child Support Agency.

Our plans for re-organising are fully in line with the Government strategy of modernising the delivery of public services and reinforce more effectively parental responsibility. We believe our plans will increase compliance and the regularity of payment of maintenance and play an important part in helping lone parents return to work. It may help to explain some details of our current organisation to show how we can improve substantially the accessibility to the public.

The Agency currently has approximately 2900 staff working in Field offices throughout the country. However, in excess of 95% of those staff concentrate on backroom paper processing work so they do not have any face to face contact at all and are no more accessible to the public than those in the major processing centres. The number of staff years which are devoted to face-to-face contact is only currently 120 and in many locations there is fewer than one interview per day. We fully accept that this is not sufficient and restructuring will allow us to offer significantly more face to face contact on a peripatetic basis in a greater range of locations and in conjunction with the Benefits Agency (with whom many of our clients are also concerned). At the same time, we need to improve the efficiency and effectiveness of other forms of contact with customers, and to improve our overall cost-efficiency sufficiently to help keep pace with increases of 50% on our workloads over the next 3 years.

We also know that many of our customers who are working prefer to deal with us by 'phone and do not need to be visited or interviewed but prefer to deal with us in the privacy of their own home outside normal working office hours. We are therefore currently developing proposals on how we might re-focus our resources to cope with an increasing workload which is responsive to our customers needs, while at the same time increase and improve significantly on face to face contact. Our current thinking is that we can move processing work into the Child Support Agency Centres and larger local centres which provide economies of scale and much better value for money for the taxpayer by allowing us to re-focus approximately £5 million on clearing the backlogs of work and rising workloads. Processing paper in small offices is significantly more expensive and the restructuring will allow us to both improve our overall range of customer contact and our overall processing.

So while we may not retain a permanent presence at our 218 sites we will still provide interview facilities where appropriate. We know a proportion of our customers will need to have face to face contact for a number of reasons but not necessarily at a DSS office. We are therefore exploring other options which could include for example Citizens Advice Bureaux or other Government facilities to increase our accessibility to the public.

As Ministers have announced, part of our strategy to improve face to face contact with our customers is by working more closely with our colleagues in the Benefits Agency. From April 1998, Benefit Agency staff will interview and assist new Income Support parents with care to complete their maintenance application form where appropriate. Pilot studies have shown this to be both very cost effective and welcomed by individual customers. 75% of our parents with care will be interviewed; customers will have to provide

information only once, thus reducing overlap and repetition of work and it will reduce the incidence of fraud.

We have also recently completed an evaluation on positive customer contact on the use of the 'phone. This has shown that early telephone contact with absent parents increases compliance and helps to speed up the assessment process which is a major concern to both individuals and their representative groups. Parents with care should therefore receive maintenance more quickly and it should help prevent arrears building-up for absent parents. We have also piloted a new approach in the way we deal with self employed cases which includes use of the 'phone and where appropriate or necessary, face to face contact, and this has been found to improve compliance significantly.

With regard to consultation, we have presented our initial thoughts to the Agency's National stakeholder group which includes some 20 organisations such as National Association of Citizens Advice Bureaux, the Child Poverty Action Group, the National Stepfamily Association and Families Need Fathers. The Agency also produces a quarterly newsletter "Open Door" which is issued to all of its registered stakeholders. The October 1997 and January 1998 editions contain articles about the Agency's four year modernisation programme which will involve transferring processing work from small local offices to its main centres and a number of other large processing sites. The Agency Trade Union Side have also had the opportunity to participate in our planning and will be consulted as our plans are developed.

I am conscious, however that moving the backroom paper processing work which does not require face to face contact has to be done in conjunction with improvements to our telephone service and increase in staff resources in the Centres. This will allow us to open our 'phone lines for much longer and help to reduce the delays customers currently experience and is part of the review for the plans covering a four year period. I have asked for some further work to be done to examine how we can improve and increase face to face contact to deliver the Active Modern Service which our customers have every right to expect.

Our objective in reorganising the way the Agency does its business is to provide an efficient accurate service which is more responsive to the variety of needs of our customers, and which offers them access and information in a range of customer-friendly forms to suit their variety of needs. This will increase the flow of maintenance and, where appropriate, enable parents with care to move from welfare to work.

I hope this is helpful.

Mrs. Ann Cryer: To ask the Secretary of State for Social Security what was the average debt of an absent parent at the time when the first Child Support Agency maintenance assessment decision was issued in the last year for which figures are available. [29784]

Mr. Keith Bradley: Children are entitled to the financial and emotional support of both parents wherever they live. We are looking closely at all aspects of the child support scheme to see where improvements can be made. We will bring forward a consultation document on our proposals by the Summer.

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

Letter from Faith Boardman to Mrs. Ann Cryer, dated 10 March 1998:

I am replying to your Parliamentary Question to the Secretary of State for Social Security about Child Support Agency maintenance assessment debt.

The child maintenance formula can require the Agency to enquire, look at and consider over 100 pieces of information before an assessment can be made and it is inevitable that some time will elapse before the maintenance assessment is made and the absent parent notified of his liability. The period between the date the child support maintenance liability begins and the date the maintenance assessment is made is referred to as the Initial Payment Period. Information on Initial Payment Periods is collected by the Agency's Financial Management System, and is only available at the current date and not for a retrospective period.

The average amount of maintenance outstanding relating to the initial payment period, as at 16th February 1998, was £1,077.41. However, once maintenance liability has been established, there are several major factors which may quickly reduce this amount.

The child maintenance enquiry pack advises absent parents to continue making court order payments in the usual way until a maintenance assessment has been made. It also states that other payments presently being made for the children may be offset against any maintenance the Agency calculates; when these are reported and verified as child support maintenance, the amount of arrears is reduced accordingly. Either or both parents may ask for the assessment to be reviewed at this stage, which can lead to an adjustment in the original amount.

The Agency addresses the issue of debt accumulating in the initial pay period by establishing contact with the absent parent as early in the process as possible and has also a facility to defer the effective date of an application for 8 weeks if an absent parent quickly returns his or her maintenance enquiry form. Encouraging the absent parent to cooperate with the Agency shortens the time between application and assessment, thus minimising the build up of arrears.

These policies have proved to be effective as, from April 1997 to the 31 January 1998, the Agency has recorded over £29m in voluntary payments made during the initial payment period in cases subsequently using the collection service.

I hope this is helpful.

Benefit Integrity Project

Mr. Öpik: To ask the Secretary of State for Social Security how many claimants of disability living allowance have had their claims *(a)* increased and *(b)* decreased as a result of the Benefit Integrity Project since August 1997; and if she will make a statement. [31604]

Mr. Denham: The administration of the Benefit Integrity Project is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from David Riggs to Mr. Lembit Öpik, dated 10 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question about the number of claimants of Disability Living Allowance who have had their claims (a) increased and (b) decreased as a result of the Benefit Integrity Project since August 1997. As Mr Mathison is away from the office on leave, I am replying.

As at 31 December 1997, a total 40,615 cases, have been examined as part of the BIP. Of the total cases dealt with 978 have had their benefit increased, 31,920 have been unchanged and 7,717 have had their benefit reduced/stopped. The total includes 7,462 renewal cases; of which 242 had their benefit increased, 3,868 remain unchanged and 3,352 have had their benefit decreased.

A brief monthly statistical report is produced and a copy of the report for December 1997 and subsequent months can be found in the House of Commons Library.

I hope you find this reply helpful.

Mr. Burstow: To ask the Secretary of State for Social Security, pursuant to her answer of 13 February 1998, *Official Report*, columns *429–30*, concerning disability

living allowance claimants mistakenly included in the Benefit Integrity Project, how many of those mistakenly contacted to date have *(a)* had their disability living allowance reduced, *(b)* had their disability living allowance stopped, *(c)* had no change made to their disability living allowance and *(d)* had their disability living allowance increased; and of those in *(a)* and *(b)* how many have sought a review of the Adjudicating Officer's decision and with what result. [31886]

Mr. Denham *[holding answer 2 March 1998]:* The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of the Benefit Integrity Project is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from David Riggs to Mr. Paul Burstow, dated 10 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question, pursuant to her Answer of 13th February, Official Report, columns 429–30, concerning Disability Living Allowance (DLA) claimants mistakenly included in the Benefits Integrity Project (BIP), how many of those mistakenly contacted to date have (a) had their DLA reduced, (b) had their DLA stopped, (c) had no change made to their DLA and (d) had their DLA increased: and of those in (a) and (b) how many have sought a review of the Adjudicating Officer's (AO's) decision and with what result. As Mr. Mathison is away from the office on leave, I am replying.

Where it is possible to identify from DLA records people who are in the exempt categories, these people are not visited or sent postal enquiry forms. The Benefits Agency has, however, acknowledged from the outset that some people in exempt categories will not be identified. That is because the main disabling condition which leads to an award is recorded using a numerical code, input at the time DLA is awarded. There are instances where the code alone will not always identify exempt groups. Paper files are also scrutinised by clerical staff in case there is further information available. Sometimes, especially where people have more than one disabling condition, it may not be clear that they are in one of the exempt groups and they may, therefore, be contacted.

If the customer does not bring relevant information to the attention of the visiting officer the Agency does not expect visiting officers to judge if a customer is in one of the categories we agreed not to contact directly. Many disabled people are helped by the use of aids which can disguise the extent of their disability and some conditions require clinical diagnosis. Visiting officers are clerical staff trained to gather data from customers in a sensitive way. They have no medical training.

Visits are terminated if the interview is causing distress to the customer. The Agency may need to re-visit or, alternatively, obtain the information another way. The visiting officer would also terminate enquiries if it appears clear that the person really needs someone to act for them. If the person refused to participate because they claimed to be in a category we have agreed not to contact directly, the visiting officer would withdraw from the interview and make further enquiries.

If BIP enquiries are abandoned before any information has been gathered on a case involving someone in an exempt category, no further action is taken on the case. The position is different, however, if the customer completes the postal questionnaire or provides information to the visiting officer which indicates that benefit may need to be adjusted. Such evidence cannot be ignored but must be referred to the adjudication officer to decide whether a review is appropriate and, if it is, to determine benefit entitlement.

At 31 December 1997, 403 people in exempt categories have been contacted as part of the Project. Of these, no further action has been taken in 350 cases and benefit continues unchanged. Of the remainder, 4 awards have been increased, 34 awards have been reduced and 15 have been disallowed completely.

Of the 34 people whose benefit has been reduced, 16 have asked for a review of their entitlement: in 2 cases benefit has been restored to the previous rate and 14 cases are still under reconsideration. Of the 15 people whose benefit has been disallowed, 14 have asked for a review of entitlement; in 3 cases, benefit has been awarded at a lower rate than the previous award and 11 cases are under reconsideration.

I hope you find this reply helpful.

Helen Jones: To ask the Secretary of State for Social Security how many people *(a)* in the North-West and *(b)* in Warrington, North have (i) been disallowed benefit and (ii) received increased benefits as a result of the Benefit Integrity Project. [33636]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend with further details.

Letter from David Riggs to Helen Jones, dated 10 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question concerning how many people (a) in the North West and (b) in Warrington North have (i) been disallowed benefit and (ii) received increased benefits as a result of the Benefit Integrity Project. As Mr. Mathison is away from the office on leave, I am replying.

The information is not available in the format requested. The database of casework has not been designed to extract information geographically during the project. To do so would necessitate high cost and disruption to the processing of ongoing casework. However, once the casework has been completed a full evaluation of the data is planned to provide a geographical analysis.

As at 31 January 1998, 54,839 cases nationally have been examined as part of the BIP. Of the total cases dealt with 1,299 have had their benefit increased, 42,730 have been unchanged, 6,884 have had their benefit reduced and 3,926 have had their benefit stopped. The total includes 10,811 renewal cases; of which 334 had their benefit increased, 5,601 remain unchanged, 2,907 have had their benefit reduced and 1,969 have had their benefit decreased.

A monthly statistical report can be found in the House of Commons library.

I hope you find this reply helpful.

Helen Jones: To ask the Secretary of State for Social Security how many cases involving people who are terminally ill have been reviewed by the Benefit Integrity Project *(a)* in Warrington, North and *(b)* nationally. [33637]

Mr. Denham: The administration of the Benefit Integrity Project is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend with further details.

Letter from David Riggs to Helen Jones, dated 10 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question about how many cases involving people who are terminally ill have been reviewed by the Benefit Integrity Project (a) in Warrington and (b) nationally. As Mr. Mathison is away from the office on leave, I am replying.

The information cannot be provided in the format requested. Information is not routinely provided on a geographical basis because of the disproportionately high costs and the disruption to the processing of current casework.

People in certain groups are not being contacted directly under the Benefit Integrity Project (BIP), provided that it is possible to identify them from their records. They include those paid under the Special Rules arrangements for people who are terminally ill. All such cases can be identified from computer records and no-one in this group has been, or will be, visited or sent a postal enquiry form.

The Special Rules arrangements apply to people who may not live longer than six months because of an illness, although it is, of course, impossible to say exactly how long someone will live. Claims expressly made on these grounds are dealt with more quickly and people are paid the highest rate of the DLA care component immediately, without having to wait three months and without having to establish that they satisfy the disability criteria for that award. These arrangements do not apply to the mobility component.

There are, however, a number of people who are terminally ill but who do not come within the Special Rules definition. Their claims are dealt with in the normal way; entitlement depends on the extent of help they need with personal care and getting around and they are also subject to the three months qualifying and six month prospective tests. People in this situation who are receiving the higher rate of the DLA mobility component with either the middle or higher rate of the care component will be contacted by the BIP.

There are other people receiving these rates of benefit who claimed DLA under normal rules some time ago who are now terminally ill and may come within the Special Rules definition. They would not be identified initially and a postal enquiry form would be issued or a visit made. Visits are, however, concluded if the interview is causing distress to the customer or if the customer maintains that they are terminally ill. The Benefits Agency might need to re-visit or to consider obtaining the information in some other way.

During the course of BIP enquiries, it may become apparent that a customer now comes within the Special Rules definition. If a review could lead to an increase in benefit, they are advised of the evidence required to support a review on those grounds.

I hope you find this reply helpful.

Compensation Recovery Unit

Mr. Garnier: To ask the Secretary of State for Social Security if she will list the sums recovered by the Compensation Recovery Unit from *(a)* legally aided claimants and *(b)* defendants in the case concerned in England and Wales in the last 10 years for which figures are available. [33633]

Mr. Denham: The administration of the Compensation Recovery Unit is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. and learned Member.

Letter from David Riggs to Mr. Edward Garnier, dated 10 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question asking for a list of the sums recovered by the Compensation Recovery Unit from (a) legally aided claimants or (b) defendants in the case concerned in England and Wales in the last 10 years for which figures are available. As Mr. Mathison is away from the office on leave, I am replying.

The information is not available in the format required. The Compensation Recovery Unit is not advised of the situation of the plaintiff and whether or not they are "legally-aided".

As the Compensation Recovery scheme applies to compensation payments made on or after 3 September 1990, there were no monies recovered during the 1989–90 financial year. Details of the amounts recovered in each financial year since 1990 are given in the table below:

Financial year	*Amount recovered £ million*
1990–91	3.7
1991–92	25.3
1992–93	51.3
1993–94	81.9
1994–95	110.1
1995–96	135.1
1996–97	145.5
1997–8 (to 28.2.98)	153.0

Note:
Figures are provisional and subject to change.

I hope you find this reply helpful.

NORTHERN IRELAND

Prisons (Security)

7. **Mr. Randall:** To ask the Secretary of State for Northern Ireland what steps her Department is taking to improve security in prisons. [32134]

Mr. Ingram: Security in Northern Ireland prisons is subject to continuous review.

As I advised the House on 21 January 1998, *Official Report*, column *983*, a range of additional security measures have been put in place at the Maze Prison.

Further to this, as the House will be aware, an Inquiry, independent of the Northern Ireland Prison Service, was set up to report on the recent serious incidents at the Maze. That Inquiry has been completed and will be published soon.

Her Majesty's Chief Inspector of Prisons will also be undertaking a formal inspection of the Maze and his report will also be published.

Peace Process

8. **Mr. Winnick:** To ask the Secretary of State for Northern Ireland if she will make a statement on the current peace talks. [32135]

20. **Mr. Savidge:** To ask the Secretary of State for Northern Ireland what progress is being made in the multi-party talks in Northern Ireland. [32149]

Marjorie Mowlam: I refer my hon. Friends to the answer I gave my hon. Friend the Member for North-West Norfolk (Dr. Turner) earlier today.

9. **Mrs. Ballard:** To ask the Secretary of State for Northern Ireland if she will make a statement about the role of women in the peace process. [32137]

Marjorie Mowlam: Women have played a vital role in bringing the peace process this far, both in politics and in civic society. There is a vibrant network of women's groups working to promote a peaceful society and one in which all traditions are respected. They are to be commended.

14. **Mr. Hanson:** To ask the Secretary of State for Northern Ireland what steps the European Union has taken to support the peace process in Northern Ireland. [32143]

Mr. Paul Murphy: The European Union is funding the Special Support Programme for Peace and Reconciliation which aims to reinforce progress towards a peaceful and stable society and to promote reconciliation in Northern Ireland. Additional EU aid for the Programme was recently announced for 1998 bringing the total awarded to 320 mecu, about £220 million.

18. **Mr. McWalter:** To ask the Secretary of State for Northern Ireland what discussions there have been in the multi-party talks concerning measures to build confidence in the peace process in Northern Ireland. [32147]

Marjorie Mowlam: The whole talks process is designed to secure a political agreement which will build confidence throughout the Northern Ireland community. A particular sub-committee on confidence-building measures has had eight meetings to discuss elements identified in the Report of the International Body as needing to be addressed as part of building confidence in the political process.

25. **Mr. Wilkinson:** To ask the Secretary of State for Northern Ireland if she will make a statement on the process of exclusion from, and re-admission to, the peace negotiations in respect of political parties in Northern Ireland. [32154]

Marjorie Mowlam: The Government have made it clear that they wish to see a fully inclusive talks process but that participation in the negotiations is dependent upon total and absolute commitment to the Mitchell principles of democracy and non-violence. Any party which demonstrably dishonours those principles is no longer entitled to participate in the negotiations. Both the UDP and Sinn Fein have been excluded from the negotiations on that basis in recent weeks.

The two Governments said, in relation to both parties, that if, over time, a complete, unequivocal and unqualified ceasefire were demonstrated and established through words and deeds to have been fully and continuously observed by the organisations with which they were linked, they would be eligible to rejoin the negotiations.

The Governments also noted, on the exclusion of Sinn Fein on 20 February, that this approach could not be maintained in the event of further violence by the organisations linked to these parties. All parties should have no doubt about the two Governments' resolve in such circumstances.

Police Complaints Procedure

10. **Ms Corston:** To ask the Secretary of State for Northern Ireland if she will make a statement on plans for a new independent police complaints procedure in Northern Ireland. [32138]

Mr. Ingram: The Police (Northern Ireland) Bill, which is currently before this House, contains new provisions on police complaints. These will give effect to a new radical system in Northern Ireland by the establishment of an independent Police Ombudsman.

Company Closures

11. **Mr. Jim Cunningham:** To ask the Secretary of State for Northern Ireland if she will make a statement on the impact of recent trends in company closures on the Northern Ireland economy. [32139]

26. **Mr. Cranston:** To ask the Secretary of State for Northern Ireland if she will make a statement on the effects of recent company closures on the Northern Ireland economy. [32155]

Mr. Ingram: Any company closures are very much to be regretted and officials are working with industry to try to alleviate the worst effects. However, recent investment announcements, such as Fujitsu, Galen Holdings and Sean Quinn, demonstrate the continuing confidence in Northern Ireland as a location for internationally competitive companies.

Local Government

12. **Mr. Laurence Robertson:** To ask the Secretary of State for Northern Ireland if she will make a statement on the progress her Department is making towards increasing the range of duties and responsibilities accorded to local government in Northern Ireland. [32140]

Marjorie Mowlam: If widely acceptable arrangements can be agreed, it is the Government's intention to transfer a wide range of responsibilities to new democratically elected institutions in Northern Ireland. The Government have no plans for radical change to the role and responsibilities of District Councils in Northern Ireland.

Literacy and Numeracy

13. **Mr. Touhig:** To ask the Secretary of State for Northern Ireland what proposals she has for improving literacy and numeracy standards in Northern Ireland schools. [32142]

Mr. Worthington: On 27 February, I launched the Northern Ireland School Improvement Programme, which sets out the Government's plans to raise standards, including literacy and numeracy. This includes additional support staff, enhanced teacher training, target setting, best practice guidance, summer schemes and after-school clubs. A copy will be placed in the Library.

Inward Investment

15. **Mr. Hope:** To ask the Secretary of State for Northern Ireland what assessment her Department has made of the current inward investment potential of Northern Ireland. [32144]

Mr. Ingram: The Industrial Development Board for Northern Ireland regularly reviews the investment potential of Northern Ireland. It also seeks to ensure that the competitive advantage Northern Ireland offers as a profitable location for investment is made clear to world

class companies. That message is fully understood by the increasing number of investors establishing projects in Northern Ireland.

Grammar Schools

16. **Sir Teddy Taylor:** To ask the Secretary of State for Northern Ireland what is the policy of Her Majesty's Government on the future of grammar schools in Northern Ireland. [32145]

Mr. Worthington: The Government have no plans to change the structure of secondary school provision in Northern Ireland but are commissioning research on the impact of selection on standards at all levels. Careful consideration will be given to any local proposals for change which have the support of parents and meet the objectives of improved standards and better value for money. As in Great Britain, pupils should be educated in accordance with the wishes of their parents, in so far as this is compatible with the provision of efficient instruction and training and the avoidance of unreasonable public expenditure.

After-school Clubs

17. **Mr. Beggs:** To ask the Secretary of State for Northern Ireland if she will make a statement on the development of after-school homework clubs and literacy and numeracy clubs in Northern Ireland. [32146]

23. **Mr. Simon Hughes:** To ask the Secretary of State for Northern Ireland what plans she has for the expansion of health and education services outside school hours for young people in Northern Ireland. [32152]

Mr. Worthington: People's Lottery Funding will be used to support a range of initiatives in education, health and the environment. This will be managed by a new body called the New Opportunities Fund which is due to be created during 1998 to support a range of after school activities under the heading of the Out of School Activities Initiative.

The New Opportunities Fund will receive a share of People's Lottery funding for the period 1999 to 2001 to support projects which offer out of school hours activities which have a learning focus, with funding likely to be available for project applications from April 1999. The arrangements for the operation of the New Opportunities Fund, Out of School Activities Initiative are still at an early stage of development; however, it has been agreed that Northern Ireland will receive 4.5 per cent. of the £200 million allocated to support projects across the United Kingdom.

Decommissioning

19. **Mr. William Ross:** To ask the Secretary of State for Northern Ireland what progress has been made in decommissioning illegal firearms. [32148]

27. **Mr. Donaldson:** To ask the Secretary of State for Northern Ireland what progress has been made in achieving the decommissioning of illegal weapons by terrorist groups in Northern Ireland. [32156]

Mr. Ingram: Based on the proposals of the Independent International Commission on Decommissioning the two Governments submitted draft schemes to the talks liaison sub-committee on Decommissioning on 25 February. A draft order under section 2 of the Northern Ireland Arms Decommissioning Act 1997 enabling a scheme to identify an amnesty period was laid on 2 March and will be debated by both Houses.

It is important that all the mechanisms which would enable voluntary decommissioning to take place are completed in fulfilment of the two Governments' commitment to the total disarmament of all paramilitary weapons on the basis of the Report of the International Body. We recognise decommissioning of the kind envisaged will be a voluntary activity. Both Governments have said that they see the resolution of the decommissioning issue as an indispensable part of the negotiations. It is now for those in possession of illegal arms to take this important confidence building step.

Security Situation

21. **Sir Sydney Chapman:** To ask the Secretary of State for Northern Ireland if she will make a statement about the security situation in Northern Ireland. [32150]

Mr. Ingram: In recent weeks there have been a number of terrorist incidents. The Government deplore these attacks, in particular the appalling murders of Mr. Allen and Mr. Trainor at Poyntzpass on 3 March. These attacks are designed to de-rail the talks process and those who carry them out are working against the majority of the people in Northern Ireland who clearly want peace. The Government are determined they will not succeed.

Parades

22. **Mr. Pound:** To ask the Secretary of State for Northern Ireland if she will make a statement on progress to help reduce tensions over disputed parades in Northern Ireland. [32151]

Mr. Ingram: As my hon. Friend will know, the Public Processions (Northern Ireland) Act 1998 is now is force. The Act is designed to tackle the difficulties that have surrounded the parades issue in Norther Ireland in recent years, by establishing the Parades Commission as an independent body with a remit to encourage and facilitate local accommodation on contentious parades. Where this is not possible, the Commission will have power to make legally binding determinations on such parades, which may include conditions as to numbers, route etc.

Paramilitary Organisations

24. **Mr. Trimble:** To ask the Secretary of State for Northern Ireland what assessment she has received from the security forces as to the paramilitary organisations responsible for the murder of Kevin Conway and the bombings of Moira and Portadown. [32153]

Mr. Ingram: The RUC consider that the Continuity Army Council were responsible for the bombings in Moira and Portadown.

The RUC have not been able to reach a firm view that the murder of Kevin Conway (whose body was found on 18 February) was authorised by the IRA leadership. However, it is the RUC's assessment that local IRA elements were involved in the murder, although no charges have yet been brought.

Following the murders of Brendan Campbell and Robert Dougan, the two Governments decided on 20 February that Sinn Fein should not be allowed to participate in the Talks. The subsequent RUC assessment in connection with Mr. Conway's murder underlines why the Governments were right to take the action we did.

The press notice issued by the two Governments on 20 February made it clear that the invitation to Sinn Fein to return to the Talks from 9 March could not be issued in the event of further violence by the IRA; and that a similar approach would be taken in the event of further violence by organisations linked to other parties in the Talks.

The Governments indicated on 6 March, in confirming their invitation to Sinn Fein to rejoin, that they were now satisfied that the IRA ceasefire was being observed.

Postal and Proxy Votes

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland how many applications for postal and proxy votes were received for the Mid-Ulster constituency in the 1997 parliamentary election; how many of these applications were rejected; and for what reasons. [31660]

Marjorie Mowlam: The only statistics available for absent voting for the Mid-Ulster constituency are for the number of approved applications recorded by the Deputy Returning Officer. This is because all applications (whether allowed or not) received for the Parliamentary Elections 1 May 1997, Local Government Elections 21 May 1997 and elections to the Forum in May 1996 were amalgamated at the Electoral Office headquarters after the Local Elections in 1997 to enable a comparative analysis of applications to attempt to identify the apparent level of absent vote abuse. The figures for the Mid-Ulster constituency are as follows:

	Number
Postal Votes allowed	3,609
Proxies allowed	1,440
Total	5,049

The determination of the number of such applications disallowed would require the manual checking through all the applications processed for Mid-Ulster and a significant number of applications are still with the police. Therefore, at this stage it is not possible to give figures for the number of applications received and rejected.

Likewise, figures do not exist which outline the reasons why applications for absent votes were rejected in Mid-Ulster. However, there is a breakdown of such information for Norther Ireland as a whole and this is set out in the table:

Parliamentary Election—1 May 1997

Reason	*Number*
Applicant not registered elector	320
Received too late	300
Insufficient or no reason	162
Dual/treble attestation	126
Not attested or not properly attested	145
Not signed	66
Medical reason, non-physical illness	98
Medical (not properly completed)	64
Proxy information not completed	9
Letters returned by Post Office	5
Signature not accepted	3
Too late, received after "late" closing date	3
No date of election given	2
Miscellaneous	115
Total	1,418

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland what investigations the Chief Electoral Officer for Northern Ireland carried out after the 1997 parliamentary election to assess the validity of postal and proxy votes cast; and how many of the postal and proxy votes cast in the Mid-Ulster constituency, following these inquiries, were considered to be potentially fraudulent. [31659]

Marjorie Mowlam: The Chief Electoral Officer conducted a comparative analysis of a wide sample of absent vote applications across Northern Ireland for 1 May 1996 Elections, 1 May 1997 General Election and 21 May 1997 Local Government Elections. Applications were sorted alphabetically within wards. This enabled a comparison of forms from each applicant which highlighted any trends in handwriting, conflicting reasons or attestations over the same and adjoining geographical areas and from one election to the next.

The comparative study carried out by the CEO was on a Northern Ireland wide basis and only a sample of wards were investigated, with some Mid-Ulster wards among them. It is therefore impossible to state how many applications were considered fraudulent for the Mid-Ulster constituency. The examination did indicate irregularities in applications for Northern Ireland as a whole.

Primary Schools

Mr. MacKay: To ask the Secretary of State for Northern Ireland how many spaces there were on 1 January, or at the latest available date, in education board primary schools. [32560]

Mr. Worthington: At October 1966, there were just over 94,000 places available in Controlled (Education and Library Board) Primary Schools in Northern Ireland. Of these, some 20,500 were unfilled.

Tourist Board

Mr. Spring: To ask the Secretary of State for Northern Ireland if he will make a statement on the grant-in-aid to the Northern Ireland Tourist Board in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [33507]

Mr. Ingram: The Northern Ireland Tourist Board receives Grant from the Department of Economic Development under the provisions of the Tourism (Northern Ireland) Order 1992. During 1996–97, NITB received a grant of £14,165 million from DED; in 1997–98 it received £14,037 million; and in 1998–99 it will receive a grant of £13,484 million.

Employment Equality

Mr. Fitzpatrick: To ask the Secretary of State for Northern Ireland when she proposes to respond to the report from the Standing Advisory Commission on Human Rights, Employment Equality: Building for the Future. [34006]

Mr. Worthington: My right hon. Friend the Secretary of State for Northern Ireland has presented to Parliament today a White Paper, "Partnership for Equality", which set out the Government's proposals for future legislation and policies on employment equality in Norther Ireland. This White Paper responds to the recommendations made in SACHR's report of June 1997.

Standing Advisory Commission on Human Rights

Mr. McNamara: To ask the Secretary of State for Northern Ireland, pursuant to her answer of 12 February 1998, *Official Report*, column *321*, if she will place in the Library her full response to the 22nd Annual Report of the Standing Advisory Commission on Human Rights. [32810]

Marjorie Mowlam: Yes. My full response to the Standing Advisory Commission on Human Rights 22nd Annual Report has been placed in the libraries of both Houses.

AGRICULTURE, FISHERIES AND FOOD

Fishing Industry

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food, pursuant to the answer of 2 March 1998, *Official Report*, column *496*, on what date he and the Parliamentary Under-Secretary of State for Scotland will meet the National Federation of Fishermen's Organisations and the Scottish Fishermen's Federation. [33611]

Mr. Morley: We are in contact with the National Federation of Fishermen's Organisations and Scottish Fishermen's Federation to agree a mutually convenient date.

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food if he will arrange a meeting with South West fishermen at which civil servants would not be present. [33917]

Mr. Morley: No such meeting has been requested by South West fishermen.

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food when he will be publishing his guidance note to producer organisations on the uptake of effort. [32183]

Dr. John Cunningham: Copies were placed in the Library of the House on 4 March, together with details of the provisional effort allocations as already presented to the industry. These figures are being revised in the light of further information provided by the industry, and, as my hon. Friend the Parliamentary Secretary has already explained to my hon. Friend the Member for Ayr (Ms Osborne) on 24 February 1998, *Official Report*, columns *187–88*, these allocations will need to be further reviewed as definitive information about activity in 1997 becomes available.

Oxtail Soup

Mr. Luff: To ask the Minister of Agriculture, Fisheries and Food when he plans to provide definitive guidance on the consumption and safety of oxtail soup; and if he will make a statement. [31879]

Mr. Rooker *[holding answer 27 February 1998]:* I assume the hon. Member is concerned about the consumption and safety of oxtail soup following the introduction of the Beef Bones Regulations 1997, in the light of advice from SEAC and the Chief Medical Officer about BSE infectivity being found in dorsal root ganglia (DRG) and also, possibly, in bone marrow. Oxtail soup can continue to be manufactured and sold in Great Britain because the processes involved in commercial production of such soup comply with the requirements of the Beef Bones Regulations and are considered not to involve any risk of BSE infectivity. Preparation of oxtail soup by restaurateurs and others for sale direct to the ultimate consumer is, however, prohibited under Regulation 3(2).

Live Animal Exports

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of the additional costs of slaughtering and rendering animals in the United Kingdom on the likely levels of exports of live animals. [33005]

Mr. Rooker: Live beef exports from the United Kingdom are currently banned. Any additional costs of slaughtering and rendering sheep in the United Kingdom are unlikely to have any significant impact on the level of live sheep exports. Price levels, transport costs and the value of sterling against other European currencies are far more significant factors in determining the level of live sheep exports.

Veal

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food for what reasons the early marketing payment scheme for veal is not applied in the United Kingdom. [33730]

Mr. Rooker *[holding answer 10 March 1998]:* We do not consider that the Early Marketing Scheme is achieving its objective of reducing beef production by encouraging slaughter at lower weights, or that the scheme is cost-effective. Moreover, the small scale of our veal industry would make the burden of administration disproportionate.

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food if he will make it his policy to ban under Article 36 of the Treaty of Rome the import of veal from EU countries where veal crates have been used. [33646]

Mr. Morley *[holding answer 10 March 1998]:* Although the use of the narrow veal crate has been banned in the UK since 1990, the system is still used in many other member states, under EU legislation which permits this until 31 December 2006. Our legal advice is that Article 36 of the Treaty of Rome cannot be used to ban imports of veal that have been legally produced in these member states. We are currently awaiting a judgment of the European Court of Justice as to whether Article 36 would allow us to ban the export of calves to be reared in crates. When this judgment is available we shall need to consider whether it enables us to change our view of what action is open to us under Article 36.

Ear Tagging

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food if he will delay the date for ear-tagging under the Cattle Identification Regulations to 1 April. [33728]

Mr. Rooker *[holding answer 10 March 1998]:* The proposed Cattle Identification Regulations 1998 are not expected to come into force until April.

Pigs

Mr. Letwin: To ask the Minister of Agriculture, Fisheries and Food what steps he will take to ensure that the rules relating to the treatment of pigs in other EU countries are *(a)* as strict and *(b)* as well enforced as in the United Kingdom. [33727]

Mr. Morley *[holding answer 10 March 1998]:* During the forthcoming review of Directive 91/630, which lays down minimum welfare requirements for pigs, the Government will seek to raise EU standards at least to match those that already apply in the UK. Ensuring that other member states properly enforce EU requirements is a matter for the European Commission. We will pass on, for their attention, any evidence submitted to us on non-compliance in other Member States.

Central Science Laboratory

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food if he will publish in full the independent management consultancy advice which informed the 1996 prior options review of the Central Science Laboratory. [33982]

Mr. Rooker: Management consultancy reports are provided by private sector advisers on a confidential basis. It would not therefore be appropriate to publish this advice in full.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food if he will publish his Department's estimates of the proportion of full capacity utilisation of offices and laboratories at the Central Science Laboratory, Sand Hutton, York, which is currently under-utilised. [33983]

Mr. Rooker: The Central Science Laboratory at Sand Hutton, York was designed to accommodate approximately 400 fee-earning scientists. There are presently 300 fee-earning scientists based at the laboratory and although the laboratories and offices are occupied, they are currently under-utilised.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food how much income is projected to be received by the Central Science Laboratory in the 1997–98 financial year from research contracts based primarily at Sand Hutton, York, from *(a)* his Department, *(b)* other public sector agencies and *(c)* private companies. [33984]

Mr. Rooker: Projected income for 1997–98 from research contracts primarily based at Sand Hutton, York is set out in the table.

Sector	*£ million*
MAFF	16.8
Other public agencies	0.6
Private sector	1.8
Total	19.2

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the annual overhead costs of the Central Science Laboratory site at Sand Hutton, York in 1997–98. [33986]

Mr. Rooker: Annual overhead costs for the Central Science Laboratory site at Sand Hutton, York are projected to be £5.7m for 1997–98.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the number of non-scientific staff employed in 1997–98 at the Central Science Laboratory site at Sand Hutton, York. [33987]

Mr. Rooker: A total of 120 non-scientific staff are employed at the Central Science Laboratory site at Sand Hutton, York in 1997–98, to provide library, financial, IT, human resources and other services for both the Norwich and the York sites.

Food (Chemical Contamination)

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food in respect of how many incidents regarding chemical contamination of food, his Department has required laboratory analysis during the last 10 years; and where the work was carried out. [33981]

Mr. Rooker: The Department maintains an extensive programme of surveys for many types of chemical contaminants in food. Inevitably, it is necessary to undertake investigations into specific incidents when elevated levels of contaminants are found. These investigations are carried out at a number of public and private laboratories, including the Central Science Laboratory (CSL), York for pesticide residues and the CSL, Norwich for other chemicals such as dioxins and PCBs. The information is not held in the form requested and could be obtained only at disproportionate cost. However, details on an annual basis are contained in the Annual Report on Food Chemical Surveillance; the second Annual Report is due to be published in early summer.

FOREIGN AND COMMONWEALTH AFFAIRS

Paul Wells

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has had with the Indian Government concerning the missing hostage Paul Wells. [33290]

Mr. Tony Lloyd: The most recent FCO Ministerial exchange with the Indian Government on the Kashmir kidnapping took place on 2 March, when my noble Friend the Parliamentary Under-Secretary of State, Baroness Symons, emphasised our continuing concerns with the Indian High Commissioner.

My right hon. Friend the Foreign Secretary, Ministers and senior Foreign Office officials raise the plight of Paul Wells, and Keith Mangan, the other British hostage in Kashmir, at every opportunity. During the State Visit to India and Pakistan in October 1997 my right hon. Friend the Foreign Secretary discussed the kidnappings with Indian Prime Minister Gujral and other senior figures in both countries. Together with the Governments of the other kidnap victims, we also remain in close touch at an operational level with the Indian and Pakistani authorities charged with resolving the case.

Export Licences

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs how many applications for export licences were circulated to his Department by the Export Control Organisation during each of the four week periods beginning (i) 3 May 1997, (ii) 31 May 1997, (iii) 28 June 1997, (iv) 26 July 1997, (v) 23 August 1997, (vi) 20 September 1997, (vii) 18 October 1997, (viii) 15 November 1997, (ix) 13 December 1997, (x) 10 January 1998 and (xi) 7 February 1998. [33373]

Mr. Tony Lloyd: Details of the recorded number of licence applications for strategic export received by the FCO from the Export Control Organisation during each of the specified four week periods are as follows:

Week commencing	*Total*
3 May 1997	545
31 May 1997	669
28 June 1997	598
26 July 1997	709
23 August 1997	592
20 September 1997	593
18 October 1997	671
15 November 1997	696
13 December 1997	432
10 January 1998	669
7 February 1998	744

Turkey

Mr. Ben Chapman: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he will take at the forthcoming conference on European enlargement to improve Turkish/EU relations and to make provision for Turkey to be among the group of countries making active preparations for EU membership. [33699]

Mr. Doug Henderson: The Luxembourg Council in December 1997 decided that Turkey was eligible to participate in the European Conference. The Turkish Government have decided not to attend the inaugural meeting of the Conference on 12 March, but I hope they will join us at future events.

The Luxembourg Council also agreed to develop a strategy to help prepare Turkey for accession by bringing it closer to the European Union in every field. I welcome the Commission's proposals for taking this forward. I hope they can be implemented as quickly as possible.

Publications

Mr. Flight: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33659]

Mr. Fatchett: European Commission publications cannot always be easily distinguished from European Communities publications. This department subscribes to the following regular publications of the European Commission/European Communities:

Agricultural situation in the European Communities

Agricultural statistics

Basic statistics of the European Union

Bulletin of the European Communities and supplements

Bulletin of the European Union

Competition policy

ECU/EMS information & central bank interest rates

Energy: yearly statistics

European Communities Select Committee reports

European economy and supplements A, B, C

Eurostatistics: data for short-term economic analysis

Explanatory note to the combined nomenclature of European Communities and addendum

External trade intrastat monthly statistics

External trade statistics yearbook

General report on the activities of the European Communities

Iron and steel yearly statistics

Official journal of the European Communities.

Nigeria

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will make it his policy to urge the Nigerian Government to release the former Nigerian President, General Olusegun Obasanjo; [33614]

(2) what recent representations he has received regarding the former Nigerian head of state, General Olusegun Obasanjo. [33613]

Mr. Tony Lloyd: We receive regular representations on behalf of the former Nigerian Head of State, General Olusegun Obasanjo. We remain deeply concerned about him and other political prisoners held in Nigeria. With our EU and Commonwealth partners we have called frequently for his early release and for that of all political prisoners.

Human Rights

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Middlesbrough, South and Cleveland, East (Dr. Kumar) of 3 July 1997, *Official Report*, column *221*, when he plans to publish the conclusions of his review of those international human rights instruments to which the United Kingdom is not yet party. [33301]

Mr. Tony Lloyd: We expect to complete the review this summer.

British Prisoners of War

Mr. Jim Cunningham: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to press for further *(a)* apologies and *(b)* compensation from the Japanese for the treatment of British prisoners of war. [33650]

Mr. Fatchett: The Japanese Prime Minister, Mr. Ryutaro Hashimoto, made a formal apology on behalf of his Government for the ill-treatment of the British prisoners of war to the Prime Minister in January. He subsequently repeated this apology direct to the British people via an article in a major British newspaper.

Since taking office last May, we have held a series of high-level discussions with the Japanese Government on ways to help the former prisoners of war. Throughout these talks, the Japanese Government referred to the 1951 San Francisco Peace Treaty which legally settled the question of compensation at governmental level. It is clear that there is no prospect of a new round of compensation.

Mr. Thomas Bufton

Mr. Livsey: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Antiguan authorities on behalf of Mr. Thomas Bufton. [33689]

Mr. Fatchett: No representations have been made to the Antiguan authorities on behalf of Mr. Bufton. He has been charged with attempted murder. This is a matter for the courts. Mr. Bufton has engaged a lawyer to act on his behalf.

Mr. Livsey: To ask the Secretary of State for Foreign and Commonwealth Affairs if UK representatives were present at the committal hearing of Mr. Thomas Bufton in Antigua on 23 February. [33688]

Mr. Fatchett: Yes. The Consular Assistant at the British High Commission in Antigua attended the committal hearing of Mr. Thomas Bufton on 23 February.

Kosovo

Mr. Wareing: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his recent visit to Belgrade; and what discussions he *(a)* has had and *(b)* has planned with his counterparts in Macedonia and Albania in respect of the crisis in Kosovo. [33877]

Mr. Tony Lloyd: On my right hon. Friend the Foreign Secretary's visit to Belgrade, I refer my hon. Friend to the answer he gave to the hon. Member for Westbury (Mr. Faber) on 9 March 1998, *Official Report*, column *550*. My right hon. Friend the Foreign Secretary telephoned Prime Minister Nano of Albania and President Gligorov of Macedonia on 9 March to report on the outcome of that day's Contact Group Ministerial in London on Kosovo. I shall visit both countries on 11 March for more detailed discussions.

Written Answers to Questions

Thursday 12 March 1998

ENVIRONMENT, TRANSPORT AND THE REGIONS

Drinking Water

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will enable the Drinking Water Inspectorate to seek authorisation for a wider range of remedial works before a failure occurs. [33034]

Angela Eagle: Water companies have a duty to supply drinking water which is wholesome and it is for each company to decide how to maintain their assets to avoid future breaches of the standards. If water fails to meet quality standards, the Drinking Water Inspectorate will take enforcement action against the company, or prosecute them for supplying water unfit for human consumption.

Government Car Service

Miss McIntosh: To ask the Secretary of State for the Environment, Transport and the Regions what is the cost of leasing the Jaguar 4.0i LWB for the use of the Deputy Prime Minister from the Government Car Service. [32992]

Angela Eagle *[holding answer 5 March 1998]:* The current weekly cost to the Department of leasing the car and a full-time driver from the Government Car Service is £1,185. The car is not provided for the exclusive use of the Deputy Prime Minister but undertakes other activities, such as the delivery of urgent papers and Ministerial boxes. The basis on which the leasing costs are determined are the same as those which applied to the previous Administration and apply similarly to the current arrangements under which the Government Car Service provides a car for the use of the Leader of the Opposition.

Science, Engineering and Technology Week

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what contribution his Department plans to make to the Government's National Week of Science, Engineering and Technology on 13 to 22 March, in respect of environmental and clean-technology research. [33028]

Angela Eagle: Research teams and scientists currently working under contract to the Department's Research Programmes will be taking part on their own initiatives but with the encouragement of the Department, in National Science, Engineering and Technology Week events. The Foresight Vehicle programme, to which the Department contributes support, is one clean-technology project that will be on display.

Publications

Mr. Flight: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33658]

Angela Eagle: The Department including its Executive Agencies subscribes to a range of titles; currently the main ones are:

(a) Newsletters

EUR-OP News

(b) Magazines

Bulletin of the European Union, including supplements
European Court Reports
Official Journal—C Series Paper and CD Rom Version
Official Journal—L Series Paper and CD Rom Version
Official Journal—S Series Paper and CD Rom Version

(c) Occasional Publications

Basic Statistics of the Community
Demographic Statistics
Energy Yearly Statistics
Europe in Figures
General Report on the Activities of the European Union
Interinstitutional Directory of the European Union
National Accounts, main Aggregates and Detailed Tables
Operation of Nuclear Power Stations
Report on Competition Activity
Research and Development Annual Statistics.

Household Projections

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions if he will review how the migration assumptions used in the sub-national population and household projections are calculated, in respect of the emphasis laid on forecasts of future regional and sub-regional economic activity rather than past trends. [33827]

Mr. Raynsford: The 1996-based sub-national population projections are due to be published in the autumn of this year. Production of the household projections will follow some months later. As in the past, local authorities will be consulted on the migration assumptions within the population projections. At a consultation meeting last December, local government and academic representatives supported the view that both the population and household projections should be based on past trends. It should be noted that regional economic factors are taken into account alongside the household projections when deciding on appropriate housing figures for Regional Planning Guidance.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions when he intends that regional planning conferences should start producing the annual reports on indicators relevant to housing provision proposed in paragraph 31 of Planning for the Communities of the Future (Cm 3885). [33822]

Mr. Raynsford: As explained in paragraphs 33 and 34 of the document, the Government wish to implement the new arrangements as quickly as possible. When RPG is already under review the Government office will discuss with the Regional Planning Conferences the scope for

adopting the new approach in completing those reviews. Arrangements for monitoring would be a feature of those discussions. Additionally, the Department intends shortly to publish advice on monitoring indicators.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions what steps he is taking to make chairmen of county structure plan examinations in public, who have not yet finalised their reports, aware of the policy and priority changes proposed in "Planning for the Communities of the Future" (Cm 3885). [33823]

Mr. Raynsford: As a matter of Departmental policy, all those who serve as Chairmen of structure plan Examinations in Public are sent copies of new national planning policy statements and guidance when they are published. This includes copies of "Planning for the Communities of the Future", though it should be noted that some elements of that document are, or will be, the subject of public consultation before being finalised.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions if he will define local ownership of the housing figures as referred to in paragraph 25 of "Planning for the Communities of the Future" (Cm 3885). [33828]

Mr. Raynsford: As explained in "Planning for the Communities of the Future" the new system will make local authorities more responsible for assessing their housing requirements, in partnership with the Government Offices, and more accountable for the results. This should increase their sense of ownership of the resulting housing figures.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has to implement the provisions of *(a)* paragraph 76, in respect of low density greenfield development and *(b)* paragraph 86, in respect of a mix of size of housing units to reflect increasing demand by small households, of "Planning for the Communities of the Future" (Cm 3885). [33821]

Mr. Raynsford: Current planning policy guidance (PPG3) already enables local planning authorities to seek a reasonable mix and balance of house types and sizes to cater for a range of housing needs. Nevertheless, as the policy document "Planning for the Communities of the Future" indicates, PPG3 needs to be revised to bring it up to date. The Government's policies on housing density issues will also be considered as part of that review. We hope to issue a draft PPG3 for consultation by the summer recess.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions if he intends to publish detailed advice and requirements on how the sustainability appraisal of draft regional planning guidance on housing projections, proposed in paragraph 28 of "Planning for the Communities of the Future" (Cm 3885) will be implemented. [33826]

Mr. Raynsford: As indicated in the consultation paper on the future of Regional Planning Guidance (RPG), published on 15 January, when copies were placed in the Library, the intention is that future reviews of RPG will be subject to a full environmental appraisal. However, it goes on to say that we are also considering the scope to move towards a more broadly based "sustainability appraisal" of RPG. We will be letting a research project in May to determine how best to undertake a sustainability appraisal of RPG and produce good practice guidance on undertaking such an appraisal. It is intended to publish the results of the research in March 1999.

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has for a public information campaign on the issues involved in the projections for and planning of new homes; and how much he plans to spend on this in *(a)* the current year and *(b)* subsequently. [33824]

Mr. Raynsford: These issues continue to be well-aired in public debate. In addition, my right hon. and hon. Friends and I will be making speeches, and my Department will be organising meetings, over the coming months, in connection with the recently published policy document, "Planning for the Communities of the Future" (Cm 3885). We do not, at this stage, see a need for a paid public information campaign.

Rail Freight

Sir Raymond Powell: To ask the Secretary of State for the Environment, Transport and the Regions what discussions he has held with Railtrack on the *(a)* sale of land and *(b)* retention of land for future rail freight terminals. [33672]

Ms Glenda Jackson: My right hon. Friend has met Railtrack on a number of occasions to discuss a variety of railway issues, including the sale of land and the need to encourage the development of the rail freight market. We are considering what measures are necessary to safeguard and further develop future rail freight opportunities as part of our integrated transport strategy.

Sir Raymond Powell: To ask the Secretary of State for the Environment, Transport and the Regions what obligations have been imposed on Railtrack to encourage rail freight. [33700]

Ms Glenda Jackson: Railtrack's obligations to its freight customers are contained in track access contracts which are approved by the Rail Regulator.

Fishing Industry

Sir Richard Body: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for St. Ives (Mr. George) of 3 March 1998, *Official Report*, column *546*, on the fishing industry, what estimate he has made of the costs of implementing the EC Directives on health and safety; and if he will list the directives concerned. [33889]

Ms Glenda Jackson: I have asked the Chief Executive of the Marine Safety Agency, Mr. Robin Bradley, to write to the hon. Member.

Letter from R. M. Bradley to Sir Richard Body, dated 12 March 1998:

The Secretary of State for the Environment, Transport and the Regions has asked me to reply to your question about the costs of implementing the EC Directives on health and safety for fishing vessels. I attach a complete list of the EC directives on occupational health and safety, all of which apply to fishing vessels although some will have minimal effect.

The Merchant Shipping and Fishing Vessels (Health and Safety at Work) Regulations 1997 (S.I. 1997/2962), which come into force on 31 march, implement three EC directives:

Council Directive 89/391/EC—the "Framework directive";

Council Directive 91/383/EC—the "temporary workers directive"; and

Council Directive 92/85/EC—the "pregnant workers directive".

A Compliance Cost Assessment (CCA) was published with the draft regulations at public consultation stage, as is standard procedure for new regulations which have cost implications for businesses, charities or voluntary organisations. A copy has been placed in the House of Commons library. The CCA shows estimated set up costs between £400 and £1,000 per vessel, and ongoing costs of between £300 and £800 per vessel per year—this however is considered to be very much a worst case estimate.

Work is in progress to implement three further daughter directives:

Council Directive 93/103—the "fishing vessels" directive;

Council Directive 90/269—the "manual handling" directive; and

Council Directive 94/33/EC—the "young workers" directive.

Fishing Vessels Directive

In order to implement the fishing vessels directive, amendments are due to be made to:

Fishing Vessel (Safety Provisions) Rules 1975

Fishing Vessel (Life Saving Appliances) Regulations 1988

Merchant Shipping (Fishing Vessel) Crew Accommodation Regulations 1975.

Many of the provisions of the directive are already required by existing domestic regulations for vessels of 24m and over. The amendments will extend those provisions to new vessels of 15m and over with immediate effect and to existing vessels of 18m and over from November 2002. Currently there are some 850 existing vessels of 18m and over. A CCA was published at public consultation stage. This gives a worst case estimate for set up costs of £15,400 per new vessel and £11,700 per existing vessel, with recurring costs of £2,500 per vessel.

Manual Handling Directive

Public consultation is now in progress on regulations to implement the manual handling directive. Our initial view is that there will be no compliance costs additional to those already identified for the framework directive.

Young Workers Directive

Draft regulations are being prepared to implement the young workers directive and we are seeking advice from industry on the likely compliance costs of those provisions which apply to fishing vessels.

Work on implementing the remaining daughter directives, which in each case will include consideration of the compliance costs in consultation with industry, will proceed in due course.

EC OHS Directives:

89/391/EEC Framework Directive

The daughter directives

89/655/EEC Use of Work Equipment

89/656/EEC Personal Protective Equipment

90/269/EEC Manual Handling

90/394/EEC Carcinogens

90/679/EEC Biological Agents

91/383/EEC Temporary Workers

92/58/EEC Safety Signs

92/85/EEC Pregnant Workers

93/103/EEC Fishing Vessels

94/33/EEC Young Persons.

Channel Tunnel Rail Link

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the Government's liability under the rules governing the Private Finance Initiative in respect of London and Continental Railways Channel Tunnel Rail Link. [33905]

Ms Glenda Jackson: London and Continental Railways raised some £430 million of debt to fund the Development of the CTRL and Eurostar operations for the period up to the main fund raising for construction. If LCR were to fail then the Eurostar business, along with all of its assets and liabilities including this debt, would transfer back into public ownership. The funding agreements with the lending banks provide for the debt to be repaid from Eurostar revenues.

Fertilisers

Mr. Letwin: To ask the Secretary of State for the Environment, Transport and the Regions what is his policy on the imposition of taxes on fertilisers. [33738]

Angela Eagle *[holding answer 10 March 1998]:* The Government issued a discussion paper 'Economics Instruments for Water Pollution' in November 1997. This included consideration of some possible uses of economic instruments to help reduce the environmental impact of nutrients, including a charge on chemical fertilisers. We are currently considering the responses to the paper.

European Documents

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions if he will arrange for European *(a)* Commission and *(b)* Parliament documents, due to be discussed by Ministerial Council meetings during the United Kingdom presidency, which have environmental implications, to be placed in the Library 10 working days before the appropriate Ministerial Council meeting. [33974]

Angela Eagle: In accordance with House of Commons Standing Order 143 which governs the operation of the Select Committee on European Legislation, a range of European Community documents is deposited in Parliament for consideration by that committee. This includes European Commission proposals for Council legislation and other policy documents, such as Commission communications, reports and consultation papers submitted to the Council of Ministers. These are available from the Vote Office and the Library of the House; and the vast majority are deposited at least 10 working days before they are considered by the Council of Ministers. The Government provide an explanatory memorandum on all these documents, commenting on the policy implications including environmental implications.

Roads Review

Ms Walley: To ask the Secretary of State for the Environment, Transport and the Regions if he will place in the Library the new appraisal criteria to be used in respect of the proposals currently being submitted from regional offices to the Roads Review. [33880]

Ms Glenda Jackson: The new appraisal framework which we are developing to help us determine the new trunk road investment programme uses our previously published criteria of integration, accessibility, safety, economy and environmental impact. We expect to publish further details with the report of the Roads Review later this year.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for the Environment, Transport and the Regions if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32708]

Angela Eagle: None.

Anglia Railways

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will make a statement on the value of the rolling stock leased by Anglia Railways which was supplied by Eversholt, Angel Train Contracts and Porterbrook; [34035]

(2) how much public money Anglia Railways spent on leasing rolling stock from Eversholt, Angel Train Contracts and Porterbrook. [34036]

Ms Glenda Jackson: Anglia Railways receives fixed subsidy from the Franchising Director of £35.9 million in the 1997/98 financial year, progressively declining to £6.3 million in 2003/04. What costs they incur in meeting their service obligations under their franchise agreement and how these costs are met are matters for the Company. The value of the relevant rolling stock is a matter for the owners.

Single Regeneration Budget Bids

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding Round IV SRB bids. [33401]

Angela Eagle: My right hon. Friend the Secretary of State has received several representations in support of Single Regeneration Budget (SRB) Challenge Fund Round 4 bids.

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions when he expects to make announcements regarding Single Regeneration Budget Round IV bids. [33400]

Angela Eagle: We expect to announce the successful Round 4 bids shortly.

Mr. Jenkins: To ask the Secretary of State for the Environment, Transport and the Regions what steps he has taken to ensure that bids from non-conurbation localities which have areas of multiple deprivation comparable with conurbation areas can compete on equal terms in respect of SRB Challenge Fund. [33402]

Angela Eagle: The Government's supplementary guidance for Round 4 of the Single Regeneration Budget Challenge Fund issued in July 1997 stated:

"Although the emphasis should be on tackling need which is substantial in scale and intensity, the Government recognises that isolated pockets of severe need may require action."

This guidance has, on initial analysis, been reflected in the final bids submitted under Round 4.

Accidents (Unqualified Electricians)

Mr. Kemp: To ask the Secretary of State for the Environment, Transport and the Regions how many accidents resulting from faulty work by non-qualified electricians have been recorded by the Health and Safety Executive in the last three years. [33513]

Angela Eagle: Accurate, comprehensive information in the form requested is not available. HSE publishes general figures for electrical accidents in its annual publication *Health and Safety Statistics 1996–97*. The figures for the last 3 years are:

Injuries involving contact with electricity or an electrical discharge 1994–95 to 1996–97[1]

Year	*Fatal*	*Major*	*Over 3 day*	*Total*
1994–95	14	296	614	924
1995–96	17	305	608	930
1996–97[1]	16	224	582	822

[1] Provisional.

Notes:

1. As reported to all health and safety enforcing authorities.
2. 1996–97 injury figures, except fatalities, cannot be directly compared to previous years as they were reported under the new RIDDOR 95 regulations.

Cardiff Bay Barrage

Mr. Rhodri Morgan: To ask the Secretary of State for the Environment, Transport and the Regions (1) what estimate he has made of the percentage of the United Kingdom *(a)* dunlin and *(b)* redshank over-wintering population covered by conservation agreements in connection with the agreements signed with the European Commission Environmental Protection Directorate at the time of approval for the Cardiff Bay Barrage; and if he will make a statement; [34173]

(2) what was the timetable agreed in undertakings given to the Environmental Protection Directorate of the European Commission at the time of the approval for the Cardiff Bay Barrage for the establishment of conservation agreements for habitats of *(a)* dunlin and *(b)* redshank expressed as a percentage of the over-wintering populations in any one year. [34174]

Angela Eagle: When the UK Government agreed compensatory measures for the loss of Cardiff Bay with the European Commission, it was estimated that some 80 per cent. of dunlin and 85 per cent. of redshank wintering populations would be covered by the eventual UK network of Special Protection Areas (SPAs) classified under the EU Birds Directive. There was no agreed timetable. We now know that the original population estimates, which were calculated using the total of the peak mean counts for the major sites identified in the UK's preliminary list of potential SPAs, as a percentage of the UK total wintering populations for both species, were too high. According to the most recent count data available (January 1996), 58 per cent. of all counted dunlin and 42 per cent. of counted redshank were on classified SPAs. Revised figures show that the completed SPA network will eventually cover 63 per cent. of the

wintering dunlin and 48 per cent. of the wintering redshank populations. The European Commission has been informed of these revised figures.

Planning Procedures

Mr. Laurence Robertson: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to review the Outline Planning Permission procedure and system; and if he will make a statement. [34092]

Mr. Raynsford: We have no plans to review the system for making and determining applications for outline planning permission.

Traffic Congestion (South Devon)

Mr. Sanders: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received regarding traffic congestion in the Kingskerswell area of South Devon; and if he will make a statement. [34034]

Ms Glenda Jackson: During the consultation on the Roads Review, my Department received seven representations, including ones from Devon County Council and Torbay Borough Council in favour of a Kingskerswell Bypass. We have also recently received three representations from organisations representing local business interests, supporting the project.

Following the decision in November 1996 to withdraw the scheme from the trunk road programme, Devon County Council has been looking at how it can take forward a bypass as a local road scheme under the Private Finance Initiative. On 17 November Devon County Council submitted a summary report outlining a private finance project to include the Kingskerswell Bypass.

Green Belt

Sir John Stanley: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 3 March 1998, *Official Report*, column 559, on planning consents in the green belt, if he will list the Parliamentary constituencies in which the 573 dwellings are located and the number in each. [33747]

Mr. Raynsford: The answer from my hon. Friend the Minister for the Regions, Regeneration and Planning to the right hon. Member for Tonbridge and Malling of 3 March refers to 373 dwellings in the Green Belt which have received planning consent on appeal since 1 May 1997. Information from the Planning Inspectorate received since reveals a total of 382 dwellings. Information on the location of these dwellings is not collected by reference to Parliamentary Constituency in which these consents were granted. The following table sets out the location of these dwellings by local authority area.

Local planning authority	*Number of dwellings*
Ashfield	1
Barnet	1
Bassetlaw	2
Brentwood	6
Bridgnorth	1
Bromley	6
Bromsgrove	2
Broxbourne	1
Broxtowe	1
Calderdale	2
Chiltern	9
Croydon	1
Elmbridge	1
Epping Forest	4
Guildford	5
Hammersmith and Fulham	4
Harrogate District Council	3
Harrow	1
High Peak outside Peak District National Park	1
Hillingdon	8
Kirklees outside Peak District National Park	1
Leeds	2
Macclesfield	4
New Forest	3
Newark and Sherwood	1
North East Derbyshire outside Peak District National Park	1
Northavon	11
Reigate and Banstead	1
Rochford	2
Rotherham	4
Rugby	1
Runnymede	2
Sevenoaks	7
South Bedfordshire	2
South Buckinghamshire	8
South Gloucestershire District Council	1
South Ribble	1
South Staffordshire	1
Stafford	1
Tandridge	171
Tewkesbury	1
Thamesdown Council	2
Trafford	2
Tunbridge Wells	1
Vale of White Horse	1
Vale Royal	1
Waverley	5
West Lancashire	3
Windsor and Maidenhead	14
Wychavon	66
Wycombe	1

Source:
PINS.

Thameslink 2000

Mr. Hopkins: To ask the Secretary of State for the Environment, Transport and the Regions if he has decided whether a public inquiry is to be held into Railtrack's application for an order under the Transport and Works Act 1992 in respect of the Thameslink 2000 project. [34676]

Ms Glenda Jackson: The Secretary of State has decided to defer until 25 September the date by which he must reach a decision on whether to hold a public inquiry into Thameslink 2000 (the "operative date"). This does not mean that there will necessarily be a further delay of 6 months in taking forward this application; the decision could be taken at any time up to 25 September.

MV Derbyshire

Mr. Hepburn: To ask the Secretary of State for the Environment, Transport and the Regions when he will

publish the Assessors' report into their survey of the "Derbyshire"; if he will order the reopening of the formal investigation into the loss of the vessel; and if he will make a statement. [34677]

Mr. Prescott: The Assessors' report into the survey of the Derbyshire, commissioned by my predecessor and the European Transport Commissioner is published today. Copies of the full Report and its Summary have been placed in the Library of the House.

As the Assessors' Report, and the survey material on which it is based, represents new and important evidence which could not be produced at the original investigation, I shall order the reopening of the Formal Investigation into the loss of the Derbyshire. Before I do so I am inviting interested parties to submit written representations within twelve weeks on whether the Formal Investigation should be reopened in whole or in part, on what questions it should address, and on whether the rehearing should be held by a wreck Commissioner or by the High Court.

Arrangements are being made to allow interested parties to examine the survey material collected by the Assessors.

MINISTER WITHOUT PORTFOLIO

Millennium Exhibition (Sponsorship)

Mr. Maude: To ask the Minister without Portfolio how many firms have pledged to provide sponsorship for the Millennium Exhibition. [31197]

Mr. Mandelson: I refer the right hon. Member to the answer I gave to my hon. Friend the Member for Pontefract and Castleford (Yvette Cooper) on 24 February 1998, *Official Report*, column *204*.

DUCHY OF LANCASTER

Surveys

Mr. Forth: To ask the Chancellor of the Duchy of Lancaster if he will list each information, promotional, marketing and opinion survey contract, with its value, concluded by his Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002. [32017]

Mr. Kilfoyle: For this answer my Department includes the Prime Minister's Office and the Central Office of Information.

The survey contracts or contracts that have included surveys that my Department has that extend across or expire in the years in the question are as follows:

A survey to establish the level of customer satisfaction in the Property Advisers to the Civil Estate (PACE); value—£21,800; duration 1996–97 to 1997–98.

A framework arrangement to consult members of the public on public services; the value depends on how often the arrangement is used (expenditure to date—£52,845); October 1996 to October 1998.

Advice on options for the provision of accommodation for the use of the Civil Service College including an assessment of private sector interest; value—£25,000; October 1997 to January 1998.

A survey to assess the extent to which citizens and small business in the UK would use electronically delivered public services; value—£440,000; October 1997 to July 1998.

A marketing survey to assist the Government Care and Despatch Agency formulating a new marketing strategy; value—£22,600; January to March 1998.

A framework arrangement to facilitate consultation with members of the public about the delivery of public services; value depends on how often the framework arrangement is used over its life; February 1998 to January 2001.

A survey of civil servants' views and experiences on lifelong learning; value—£54,788; March to July 1998.

Civil Service

Dr. Gibson: To ask the Chancellor of the Duchy of Lancaster what percentage of the administration trainees who joined the Civil Service in the last available year *(a)* were arts graduates, *(b)* were graduates of Oxford or Cambridge and *(c)* attended public schools. [33042]

Dr. David Clark *[holding answer 6 March 1998]:* In the 1997 General Fast Stream competition, 170 candidates were recommended by the Final Selection Board for appointment to the Fast Stream Development Programme of the Civil Service. Of these: *(a)* 66.5% were graduates in arts-related subjects; *(b)* 43.5% were graduates of Oxford or Cambridge; and *(c)* of the 82% of candidates where the information is available, 50% attended independent schools.

Mr. Alan W. Williams: To ask the Chancellor of the Duchy of Lancaster if he will make a statement about the future of the Next Steps policy of management reform in the civil service and about the 1997 Next Steps report. [34414]

Dr. David Clark: The Government have today published the 1997 Next Steps Report, CM-3889, which has been laid in both Houses. This report brings together performance and trend data on 138 executive agencies and four departments operating on Next Steps lines. It is now 10 years since the Next Steps policy was launched. As the report makes clear, the percentage of civil servants working in Next Steps agencies or in departments organised on Next Steps lines last year passed the target of 75 per cent. set during the early days of the project. This is a considerable milestone in a project which, with cross-party support, has brought improvements in efficiency and customer focus across a wide range of services provided by government.

The Government believe that the benefits from this change to civil service organisation can be developed further. Analysis of agency performance data shows that the need for continuous improvement has not always been given sufficient attention, in part because it has been overshadowed by the emphasis on agency creation. The Government are therefore marking a change in priorities by moving on from the agency creation phase of the Next Steps policy, and launching a new phase with the focus on performance. While agencies will continue to be created, the primary focus will be on further improving the quality, efficiency and convenience to users of agency services.

Ministers will be concerned to ensure that agency targets set out sufficiently clearly the level and direction of achievement required. Agencies will be encouraged to share best practice, including harnessing the full potential of IT and cooperating with other bodies beyond the agency boundaries. These themes will be further developed in the Better Government White Paper to be published later in the Spring. Building on the sound principles of Next Steps, it is our intention to see that the agencies of government are among the world leaders in delivering high quality, efficient and effective public services for the new Millennium.

Freedom of Information

Mr. Llew Smith: To ask the Chancellor of the Duchy of Lancaster how many *(a)* individuals, *(b)* companies, *(c)* campaign groups, *(d)* hon. Members of either House, *(e)* Members of the European Parliament and *(f)* government departments or agencies had responded to his consultation paper on freedom of information by the end of the consultation period; what proportions of each category responded by e-mail or participated in his on-line discussion forum; and if he will place in the Library (i) a list of respondents and (ii) copies of submissions not requesting confidentiality. [33118]

Dr. David Clark: By 10 March nearly 550 responses had been received to the consultation on the White Paper *Your Right to Know*, the Government's proposals for a Freedom of Information Act. The exact breakdown requested is not available but responses can be broken down as follows:

	Total number of responses	*Responses by e-mail*	*On-line discussion*
(a) individuals	159	102	38
(b) businesses	65	11	2
(c) media	6	1	0
(d) academics	59	14	0
(e) charities, lobby groups and campaign groups	79	20	4
(f) hon. Members of either House	4	0	0
(g) public authorities	145	15	1
(h) Members of the European Parliament	0	0	0
(i) others	26	7	3
Total	543	170	48

This table broadly covers categories *(a)* to *(e)* in the question. As far as category *(f)* is concerned the White Paper "Your Right to Know" contains the Government's collectively agreed proposals for a Freedom of Information Act. The consultation on the White Paper was therefore designed for members of the public and other outside interests, not Government departments or agencies, to submit their views on the proposals.

I will be placing a list of all respondees and copies of all submissions not requesting confidentiality in the Library shortly.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Chancellor of the Duchy of Lancaster if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33550]

Mr. Kilfoyle *[holding answer 9 March 1998]:* The bodies that fall within the responsibility of the Chancellor of the Duchy of Lancaster's Department (the Office of Public Service) and which are required to lay a report before Parliament are:

The Civil Service College

Security Facilities Executive

The Buying Agency.

The Central Office of Information is an executive agency and a separate Department within the responsibility of the Chancellor of the Duchy of Lancaster. It is also required to lay a report before Parliament.

All are covered by Treasury Accounts Directions and are therefore required by legislation to have their annual reports and accounts laid before Parliament.

Parliamentary Questions

Mr. Butterfill: To ask the Chancellor of the Duchy of Lancaster if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32702]

Dr. David Clark: No parliamentary question tabled to my Department since 1 May 1997 has taken more than eight weeks to answer.

PRESIDENT OF THE COUNCIL

Parliamentary Questions

Mr. Butterfill: To ask the President of the Council if she will list those parliamentary questions she has taken eight weeks or more to answer since 1 May 1997. [32701]

Mrs. Ann Taylor: None.

FOREIGN AND COMMONWEALTH AFFAIRS

Ministerial Transport

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the engagements he undertook in the United Kingdom in the course of his duties during January indicating in each case which were accessed by *(a)* car, *(b)* train, *(c)* aeroplane and car, *(d)* aeroplane and train and *(e)* other means. [28934]

Mr. Robin Cook *[holding answer 10 February 1998]:* My UK engagements in January were all within central London or Chevening and were accessed by car, except for two visits to my constituency which also required domestic scheduled flights. I also attended engagements in Washington, Ottawa, Beijing, Hong Kong, Strasbourg and Brussels, which were accessed by aeroplane and car.

Millennium Compliance

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when he last met the Chancellor of the Duchy of Lancaster to discuss his Department's progress towards millennium compliance. [32664]

Mr. Fatchett *[holding answer 3 March 1998]:* Officials from this department maintain regular contact with the Chancellor of the Duchy of Lancaster's officials.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what advice has been given to British embassies and consulates overseas concerning the need to achieve millennium computer compliance; and what funds he will make available for this purpose. [32670]

Mr. Fatchett *[holding answer 3 March 1998]:* All Strategic IT systems used in Embassies and Consulates (Posts) are supplied and maintained from the UK and compliance is addressed through our Millennium Programme. Regular Advice and progress reports are sent to Posts. No additional funds will be made available to Posts to address millennium issues.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will estimate the cost to his Department of *(a)* consultants and *(b)* contractors engaged by his Department to address millennium computer compliance problems; and if he will list them. [32665]

Mr. Fatchett *[holding answer 3 March 1998]:* Details of specific Year 2000 Consultants and Contractors are in the following list.

Estimated total cost of consultants: £25,000

Estimated total cost of contractors: £550,000

Consultants to date

Firmin Jack: £2,750

Mott Macdonald: £1,500

Provision for future expenditure: £20,750

Contractors to date

Lorien Computing: £40,000

Lorien Computing: £80,000

Satchwell: £5,000

Provision for future expenditure: £425,000.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs from which budgetary sub-head the costs of millennium compliance will be met by his Department. [32663]

Mr. Fatchett *[holding answer 3 March 1998]:* Costs will be met from the Running Costs and Capital Expenditure sub-heads of Vote 1 (Overseas Representation).

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs how many officials or individuals working within his Department on millennium compliance have *(a)* given notice of their intention to leave and *(b)* left his Department within the last six months. [32667]

Mr. Fatchett *[holding answer 3 March 1998]: (a)* None; *(b)* none.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when all testing on year 2000 computer compliance will be completed within his Department. [32666]

Mr. Fatchett *[holding answer 3 March 1998]:* All year 2000 testing of key IT systems in the FCO will be complete by December 1998.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department will be fully millennium compliant by September 1999. [32669]

Mr. Fatchett *[holding answer 3 March 1998]:* The FCO's plan is to have all of its key IT systems millennium compliant by the end of September 1999. We are on schedule to achieve that.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his estimate of the cost to his Department of his Department achieving millennium compliance. [32668]

Mr. Fatchett *[holding answer 3 March 1998]:* The current estimate of the cost to the FCO of achieving millennium compliance is £2,342,000.

Indonesia

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the Indonesian Government's recent application of Indonesia's Criminal Code, Law 5/1969. [32987]

Mr. Fatchett: We continue to monitor the situation.

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Indonesian Government's use of armed forces during recent riots. [32983]

Mr. Fatchett: We have urged the Indonesian authorities to respond to civil unrest with restraint.

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to alleviate the current economic crisis in Indonesia. [32982]

Mr. Fatchett: In conjunction with G7 and EU colleagues we are encouraging Indonesia to adhere to the IMF programme for Indonesia. I made this point directly to President Soeharto last week.

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to support a system of plural nominations in the forthcoming Indonesian presidential elections. [33008]

Mr. Fatchett: President Soeharto's reappointment took place in accordance with the Indonesian constitution. We support democracy, including free and fair elections, in all countries.

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will impose an immediate moratorium on all defence equipment being sold to the Indonesian Government; and if he will make representations to other EU states to act in the same manner. [32986]

Mr. Fatchett: No. We consider all export licence applications case by case against the criteria published in July 1997.

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the *(a)* system of elections, *(b)* freedom of assembly or association, *(c)* freedom of speech and *(d)* establishment of non-governmental organisations in Indonesia. [32981]

Mr. Fatchett: We watch the Indonesian political scene closely. We encourage all countries to follow the highest standard of governance.

Caribbean (Nuclear Waste)

Mr. Llew Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 24 February 1998, *Official Report*, column *191*, on the basis of what advice he was able to give reassurances over the safety and liability of nuclear waste shipped through the Caribbean; if he will make a statement on the comments he made on this matter at a press conference in Nassau; and if he will place in the Library a copy of the Communiqué of the Caribbean-UK ministerial meeting. [33131]

Mr. Fatchett: The International Maritime Organisation and the International Atomic Energy Agency set extremely high standards for shipments of nuclear waste. My right hon. Friend the Foreign and Commonwealth Secretary was able to assure Caribbean Ministers that the ships that BNFL use for such cargoes fully meet or exceed these standards. The casks containing the waste are massive steel structures designed to withstand collision, fire and submersion. The waste itself is in a solid glass-like form which could not cause widespread contamination in any credible accident scenario. These are regular commercial shipments; the companies involved are substantial and are required to carry liability insurance. I have placed copies of the Statements issued at the end of the UK/Caribbean Forum in the Libraries of both Houses.

European Community Legislation

Sir Richard Body: To ask the Secretary of State for Foreign and Commonwealth Affairs what proportion of draft European Community legislation in 1997 was not subject to discussion at the College of Commissioners prior to submission to the Council of Ministers; what proportion of legislation the Council of Ministers was not required to approve before enactment; and what assessment he has made of the procedures in respect of such legislation. [33884]

Mr. Doug Henderson: All Commission proposals for legislation to be adopted by the Council of Ministers are first approved by the College of Commissioners.

In addition, the Commission has the power to make legislation under powers which are delegated in specific cases under primary legislation approved by the Council of Ministers. Such measures constitute more than 90 per cent. of Community legislative acts, the majority being detailed market management measures. They are normally subject to scrutiny by a committee of Member States' representatives, and may in some cases be referred to the Council of Ministers.

A review of the procedures for the exercise of implementing powers conferred on the Commission is envisaged in Declaration No. 31 attached to the Final Act of the Amsterdam Treaty.

Qualified Majority Voting

Sir Richard Body: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 3 March 1998, *Official Report*, column *511*, on qualified majority voting, if he will define matters other than the approximation of laws; which body will determine if a measure falls into this category; and what measures are planned to be implemented under this provision. [33919]

Mr. Doug Henderson: Under Article 34(2)(c) of the Treaty on European Union as introduced by the Treaty of Amsterdam, the Council may adopt decisions for any purposes consistent with the objectives of Title VI (provisions on police and judicial co-operation in criminal matters) which do not involve approximation of the laws and regulations of the Member States. These might include decisions concerning measures of practical co-operation or expenditure programmes in the police and judicial field, but it is too soon to anticipate what measures might be adopted under this provision.

It will be for the Council to determine whether measures will fall into this category.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32709]

Mr. Tony Lloyd: None.

Chile

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs if representatives of the British Embassy in Santiago, Chile will attend the swearing in of General Pinochet as a senator for life; and if he will make a statement. [34093]

Mr. Tony Lloyd: No member of the British Embassy in Santiago attended this ceremony.

Visa Applications

Mr. Rooney: To ask the Secretary of State for Foreign and Commonwealth Affairs when a decision will be made on the visa application by Adul Rehman, Islamabad reference IMM/E2002. [34161]

Mr. Fatchett: Our High Commission in Islamabad have referred the application to the Home Office and await their decision on the application. My noble friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs will write to my hon. Friend within one week of Islamabad receiving those instructions.

Partners in Europe

Sir Teddy Taylor: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received on the distribution of the Partners in Europe information pack. [33013]

Dr. Howells: I have been asked to reply.

The DfEE has received widespread positive feedback from those receiving the pack: teachers in particular have indicated that they have found it helpful for their curriculum work. The pack has also prompted nearly 600 entries for the "Celebrating Europe" competition. We have received 8 complaints about the pack relating to its cost or relevance.

PRIME MINISTER

Overseas Visits

Mr. Bercow: To ask the Prime Minister how many overseas visits have been made by his political advisers at public expense since 1 May. [25140]

The Prime Minister *[holding answer 23 January 1998]:* My Chief of Staff and Chief Press Secretary have usually accompanied me on visits overseas. Apart from them, I have been accompanied by special advisers on five overseas visits.

Royal Prerogative

Mr. Baker: To ask the Prime Minister what plans he has to increase democratic involvement and accountability in matters currently dealt with under the Royal Prerogative. [33645]

The Prime Minister *[holding answer 10 March 1998]:* The Government are committed to the renewal of democracy in the United Kingdom and have already begun a programme of constitutional reform to this end. There are no plans at present to legislate on matters dealt with under the Royal Prerogative.

Bloody Sunday

Mr. McNamara: To ask the Prime Minister to which parts of the Government's archives, relating to the events in Derry on Bloody Sunday, the 75 year rule will apply. [33980]

The Prime Minister *[holding answer 11 March 1998]:* Following the completion of the public inquiry into the events of 30 January 1972 in Londonderry (the Widgery Tribunal) the inquiry papers and evidence were transferred to the Public Record Office where they are open for public inspection. Only one piece, HO219/56, remains closed for 75 years, until 2048, for reasons of personal sensitivity.

A number of Government Departments may still have papers relating to the events of Bloody Sunday, but these will not yet have been reviewed under normal 30 year rule procedures.

ATTORNEY-GENERAL

Barristers

Mr. Gordon Prentice: To ask the Attorney-General, pursuant to his answer of 3 March 1998, *Official Report*, column *539*, if he will make it his policy to collect information on the numbers of barristers from the ethnic minorities on the panels he uses for common law and chancery work. [33376]

The Attorney-General: I have set up a working party to review how appointments of counsel concerned with the Crown's civil work are made, to consider monitoring of the use of counsel once appointed and to make recommendations to me. The working party, which is being chaired by the Solicitor-General and includes two representatives of the General Council of the Bar of England and Wales, will consider specifically whether a formal data collection mechanism should be established. After the working party has reported to me, I shall consider their recommendations and I shall announce any changes in policy which I propose to implement.

Parliamentary Questions

Mr. Butterfill: To ask the Attorney-General if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32703]

The Attorney-General: I have not had any parliamentary questions since 1 May 1997 that have taken eight or more weeks to answer.

EDUCATION AND EMPLOYMENT

Market Research

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what expenditure has been incurred by his Department, agencies and non-departmental public bodies *(a)* in 1996–97 and *(b)* since 1 May 1997 on (i) opinion polling, (ii) focus groups and (iii) other forms of market research; if he will list the surveys commissioned and the purpose of each; and if he will make a statement. [26681]

Dr. Howells *[holding answer 5 February 1998]:* The Government are committed to consulting and involving the public in order to help inform both policy formulation and the delivery of quality public services, and to ensure that we receive the best value for money from our publicity spend.

Details of expenditure incurred by the Department, through the Central Office of information, on (i) opinion polling, (ii) focus groups and (iii) other forms of market research are shown in the following table.

Information about market research commissioned by the Department's agencies and non-departmental public bodies is not held centrally.

Description of research contract	*Date*	*Type*	*Value (£)*
(a) 1996–97			
Free your potential campaign development research	June 1996	Qualitative	10,667
Primary school performance tables development research	July 1996	Qualitative	5,441
Free your potential creative development research	July 1996	Qualitative	10,667
Jobcentres campaign development research	August 1996	Qualitative	18,812
Nursery voucher scheme campaign creative development research	September 1996	Qualitative	14,359
Adult learners week awareness research	September 1996	Quantitative	19,139
Career development loans campaign evaluation research	September 1996	Quantitative	26,579
Disability Discrimination Act consultation research	September 1996	Qualitative	19,799
National traineeships development research	September 1996	Qualitative	22,173
Nursery voucher scheme pre-campaign evaluation research	October 1996	Quantitative	51,148
1996 Secondary schools performance tables pre- and post-campaign evaluation research	November 1996/ January 1997	Quantitative	52,617
Assisted places scheme creative development research	November 1996	Qualitative	4,818
Grant-maintained schools tracking research	November 1996	Quantitative	9,272
Nursery voucher scheme tracking research among parents	November 1996	Quantitative	15,064
Nursery voucher scheme providers' pack survey	November 1996	Quantitative	17,354
Analysis of response to action special broadcasting initiative	November 1996	Quantitative	9,248
Nursery voucher scheme information line research	December 1996	Quantitative	19,176
National traineeships development research	December 1996	Qualitative	19,905
Nursery vouchers scheme tracking research among parents	February 1997	Quantitative	17,061
Nursery voucher scheme research among non registered providers	February 1997	Quantitative	11,186
Research into the information needs of parents with school age children	February 1997	Qualitative	5,510
Disability discrimination act tracking research among employers	February 1997	Quantitative	30,350
Primary school performance tables pre-campaign evaluation research	February/March 1997	Quantitative	32,148
Evaluation of *Schools Update* Newsletter	March 1997	Qualitative	5,946
Nursery vouchers scheme post-campaign evaluation research	March 1997	Quantitative	22,000
Career development loans creative development research	March 1997	Qualitative	21,720
Disability booklet development research	March 1997	Qualitative	18,037
Career development loans response campaign	March 1997	Quantitative	14,247
(b) Since 1 May 1997			
Evaluation of *Schools Update* Newsletter	May/June 1997	Qualitative	22,407
Research into design and content of the national record of achievement	June 1997	Qualitative	35,720
Analysis of the responses to the *Excellence in schools* white paper consultation	July 1997	Quantitative	31,150
Secondary schools performance tables development research	September/ November 1997	Desk Research	4,460
Research into jobcentre corporate identity	September 1997	Desk Research	4,200
Research into new jobcentre corporate identity	September 1997	Qualitative	43,908
Learning entitlement development research	October 1997	Qualitative	13,137
Research to explore the reactions of unemployed and jobcentre staff and managers to the new deal	November 1997	Qualitative	43,152
Research to explore reactions to the new deal among partners	November 1997	Qualitative	21,004
Student support advertising campaign awareness	December 1997	Quantitative	15,969
Research among students and employers to the Government's proposals for 16–19 qualifications	December 1997	Qualitative	32,736
Employment service values staff survey	December 1997	Data Processing	13,484
Career development loans direct mail research	December 1997	Qualitative	16,650
New deal campaign development research	December 1997	Qualitative	26,003
Analysis of the responses to the consultation on the Government's proposals for 16–19 qualifications	January 1998	Quantitative	27,262
Research among mature students to the Government's proposed changes to tuition fees	January 1998	Quantitative	9,336
Research into levels of awareness of the national training organisations among employers, partners, and TECs	January 1998	Qualitative	19,693
New deal leaflet creative development research	January 1998	Qualitative	20,898
Careers service corporate identity research	January 1998	Qualitative	17,590
DfEE Website evaluation	February/March 1998	Qualitative	37,530
Disability discrimination act small employers consultation analysis	February/March 1998	Quantitative	19,881
Disability discrimination act creative development research	February 1998	Qualitative	14,335
Disability discrimination act research among general public	February 1998	Quantitative	17,202
Research among potential target audience into perceived need for individual learning accounts	February 1998	Qualitative	17,496
National traineeships creative development research	February 1998	Qualitative	14,300
Disability discrimination act information line research	March 1998	Quantitative	16,685
Careers service publications research	March 1998	Qualitative	34,463
Career development loans campaign response research	March 1998	Quantitative	12,500
Career development loans awareness research	March 1998	Quantitative	12,500

University Applications

Mr. Willis: To ask the Secretary of State for Education and Employment what assessment he has made of the impact of the announcement of the introduction of tuition fees on applications for university places in 1998. [29977]

Dr. Howells: The latest figures from the University and Colleges Admissions Service (UCAS) show that the fall in applicant numbers by 15 December was—at some 4 per cent.—even lower than the figure it announced before Christmas (6 per cent.); and by 5 February the fall in applicant numbers compared with the same date last year was down to just under 3 per cent. It is still too early to use these figures as a definitive guide to final applicant or entrant numbers. Last year, applicant numbers as at 15 December represented about 75 per cent. of the final number received. However, they are a welcome sign that many prospective students and their parents now understand the fairness of the Government's proposals.

Music Teachers

Mr. Hoyle: To ask the Secretary of State for Education and Employment what minimum qualifications are required to allow a person to teach pupils to play musical instruments in schools. [33364]

Ms Estelle Morris: Musical instrument tuition is usually given by peripatetic instructors. It is the responsibility of schools and LEAs to decide if instructors are adequately qualified. No minimum qualification requirements are laid down nationally. If, however, such instruction in a state funded school is given by a person who is employed as a teacher, it is a condition of their employment that they should normally hold qualified teacher status.

PGCE Courses

Mr. Alan Campbell: To ask the Secretary of State for Education and Employment what plans he has to remove the upper age limit for entrants to PGCE courses. [33792]

Ms Estelle Morris: The Department's requirements for courses of initial training do not stipulate age limits for entry to PGCE or other initial training courses. Providers, who are responsible for the selection of candidates, are expected to use their discretion to ensure that all trainees who successfully complete a course will be employable.

Class Sizes

Mr. Don Foster: To ask the Secretary of State for Education and Employment how many classes at KS1 in each LEA had more than 30 pupils in *(a)* January 1996 and (b)January 1997. [33836]

Mr. Byers *[holding answer 10 March 1998]:* The available information on number of classes at key stage 1 of more than 30 pupils taught by one teacher in maintained primary schools is shown in the table.

Number of classes at key stage 1 of more than 30 pupils taught by one teacher in maintained primary schools by local education authority area

		January
	1996	*1997*
England	13,502	14,584
North East	643	725
Cleveland	92	'—
Hartlepool	'—	32
Middlesbrough	'—	27
Redcar and Cleveland	'—	33
Stockton-on-Tees	'—	31
Durham	181	229
Northumberland	121	112
Gateshead	22	19
Newcastle upon Tyne	79	90
North Tyneside	69	67
South Tyneside	40	40
Sunderland	39	45
North West and Merseyside	2,580	2,761
North West	2,119	2,277
Cheshire	308	329
Cumbria	138	117
Bolton	143	142
Bury	88	88
Manchester	93	105
Oldham	105	120
Rochdale	93	104
Salford	89	96
Stockport	95	129
Tameside	131	132
Trafford	95	106
Wigan	131	140
Lancashire	610	669
Merseyside	461	484
Knowsley	49	69
Liverpool	139	160
St. Helens	64	73
Sefton	137	115
Wirral	72	67
Yorkshire and Humberside	1,455	1,699
Humberside	272	'—
East Riding of Yorkshire	'—	95
City of Kingston-upon-Hull	'—	107
North East Lincolnshire	'—	71
North Lincolnshire	'—	53
North Yorkshire pre April 1996	142	'—
York	'—	33
North Yorkshire post April 1996	'—	148
Barnsley	70	98
Doncaster	108	118
Rotherham	45	77
Sheffield	97	92
Bradford	165	202
Calderdale	76	74
Kirklees	134	164
Leeds	264	240
Wakefield	82	127
East Midlands	1,019	1,154
Derbyshire	363	408
Leicestershire	184	215
Lincolnshire	126	126
Northamptonshire	149	160
Nottinghamshire	197	245

Number of classes at key stage 1 of more than 30 pupils taught by one teacher in maintained primary schools by local education authority area

	January	
	1996	*1997*
West Midlands	1,778	1,763
Hereford and Worcester	137	137
Shropshire	111	109
Staffordshire	374	338
Warwickshire	214	203
Birmingham	329	342
Coventry	109	100
Dudley	88	95
Sandwell	130	134
Solihull	117	115
Walsall	73	77
Wolverhampton	96	113
Eastern	1,130	1,273
Bedfordshire	174	156
Cambridgeshire	164	223
Essex	311	332
Hertfordshire	261	352
Norfolk	127	110
Suffolk	93	100
London	1,472	1,555
Inner London	189	218
City of London	0	0
Camden	4	7
Hackney	13	17
Hammersmith and Fulham	10	17
Haringey	18	17
Islington	14	10
Kensington and Chelsea	2	3
Lambeth	12	15
Lewisham	18	15
Newham	23	40
Southwark	22	25
Tower Hamlets	11	15
Wandsworth	35	31
Westminster	7	6
Outer London	1,283	1,337
Barking and Dagenham	23	28
Barnet	23	39
Bexley	123	126
Brent	24	23
Bromley	159	187
Croydon	109	116
Ealing	78	83
Enfield	113	135
Greenwich	15	25
Harrow	60	44
Havering	76	77
Hillingdon	43	49
Hounslow	72	63
Kingston-upon-Thames	100	88
Merton	58	53
Redbridge	99	70
Richmond-upon-Thames	44	51
Sutton	32	51
Waltham Forest	32	29
South East	2,077	2,260
Berkshire	151	151
Buckinghamshire	220	228
East Sussex	277	315
Hampshire	532	586
Isle of Wight	28	23
Kent	461	524
Oxfordshire	72	87
Surrey	213	230
West Sussex	123	116

Number of classes at key stage 1 of more than 30 pupils taught by one teacher in maintained primary schools by local education authority area

	January	
	1996	*1997*
South West	1,348	1,394
Avon	312	[1]—
Bath and NE Somerset	[1]—	29
City of Bristol	[1]—	115
North Somerset	[1]—	51
South Gloucestershire	[1]—	114
Cornwall	135	144
Isle of Scilly	0	0
Devon	233	241
Dorset	253	284
Gloucestershire	157	153
Somerset	132	152
Wiltshire	126	111

[1] Not applicable.

County Music Services

Mrs. Organ: To ask the Secretary of State for Education and Employment how many county councils have music services; how many local education authorities support and finance county music centres; and how many county councils and local education authorities finance youth orchestras and boards. [33746]

Ms Estelle Morris: This information is not collected centrally.

Mrs. Organ: To ask the Secretary of State for Education and Employment what measures the Government are taking to enable county councils and local education authorities to ensure a secure financial basis for music services. [33745]

Ms Estelle Morris: It is for local education authorities and governing bodies to decide what proportion of their budget to spend on central music services. The Government are currently considering ways in which it might be possible to increase opportunities for children to have equitable access to high quality musical instrument tuition.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Education and Employment if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32707]

Dr. Howells: Two thousand, five hundred and seventy six Parliamentary Questions have been tabled to the Department between 1 May 1997 and 12 March 1998. All have been answered within eight weeks of being tabled.

CULTURE, MEDIA AND SPORT

Sports Funding

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport how much National Lottery money was received by the governing bodies of sport and recreation in *(a)* 1996–97 and *(b)* 1997–98. [33306]

Mr. Banks: Most applications are made by local organisations. Awards made by the English Sports Council from the National Lottery Sports Fund to the governing bodies of sport themselves are as follows:

£000

	1996–97	*1997–98*
Capital awards[1]	93	2,703
Revenue awards[1]	—	[2]23,448
Total	93	26,151

[1] Includes awards made to English and UK/GB governing bodies of sport.
[2] Includes £8.9 million subsistence costs awarded direct to athletes in response to applications from governing bodies of sport.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if he will list the total grant-in-aid awarded to the national governing bodies of sport and recreation in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [33304]

Mr. Banks: The total grant-in-aid awarded by the United Kingdom and the English Sports Councils for the years in question is set out in the table. Many governing bodies also benefit from a number of services and programmes provided by the Sports Councils or organisations funded by them, and from the use of facilities and services provided by the six National Sports Centres. My Department provides grant-in-aid directly to the British Chess Federation.

£000

	1996–97	*1997–98*[1]	*1998–99*[2]
UK Sports Council grants	[3]1,616	5,481	5,203
English Sports Council grants	[3]1,574	4,782	5,535
GB Sports Council grants	[4]8,126	—	—
British Chess Federation	49	49	49
Total	11,365	10,312	10,787

[1] Forecast outturn.
[2] Budget figure.
[3] The United Kingdom and the English Sports Councils became fully operational on 1 January 1997, when they took over the responsibilities and functions of the GB Sports Council. The figure, therefore, covers the period 1 January 1997–31 March 1997.
[4] The figure covers the period 1 April 1996–31 December 1996.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if he will list the amount of grant-in-aid to *(a)* the United Kingdom Sports Council and *(b)* the English Sports Council for the years (i) 1996–97, (ii) 1997–98 and (iii) 1998–99. [33305]

Mr. Banks: The amount of grant-in-aid to the United Kingdom Sports Council and the English Sports Council for the years in question is set out in the table.

£000

	1996–97	*1997–98*[1]	*1998–99*[2]
UK Sports Council	[3]4,047	11,824	11,600
English Sports Council	[3]15,679	33,725	33,289
Total	19,726	45,549	44,889

[1] Forecast outturn.
[2] Provision.
[3] The United Kingdom and the English Sports Councils became fully operational on 1 January 1997, when they took over the responsibilities and functions of the GB Sports Council. The figure, therefore, covers the period 01/01/97—31/03/97. The GB Sports Council received £27.676 million in grant-in-aid during the period 01/04/96—31/12/96.

Concessionary Television Licences

Mr. Wills: To ask the Secretary of State for Culture, Media and Sport, pursuant to his oral answer to the hon. Member for Bolton, North-East (Mr. Crausby) of 16 February 1998, *Official Report*, column 747, what was the basis of the calculation of the figure of £450 million a year with reference to the cost of extending the concessionary television licence scheme. [33502]

Mr. Fisher: The figure of £450 million a year referred to in my reply to my hon. Friend the Member for Bolton, North-East (Mr. Crausby) relates to the estimated cost in lost television licence fee revenue of providing concessionary television licences for all pensioner-only households. These costs are estimated at £463 million in the case of free licences and £437 million for £5 licences.

Mr. Wills: To ask the Secretary of State for Culture, Media and Sport (1) what would be the cost of introducing a concession of 50 per cent. on television licences for all pensioner households; [33468]

(2) what would be the cost of extending the present entitlement to concessionary television licences to all pensioners over *(a)* 75 and *(b)* 80 years of age. [33469]

Mr. Fisher: To provide a 50% reduction in the licence fee for all pensioner-only households would cost approximately £232 million annually in lost television licence fee revenue. To extend the existing £5 concessionary television licence scheme to households where all members are aged 75 or over would cost an estimated £153 million a year; to extend the scheme to households where all members are aged 80 or over would cost approximately £79 million a year.

Out-of-school Clubs

Mr. Gibb: To ask the Secretary of State for Culture, Media and Sport how the proposed out-of-school clubs are to be funded; and if he will specify the percentage of funding coming from each source. [34170]

Mr. Banks: Subject to the passing of the National Lottery Bill, the New Opportunities Fund will allocate £400 million from the new Lottery good causes to the out-of-school hours activities initiative. Of this, £180 million will be directed towards out-of-school hours learning activities and £220 million will support out-of-school child care, including £20 million for integrated childcare and education schemes. The New Opportunities Fund, like other Lottery distributors, will seek a partnership contribution from applicants for projects, but this will be flexible and will take account of applicants' ability to obtain such support.

The Government are, separately, making available an additional £80 million for child care from Exchequer sources: £30 million from receipts from the windfall tax and £50 million from the Out-of-School Child care initiative[1].

[1] In England only.

SCOTLAND

Contaminated Land

Mr. Brake: To ask the Secretary of State for Scotland if he will list the number of hectares of contaminated land in each of the last 12 years in each county and region. [33036]

Mr. Macdonald: Information on contaminated land in each of the last 12 years is not available centrally. However, the Scottish Vacant and Derelict Land Survey 1996 provides some information on contamination. Of the 8,482 hectares (2,546 sites) of derelict land recorded in the survey, 1,672 ha (279 sites) are suspected to be contaminated and 1,490 ha (181 sites) are known to be contaminated. The known contamination of derelict land by local authority area is as follows:

Known contaminated derelict land by council area 1996

Council	*Area(ha)*	*Number of sites*
Aberdeenshire	2	1
Angus	9	4
Argyll and Bute	8	3
West Dunbartonshire	4	3
Dumfries and Galloway	129	2
East Dunbartonshire	14	3
East Lothian	2	2
East Renfrewshire	16	1
Falkirk	34	4
Fife	428	12
Glasgow	161	19
Highland	107	8
Inverclyde	0	1
Midlothian	66	8
North Ayrshire	224	77
North Lanarkshire	151	16
Perthshire and Kinross	3	1
South Ayrshire	3	1
South Lanarkshire	60	11
Stirling	33	1
West Lothian	39	3
Scotland	1,490	181

Notes:
1. Figures may not sum due to rounding.
2. Unlisted Councils report no known contaminated land.

Copies of the full report on the Scottish Vacant and Derelict Land Survey are available in the House of Commons Library.

History Teaching

Mr. Gorrie: To ask the Secretary of State for Scotland what plans he has to ensure that all pupils leaving Scottish schools have studied some Scottish, British and other history. [33386]

Mr. Wilson: A number of opportunities already exist for pupils to study a wide range of history in Scottish schools. The National Guidelines on Environmental Studies 5–14 for pupils between those ages recommend that historical studies are drawn from 5 periods and include Scottish, British and other (European and World) contexts. Standard Grade courses for pupils aged 14–16 provide opportunities to study history in Scottish, British and other wider contexts. Further opportunities for the study of Scottish, British and other areas of history are provided in the current Revised Higher and Certificate of Sixth Year Studies courses. Provision for the post-16 age group will be enhanced following the introduction of Higher Still in 1999. Courses and units will be available at 5 levels. Students undertaking the new History courses at Intermediate 1, Intermediate 2 or Higher levels will study at least one Scottish/British topic and at least one European/World topic.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33549]

Mr. Dewar: *[holding answer 9 March 1998]:* The information is as follows:

Accounts Commission for Scotland
Ancient Monuments Board for Scotland
Crofters' Commission
Deer Commission for Scotland
East of Scotland Water Authority
Forestry Commission
Gaelic Broadcasting Committee
General Register Office for Scotland
Highlands and Islands Airports Ltd.
Highlands and Islands Enterprise
Historic Buildings Council for Scotland
National Board for Nursing, Midwifery and Health Visiting for Scotland
National Galleries of Scotland
National Museums of Scotland
North of Scotland Water Authority
Parliamentary Boundary Commission for Scotland
Parole Board for Scotland
Registers of Scotland
Royal Botanic Garden
Scottish Children's Reporter Administration
Scottish Conveyancing and Executry Services Board
Scottish Enterprise
Scottish Environment Protection Agency
Scottish Fisheries Protection Agency
Scottish Higher Education Funding Council
Scottish Homes
Scottish Hospital Trust
Scottish Hospital Endowment Research Trust
Scottish Industrial Development Advisory Board
Scottish Land Court
Scottish Law Commission
Scottish Legal Aid Board
Scottish Legal Services Ombudsman
Scottish Natural Heritage
Scottish Office Pension Agency
Scottish Prison Service
Scottish Qualifications Authority
Scottish Record Office
Scottish Sports Council
Scottish Tourist Board
Scottish Transport Group
Student Awards Agency for Scotland
West of Scotland Water Authority.

Notes:

1. Reports have been taken as including Accounts, where these are produced separately.

2. The list includes bodies which lay a report before Parliament by virtue of foundational requirements other than primary legislation.

3. In some cases the reports are required to be submitted in the first instance to the Secretary of State who is responsible for laying them before Parliament.

Regional Selective Assistance

Dr. Ladyman: To ask the Secretary of State for Scotland if he will list, for each offer of regional selective assistance made during 1997, the percentage of the project's capital cost represented by the grant offered; and if he will indicate, for each offer, if it related to an area of full or intermediate assisted area status. [33704]

Mr. Wilson: Each year there are more than 200 offers of Regional Selective Assistance in Scotland. Information about the capital costs of individual projects is commercially confidential. The percentages of grant to capital costs for the total of RSA offers in 1997 in the Scottish Development Areas range from a minimum of 2.8 per cent. to a maximum of 29 per cent., and 2.8 per cent. to 14.9 per cent. respectively in Intermediate Areas. These figures are calculated on the basis of Net Grant Equivalent, which is expressed as the discounted value of grant, net of tax, as a proportion of the discounted fixed capital costs. These vary widely according to the type of project and reflect the selective nature of the RSA scheme whereby projects are secured for the minimum necessary costs.

Creagan Bridge

Mrs. Ray Michie: To ask the Secretary of State for Scotland when work on the construction of the Creagan Bridge will begin; and what is the forecast date for its completion. [33682]

Mr. McLeish: The contract will be awarded later this month with construction work expected to commence in late April. The anticipated completion date for the contract is Spring 1999.

Cairngorm Funicular Railway

Mr. Randall: To ask the Secretary of State for Scotland what conditions he has placed on the Highland and Island Enterprise's expenditure on the proposed funicular railway on Cairngorm. [33608]

Mr. Wilson: The approval of my right hon. Friend to the financial contribution of Highlands and Islands Enterprise to the Cairngorm funicular railway project was made subject to the following conditions:

1. that the project succeeded in securing the remaining capital funding needed to carry it out;

2. that there should be no further financial contribution to the project from Highlands and Islands Enterprise or from any other source funded by the Secretary of State; and

3. that Moray, Badenoch and Strathspey Enterprise, the local enterprise company for the area, should exercise its right to appoint a director to the Board of the Cairngorm Chairlift Company.

Mr. Randall: To ask the Secretary of State for Scotland (1) if his economic evaluation prior to his decision to agree to Highland and Islands Enterprise's expenditure on the proposed funicular railway on Cairngorm included estimates of the likely impact on the *(a)* summer and *(b)* winter business of other Scottish ski centres; [33676]

(2) what estimate he has made of the number of summer visitors to the proposed funicular railway on Cairngorm; and if he will make a statement on the basis for this prediction; [33609]

(3) if he will publish the economic evaluation he conducted prior to his decision to agree to Highlands and Island Enterprise's expenditure on the proposed funicular railway on Cairngorm. [33602]

Mr. Wilson: My right hon. Friend has not undertaken any separate economic evaluation of the proposed Cairngorm funicular railway. The economics appraisal of the project was an operational matter for the Highlands and Islands Enterprise network. I have asked the Chairman of that organisation to write to the hon. Member.

Mr. Randall: To ask the Secretary of State for Scotland (1) what is the estimated increase in turnover of the Cairngorm ski area following the introduction of the proposed funicular railway; how many new full-time equivalent jobs are predicted to be created; and what the average rate of pay is likely to be for those jobs; [33607]

(2) what aspects of the original scheme for a funicular railway on Cairngorm have been dropped under recent proposals to reduce the projected cost; and what estimate has been made of the impact of these changes on the projected number of summer visitors. [33671]

Mr. Wilson: These aspects of the appraisal of the Cairngorm funicular railway project are an operational matter for the Highlands and Islands Enterprise network which conducted that appraisal. I will ask the Chairman of that organisation to write to the hon. Member.

Tourism

Mr. Spring: To ask the Secretary of State for Scotland if he will make a statement on the percentage of *(a)* domestic holiday makers and *(b)* overseas visitors to the United Kingdom who spend their holiday in Scotland. [33817]

Mr. Wilson: In 1996, the latest year for which figures are available, 9.9% of domestic holiday trips were made to Scotland, while 10.4% of overseas holiday trips to the UK included Scotland.

Mr. Spring: To ask the Secretary of State for Scotland what tourism initiatives he is undertaking in respect of *(a)* accommodation schemes and quality standards, *(b)* promoting Scotland, *(c)* trade communication, *(d)* market and product intelligence and research, *(e)* training and *(f)* market access and information. [33813]

Mr. Wilson: A new quality assurance scheme for accommodation providers and for visitor attractions has been introduced by the Scottish Tourist Board.

Promotional activity for tourism in Scotland will benefit from the Government's decision to allocate £19.3 million to the Scottish Tourist Board in 1998–99, an increase of £1 million over the planned provision by the previous Administration.

The Scottish Tourist Board, with assistance from the Department of Trade and Industry sector challenge fund, is implementing an information technology strategy for the industry. This will enable tourists to access information and make bookings more easily. Trade communication has benefited from the work of the Scottish Tourism Forum, an industry representative body established by The Scottish Office.

I announced in October 1997 the establishment of a group to consider and advise on how the tourism industry in Scotland can maximise its performance as we enter the new Millennium. The group will be chaired by Lord Gordon of Strathblane, the new Chairman of the Scottish Tourist Board, and will report to the Scottish Tourism Co-ordinating Group, which I chair.

I am announcing later this month further action designed to promote tourism training and tourism as a career.

Further details about these and other initiatives are set out in the "Scottish Tourism Strategic Plan Progress Report 1998", which I will publish next week. I shall ensure that the hon. Member receives a copy, and that copies are placed in the Libraries of both Houses of Parliament.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Scotland if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32715]

Mr. Dewar: Regrettably this information is currently not held centrally. However, arrangements have been made to ensure that it will be recorded from 1 March onwards.

Police Housing

Mr. Swinney: To ask the Secretary of State for Scotland if he will list the police forces in Scotland which have not followed the guidance of the Police Advisory Board for Scotland to provide serving officers with the opportunity to purchase a police house they inhabit at terms comparable with those available under the Housing (Scotland) Act 1987. [33991]

Mr. McLeish: Police houses are the property of the police authorities who have discretion to decide whether or not to dispose of particular houses and whether a discount should be offered in such cases on terms comparable with those available under the Housing (Scotland) Act 1987. Information about the terms of sale of police houses is not held centrally.

Schools

Mr. Godman: To ask the Secretary of State for Scotland what is the proportion of schools in *(a)* the Strathclyde area and *(b)* Scotland as a whole, which do not have school boards; and if he will make a statement. [33691]

Mr. Wilson: The information held centrally is given in the table. It is taken from statistical returns by education authorities to The Scottish Office on the results of the biennial elections in 1995–96.

Education authority primary, secondary and special schools: May 1996

	Number of eligible schools[1]	*Schools with no board*	
		Number	*Percentage*[2]
Scotland	2,828	671	23.7
Ex Strathclyde	1,124	189	16.8
Argyll and Bute	98	3	3.1
East Ayrshire	66	3	4.5
East Dunbartonshire	47	0	—
East Renfrewshire	32	0	—
City of Glasgow	280	98	35.0
Inverclyde	42	4	9.5
North Ayrshire	67	6	9.0
North Lanarkshire	170	34	20.0
Renfrewshire	69	2	2.9
South Ayrshire	54	6	11.1
South Lanarkshire	153	24	15.7
West Dunbartonshire	46	9	19.6

[1] Twenty-five schools in Scotland, including nine in the former Strathclyde area were not required to form a School Board because of their small roll.

[2] Percentage of eligible schools.

Police Statistics

Mr. McNamara: To ask the Secretary of State for Scotland if he will list the *(a)* population served, *(b)* geographical area covered and *(c)* strength of each police force in Scotland and the ratio of (c) in each force area to *(a)* and (b); and what is the ratio of police officers (i) per head of population and (ii) to geographical area in Scotland as a whole. [33327]

Mr. McLeish: The information requested is set out in the tables.

Force	*Police strength (31.12.97)*	*Population*	*Ratio of police strength to population served*
Central	693	274,600	1:396
Dumfries and Galloway	441	147,600	1:335
Fife	852	349,300	1:410
Grampian	1,195	531,200	1:445
Lothian and Borders	2,699	873,900	1:324
Northern	645	280,400	1:435
Strathclyde	7,377	2,277,400	1:309
Tayside	1,148	393,600	1:343
Total	15,050	5,128,000	1:341

Force	Police strength (31.12.97)	Geographical area covered (sq km)	Ratio of police strength to geographical area covered
Central	693	2,652	1:3.83
Dumfries and Galloway	441	6,439	1:14.6
Fife	852	1,323	1:1.55
Grampian	1,195	8,742	1:7.32
Lothian and Borders	2,699	6,455	1:2.39
Northern	645	31,348	1:48.6
Strathclyde	7,377	13,617	1:1.85
Tayside	1,148	7,558	1:6.58
Total	15,050	78,134	1:5.19

NORTHERN IRELAND

Tourism

Mr. Spring: To ask the Secretary of State for Northern Ireland what tourism initiatives she is undertaking in respect of *(a)* accommodation schemes and quality standards, *(b)* promoting Northern Ireland, *(c)* trade communication, *(d)* market and product intelligence and research, *(e)* training and *(f)* market access and information. [33814]

Mr. Ingram: The Northern Ireland Tourist Board (NITB) has recently published 'A Strategy for the Development of Tourism in Northern Ireland' which contains proposals and recommendations for the future of Northern Ireland's tourism industry.

(a) NITB operates a number of programmes of selective financial assistance for developing tourist accommodation, subject to published priorities. All accommodation for sale to tourists in Northern Ireland must be certified by the Northern Ireland Tourist Board.

(b) During 1998–99, NITB will invest in excess of £3.3 million in the promotion of tourism. This will be supplemented by private sector marketing investment and benefits derived from joint promotional campaigns with the Irish Tourist Board.

(c) In recognition of the importance of effective trade communication, NITB has established a Marketing Advisory Group involving partners deriving tourism benefits from both the public and private sector.

(d) NITB's Research Department continually monitors key economic indicators in connection with the performance of the Northern Ireland tourism industry. It also conducts specific evaluations appropriate to the needs of industry.

(e) NITB co-ordinates a training initiative "Welcome Host" which recognises the importance of excellence in customer service not only in the core tourism industry, but in all sectors that benefit from tourism.

(f) NITB continues to work with air and sea carriers to encourage them to improve direct gateway access to Northern Ireland.

Mr. Spring: To ask the Secretary of State for Northern Ireland if she will make a statement on the percentage of *(a)* domestic holiday makers and *(b)* overseas visitors to the United Kingdom who spend their holiday in Northern Ireland. [33818]

Mr. Ingram: In 1996, it is estimated that 1.5 per cent. of all domestic holiday trips taken by UK residents were taken in Northern Ireland, and that 1.9 per cent. of all overseas holiday visitors to the UK visited Northern Ireland.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Northern Ireland if she will list those parliamentary questions she has taken eight weeks or more to answer since 1 May 1997. [32712]

Marjorie Mowlam: Between 1 May 1997 and 1 March 1998 this Department failed to answer one question, UIN number 10273, from the hon. and learned Member for North Down (Mr. McCartney), concerning the purchasing of electoral voting and non voting lists covering the 1996 Forum elections, within 8 weeks of the date it was due for answer.

Royal Ulster Constabulary

Mr. McNamara: To ask the Secretary of State for Northern Ireland if she will list the *(a)* population and *(b)* geographical area served by the RUC; and what is the ratio of police officers (i) per head of population and (ii) to geographical area in Northern Ireland. [33989]

Mr. Ingram: The population of Northern Ireland, based on the last census, is 1,547,300; the geographical area is 3,495,255 acres. The ratio of police officers, including full and part-time Reserve Officers, per head of population is 1:115 and the ratio to geographical area is 1:260 acres.

INTERNATIONAL DEVELOPMENT

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for International Development if she will list those parliamentary questions she has taken eight weeks or more to answer since 1 May 1997. [32713]

Clare Short: No parliamentary questions to my Department since 1 May 1997 have taken eight weeks or more to answer.

Bhutanese Refugees

Mr. Corbyn: To ask the Secretary of State for International Development what financial assistance the United Kingdom is providing to the Bhutanese Refugee Assistance programme. [33748]

Clare Short: The Department for International Development (DFID) is currently providing assistance to the Bhutanese refugees in Nepal through support for a Save the Children project. The project covers disease control, disability/community based rehabilitation,

vocational training for income generation, refugee managed community health training, and a children's play programme.

The amounts of the grants provided to this Save the Children project over the last 3 years are shown in the table.

£

	Amount
1995–96	100,000
1996–97	75,800
1997–98	85,849

Iraq

Ms Stuart: To ask the Secretary of State for International Development what measures she is taking to alleviate the suffering of people living in Baghdad-controlled Iraq. [34609]

Clare Short: Britain co-sponsored the UN Security Council Resolution passed on 20 February, which increased the oil-for-food provision to $5.256 billion over 180 days, and is sponsoring a meeting to work with the UN to improve implementation of Security Council Resolution 1153.

I am pleased to announce that we are also starting a new bilateral programme worth about £7 million to relieve the suffering inflicted on the ordinary people in Iraq, particularly the children, by Saddam Hussein.

Mr. Llew Smith: To ask the Secretary of State for International Development if she will provide support to the Baghdad office of the World Health Organisation in its planned research into the health effects on people in southern Iraq of the dispersal of depleted uranium dust. [33975]

Clare Short: We have no information that the World Health Organisation is seeking assistance for such a study.

Centre for International Briefing

Mrs. Virginia Bottomley: To ask the Secretary of State for International Development what plans she has to visit the Centre for International Briefing at Farnham; and if she will make a statement. [33920]

Clare Short: I have no plans to visit the Centre for International Briefing at Farnham. However, my hon. Friend the Parliamentary Under-Secretary of State plans to visit the Centre on 15 July 1998.

Chechnya

Sir Alastair Goodlad: To ask the Secretary of State for International Development what assistance her Department is currently providing in Chechnya. [33894]

Clare Short: The Department for International Development is not providing bilateral assistance to Chechnya at present. But the Department is contributing to multilateral agencies such as the United Nations High Commission for Refugees and the International Committee of the Red Cross, who have programmes in the region.

AGRICULTURE, FISHERIES AND FOOD

Ministerial Transport

Mr. Malcolm Bruce: To ask the Minister of Agriculture, Fisheries and Food what is his estimate of the cost of *(a)* Ministerial cars and drivers and *(b)* the Department's bill for taxis in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year. [27771]

Mr. Morley *[holding answer 5 February 1998]:* The cost of Ministerial cars is as follows:

£

1995–96	233,261.56
1996–97	230,849.91
1997–98 to date	223,822.87
1997–98 full year	228,350 (forecast)

The information relating to the expenditure on taxis could be provided only at disproportionate cost.

Casualty Stock

Mr. Harvey: To ask the Minister of Agriculture, Fisheries and Food what assessment he has made of the impact of *(a)* ending subsidies and *(b)* banning hunting on the (i) problems and (ii) expense to livestock farmers who need to dispose of casualty stock. [33004]

Mr. Rooker: The objective of the support to the rendering industry was to avoid the disorderly collapse of the meat chain in the immediate aftermath of the BSE crisis. This was achieved. A wide range of industry bodies and representatives were involved in drawing up the Schemes, which were always intended to cover only the financial years 1996/97 and 1997/98, and to provide reduced support in the second year to allow the meat chain to adjust to the post BSE economic and regulatory realities.

The Government are neutral on the issue of hunting. They have made no specific assessment of how a hunting ban would affect livestock farmers who dispose of casualty stock. The Government are, however, fully aware of the current difficulties faced by farmers in the disposal of fallen stock and the important role played by hunt kennels in the disposal chain. Officials are liaising with farming representatives to consider how farmers should, in future, dispose of fallen stock and to encourage the industry to put suitable arrangements in place.

Public Appointments

Mrs. Lait: To ask the Minister of Agriculture, Fisheries and Food how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33250]

Mr. Morley: Of the 147 appointments made since 1 May 1997, 13 have been from the Public Appointments Unit List.

Nominations of candidates for MAFF public appointments come from a wide range of sources, including the Public Appointments Unit and advertising, to ensure that there is the widest possible dissemination of information about vacancies.

Dietary Supplements

Mr. Tredinnick: To ask the Minister of Agriculture, Fisheries and Food if his proposed regulations on the retail sale of vitamin B6 have been passed for approval to the European Commission; if he will identify the EC Directive under which such approval must be obtained; if he will indicate the procedures and timetables through which a company in another member state may raise a formal objection to the proposals under the provisions of that Directive; and if he will make a statement. [33515]

Mr. Rooker: The draft regulations which will implement the Government's proposed restriction on the levels of vitamin B6 in food supplements will shortly be notified to the European Commission under Directive 83/189 (the technical Standards Directive) and Directive 79/112 (the Food Labelling Directive). The Technical Standards Directive requires that there shall be a three-month standstill period from the date of notification. During this period, the Commission and other member states have the opportunity to comment on the proposed regulations. It is a matter for individual member states whether, and on what basis, they choose to consult outside interests about measures notified under these procedures.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Minister of Agriculture, Fisheries and Food if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33555]

Mr. Morley *[holding answer 9 March 1998]:* The following bodies, for which my right hon. Friend has responsibility, are currently required by legislation to lay a report before Parliament:

Department and Executive Agency

Intervention Board

Executive Agencies

Central Science Laboratory

Centre for Environment, Fisheries and Aquaculture Science

Farming and Rural Conservation Agency

Meat Hygiene Service

Pesticides Safety Directorate

Veterinary Laboratory Agency

Veterinary Medicines Directorate

Executive Non-Departmental Public Bodies

Apple and Pear Research Council

Home-Grown Cereals Authority

Horticultural Development Council

Meat and Livestock Commission

Milk Development Council

Potato Industry Development Council

Royal Botanic Gardens, Kew

Public Corporation

Covent Garden Market Authority.

Previously, the Department has advised that the Veterinary Products Committee had a statutory requirement to publish an annual report and to lay the report before Parliament. It has now been established that this is not the case.

Publications

Mr. Flight: To ask the Minister of Agriculture, Fisheries and Food if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33653]

Mr. Morley: The Department subscribes to a range of publications to support its work. A central list of those supplied by the European Commission could be provided only at disproportionate cost.

Public Engagements

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food if he will list the public engagements arranged by his Department which were carried out by the Parliamentary Secretary in the House of Lords since 1 June on Fridays and Saturdays. [33673]

Mr. Morley: My noble Friend the Parliamentary Secretary has undertaken the following public engagements since 1 June on Fridays and Saturdays.

Date	*Visit*
6 June	Farm visit
11 July	Regional visit
18 July	Regional visit
12 September	Overseas visit—Eastern Europe
20 September	Regional visit
26 September	Regional visit
10 October	Speaking engagement—London
18 October	Overseas visit—Indonesia
24–25 October	Overseas visit—Indonesia
7 November	Speaking engagement—London
19 December	Regional visit
16 January	Speaking engagement—London

Pet Passports

Ms Moran: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the RSPCA report, "Passport for Pets and Vets in Support of Change". [33958]

Mr. Rooker: I have read the recommendations in the Quarantine Reform Campaign's report 'The case for change' with interest. I agree with the final recommendation in the report that

"decisions in this area must be based on science and not emotion".

This is why we have asked the Advisory Group on Quarantine, under the chairmanship of Professor Kennedy, to carry out an independent scientific assessment of quarantine and alternatives to quarantine.

Forestry Commission Land Sales

Mrs. Organ: To ask the Minister of Agriculture, Fisheries and Food what percentage of Forestry Commission land which has been sold in England *(a)* since 1981 and *(b)* since 1 May 1997 has a public access agreement in place. [33742]

Mr. Morley: The subject of the question relates to matters undertaken by Forest Enterprise. I have asked its Chief Executive, Dr. Bob McIntosh, to reply to my hon. Friend direct.

Letter from Bob McIntosh to Mrs. Diana Organ, dated 12 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply to your Question about the percentage of Forestry Commission land sold in England with access agreements.

The Commission's disposal policy originates from 1981 but the arrangements for the protection of public access were only introduced in 1991. I have, therefore, limited my answer to the period since 1991, up to 31 December 1997, the latest date for which figures are available on public access agreements.

For the period 1 April 1991 to 31 December 1997 the Forestry Commission sold 10,155 hectares of forest land in England of which 5% (533 hectares) were sold with an agreement to protect public access. For the period 1 May 1997 to 31 December 1997 the respective figures are 860 hectares sold, with 8% (65 hectares) subject to an agreement.

In addition during the whole period 248 hectares of the forest land sold had access protected through a sale to a Local Authority or other benevolent purchaser such as the Woodland Trust.

Finally, the Commission does notify Local Authorities of all forest land sales but in many cases is prevented from formally offering or entering into an agreement because of title constraints and third party rights.

Central Science Laboratory

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 3 March 1998, *Official Report*, column *596*, if he will list the figures for the number of non-scientific staff employed at Sand Hutton, York, for 1996–97 and projected for 1997–98; [34411]

(2) what were the annual overhead costs of the Central Science Laboratory site at Sand Hutton, York, for 1996–97 and projected for 1997–98. [34412]

Mr. Rooker: In respect of the information requested for 1997–98, I refer my hon. Friend to the replies given to him on 11 March 1998, *Official Report*, column *256*. Information for the period 1996–97 is not available solely in relation to the Sand Hutton, York site, to which the Central Science Laboratory moved over a period of months from sites at Slough, Worplesdon, Harpenden and a number of other sites, beginning in the autumn of 1996.

BSE

Mr. Paterson: To ask the Minister of Agriculture, Fisheries and Food how many cases of BSE have been confirmed in live dairy stock imported from EU countries. [33878]

Mr. Rooker: We have confirmed BSE in five dairy animals imported from other Member States. These animals are classified by the type of herd in which they resided at the time the disease was reported. It is possible that all five animals were infected with BSE in the UK.

Parliamentary Questions

Mr. Butterfill: To ask the Minister of Agriculture, Fisheries and Food if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32705]

Mr. Morley: Since 1 May 1997, two parliamentary questions took more than eight weeks to answer. One question from the right hon. Member for Fylde (Mr. Jack) was answered on 27 January 1998, *Official Report*, column *205*, and a question from the hon. Member for Tewkesbury (Mr. Robertson) was answered on 11 February 1998, *Official Report*, column *276*.

Dutch Ware Potatoes

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food what assessment has been made of the benefits of further restricting imports of Dutch ware potatoes through *(a)* clinical testing and *(b)* a ban; what assessment he has made of the (i) risks associated with the spread of and (ii) difficulties in eradicating brown rot; and if he will make a statement. [33988]

Mr. Rooker: Measures against potato brown rot are kept under review, in the light of findings in the UK and other Member States and the results of research. Since the Netherlands announced a number of outbreaks in 1995, the Department has increased the number of inspections and laboratory tests on Dutch ware potatoes, but has not confirmed any findings of brown rot. In these circumstances, a ban would not be justified. There is evidence that, although in certain conditions brown rot could cause significant damage to UK crops, localised outbreaks can be eradicated. The Department is discussing with interested parties plans for eradicating the bacterium from infected watercourses, where it could present a risk of further spread.

LORD CHANCELLOR'S DEPARTMENT

Magistrates (South Yorkshire)

Mr. Ennis: To ask the Parliamentary Secretary, Lord Chancellor's Department how many magistrates sit on the Barnsley magistrates' bench; and how many of those magistrates reside in the Barnsley, East and Mexborough constituency. [33208]

Mr. Hoon: There are currently 123 active magistrates on the Barnsley Bench of whom 14 reside within the constituency of Barnsley, East and Mexborough.

Mr. Ennis: To ask the Parliamentary Secretary, Lord Chancellor's Department how many magistrates sit on the Doncaster Magistrates' bench; and how many of those magistrates reside in the Barnsley, East and Mexborough constituency. [33261]

Mr. Hoon: There are currently 190 magistrates on the Doncaster Bench, of whom 18 magistrates reside in the Barnsley, East and Mexborough constituency.

Public Appointments

Mrs. Lait: To ask the Parliamentary Secretary, Lord Chancellor's Department how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33254]

Mr. Hoon: None of the appointments made by the Lord Chancellor to his public bodies has been from the Public Appointments Unit list, although we have consulted them. The Department has increasingly been using advertising to identify candidates for the Lord Chancellor's more significant advisory bodies. However, in terms of numbers most of the appointments

are to the locally based Advisory Committees on Justices of the Peace or General Commissioners of Income Tax, where the appointment is made on local recommendation.

Amsterdam Treaty

Mr. Mitchell: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list those paragraphs of Articles 1,2 and 3 of the Treaty of Amsterdam which relate to aspects of judicial proceedings in the United Kingdom and in each case the person, persons, or bodies who will be responsible for their implementation in the United Kingdom; and what consultation Her Majesty's Government had with them prior to 14 June 1997. [33210]

Mr. Hoon: The relevant provisions are to be found in:

(a) Paragraph 11 of Article 1 of the Treaty of Amsterdam, in particular new Article K.3 of the Treaty on European Union, which relates to judicial co-operation in criminal matters; and

(b) Paragraph 15 of Article 2, in particular new Article 73(m) of the EC Treaty, which relates to civil judicial co-operation and which is subject to the Protocol excluding the United Kingdom from the operation of measures in that field unless the United Kingdom indicates that it wishes to take part in any such measure.

The Government themselves are responsible for the implementation of these provisions in the United Kingdom.

Legal Aid

Mr. Nicholas Winterton: To ask the Parliamentary Secretary, Lord Chancellor's Department for what reasons he has assessed the granting of legal aid to be inappropriate in claims for compensation. [33144]

Mr. Hoon: The Government's reasons for beginning to remove money and damages claims from legal aid to be financed through conditional fees are set out fully in the Consultation Paper *Access to Justice with Conditional Fees*, a copy of which I have sent to the hon. Gentleman.

TREASURY

South-east Asia

8. **Mr. Corbyn:** To ask the Chancellor of the Exchequer what further discussions he has held with the International Monetary Fund concerning the problems faced by south-east Asian economies. [32500]

Mr. Gordon Brown: I had useful recent discussions with IMF Managing Director Michel Camdessus on the current financial problems in Asia, at both the ECOFIN meeting of EU Finance Ministers on 16 February and at the meeting of G7 Finance Ministers and Central Bank Governors on 21 February. In addition, I have been keeping in close and regular touch with the UK's Executive Director to the IMF in Washington. I am encouraged that confidence is beginning to return in those countries where reforms are being implemented with vigour. But the situation in Indonesia remains of serious concern, and renewed commitment to the IMF programme will be vital if financial stability is to be restored.

Individual Savings Account

16. **Mr. Hawkins:** To ask the Chancellor of the Exchequer what submissions he has received opposing his ISA proposals. [32508]

Mr. Darling: We have received a large number of submissions in response to the proposals in the ISA consultative document. Our objective of encouraging more people to save has been widely welcomed. A variety of comments have been made on our specific proposals and we are considering them all carefully.

Fiona Mactaggart: To ask the Chancellor of the Exchequer how many representations he has received on his proposals for the individual savings account; and when he expects to make progress on extending the opportunity for tax-exempt savings to the smaller saver. [32523]

Mr. Darling: My right hon. Friend the Chancellor has received many helpful and constructive comments for which he is grateful. A fuller announcement will be made.

Windfall Levy

17. **Mr. Derek Twigg:** To ask the Chancellor of the Exchequer if he will make a statement on the current level of receipts from the windfall levy for spending on the welfare-to-work programme. [32509]

Mr. Geoffrey Robinson: The first tranche of the windfall tax was paid on time and in line with our forecast of some £2.6 billion, on 1 December. We are grateful to the companies for their co-operation.

35. **Mr. Gareth R. Thomas:** To ask the Chancellor of the Exchequer what discussions he has had with his European Union counterparts on his policy to spend the windfall levy on a welfare-to-work programme. [32527]

Mr. Gordon Brown: I have discussed the Government's Welfare to Work programme on many occasions with other European Union Finance Ministers, including at ECOFIN. My Ministerial counterparts have been very interested to learn about how the Government is turning its plans into action. I will continue to use the UK's Presidency of the EU to advocate policies such as the Welfare to Work programme which ensure that all young people across the Community are equipped with the skills they need to find and keep work.

Income Tax

19. **Mr. McCabe:** To ask the Chancellor of the Exchequer what consultations he has had about the number of tax bands in the income tax structure. [32511]

Mr. Darling: My right hon. Friend the Chancellor receives a wide range of representations every year, on all aspects of the income tax system.

Public Expenditure

20. **Mr. Simon Hughes:** To ask the Chancellor of the Exchequer if he will assess the advantages of increasing public expenditure in the forthcoming financial year. [32512]

Mr. Darling: We have always made it clear that we intend to stick to the spending totals we inherited for the first two years of the Parliament, 1997–98 and 1998–99, while we undertake a Comprehensive Spending Review

to set the plans for the medium term. But we have also made a significant difference in the short term through measures to reallocate spending within and between departments to reflect our key priorities including education, employment and the health service.

Balance of Payments

21. **Mr. Spring:** To ask the Chancellor of the Exchequer what assessment he has made of the impact of recent trends in manufactured exports on the balance of payments. [32513]

Mrs. Liddell: During 1997 as whole, UK exporters performed well in difficult circumstances and export volumes of goods grew by around 8 per cent. Export growth is likely to slow in 1998, and the current account balance is forecast to move into deficit. But the deficit is expected to remain small by historical standards.

Indebted Countries

22. **Helen Jones:** To ask the Chancellor of the Exchequer what representations he has had from Church leaders concerning the problem of international debt. [32514]

25. **Mr. Edwards:** To ask the Chancellor of the Exchequer what representations he has received from Church leaders about Government policy to reduce third world debt. [32517]

Mr. Gordon Brown: Since my Mauritius Mandate statement to Commonwealth Finance Ministers last September, I have held a number of meetings with religious leaders, including the Archbishop of Canterbury, Cardinal Hume, the Moderator of the Church of Scotland and many others. The UK firmly supports debt relief for the poorest, most indebted countries and is seeking an early solution to many of the problems experienced by them, not least at the moment in finding a solution to the debt problems of Mozambique. The Government take seriously their responsibilities to debt reduction internationally.

26. **Mr. John Smith:** To ask the Chancellor of the Exchequer what discussions he has had with his European Union counterparts on the Mauritius mandate. [32518]

Mr. Gordon Brown: In September, I wrote to all EU Finance Ministers with the text of my Mauritius Mandate speech, and again in January following the seminar on debt issues that I held at No. 11 Downing Street in December with religious leaders and Non Governmental Organisations' directors. I discussed debt issues with three of my EU colleagues at the G7 Finance Ministers and Central Bank Governors meeting last month.

27. **Mr. McNulty:** To ask the Chancellor of the Exchequer what is his policy on reducing the debt burden of the poorest countries. [32519]

37. **Kali Mountford:** To ask the Chancellor of the Exchequer if he will make a statement on his policy on reducing the debt burden of the poorest countries. [32529]

Mr. Gordon Brown: The Government are fully committed to the Heavily Indebted Poor Countries (HIPC) initiative that was launched by the IMF and World Bank in September 1996. In my speech to Commonwealth Finance Ministers in Mauritius last year, I called on the international community to commit itself to dealing with the problem of unsustainable debt burdens faced by the world's poorest countries once and for all. I urged creditors and debtors to undertake concrete action in order to ensure that at least three-quarters of the twenty countries, initially identified by the World Bank and IMF as probably needing debt relief under the HIPC initiative, have had decisions on the size and timing of their relief by the year 2000. I also encouraged all countries identified under the initiative to embark on the process of securing debt relief by the millennium. The Government propose to continue their efforts to ensure that these targets are met.

In the IMF and World Bank Executive Boards, we have actively supported debt relief under the HIPC initiative for the four countries that have so far had decisions—Uganda, Bolivia, Burkina Faso and Guyana. The Government have also taken a lead in pressing for action to help another indebted country, Mozambique. We have offered to provide up to $10 million to help Mozambique achieve debt sustainability on top of the debt relief and assistance that the UK has already committed.

28. **Mr. Ben Chapman:** To ask the Chancellor of the Exchequer what recent representations he has received on his policy to reduce the debt burden of the poorest countries. [32520]

Mr. Gordon Brown: I have received support for the targets that I set out for dealing with the unsustainable debt burdens of the world's poorest countries in the Mauritius Mandate from a number of sources, including the President of the World Bank, the Archbishop of Canterbury, Cardinal Basil Hume and other religious leaders.

Mr. Gorrie: To ask the Chancellor of the Exchequer what is the total debt owed to (i) the Government and (ii) Export Credits Guarantee Department, by developing countries, excluding Eastern European countries and the countries of the former Soviet Union. [33202]

Mrs. Liddell: (i) The total debt owed to the government at the end of 1997, by all low income countries (excluding Eastern European countries and the countries of the former Soviet Union), as listed in the World Bank Book *Global Development Finance*, is £4.71 billion.

(ii) ECGD is owed £4.69 billion of this money. The rest is owed to DFID.

Mr. Gorrie: To ask the Chancellor of the Exchequer if he will list for each developing country the total stock of its outstanding debt owed to the United Kingdom on 31 December 1997. [33205]

Mrs. Liddell: The debt stock owed to ECGD at the end of 1997, by each of the low income countries (excluding Eastern European countries and the countries of the former Soviet Union), as listed in the World Bank Book *Global Development Finance*, is as follows:

£

Country	Debt owed to ECGD
Afghanistan	nil
Albania	nil
Angola	91.2 million
Bangladesh	nil
Benin	2.7 million
Bhutan	nil
Bolivia	17.5 million
Burkina Faso	1 million
Burundi	nil
Cambodia	nil
Cameroon	61.5 million
C.A.R.	0.5 million
Chad	nil
China	nil
Comoros	0.04 million
Congo-Brazzaville	123 million
Cote d'Ivoire	30.5 million
DR Congo (ex Zaire)	129.4 million
Equitorial Guinea	nil
Eritrea	nil
Ethiopia	11.7 million
Gambia	nil
Ghana	3.5 million
Guinea	5.1 million
Guinea Bissau	nil
Guyana	44.2 million
Haiti	nil
Honduras	0.36 million
India	1.6 million
Kenya	43.5 million
Lao PDR	1,400
Liberia	14.5 million
Madagascar	27 million
Malawi	0.7 million
Mali	4.1 million
Mauritania	7.1 million
Mongolia	nil
Mozambique	86.3 million
Myanmar	25 million
Nepal	nil
Nicaragua	1 million
Niger	10.8 million
Nigeria	3,100 million
Pakistan	0.68 million
Rwanda	nil
Sao Tome et Principe	nil
Senegal	2.9 million
Sierra Leone	3.5 million
Somalia	27.5 million
Sri Lanka	4,000
Sudan	404.8 million
Tanzania	125.7 million
Togo	14.2 million
Uganda	14 million
Vietnam	10.4 million
Yemen	6.2 million
Zambia	234.1 million
Zimbabwe	0.1 million

Public Sector Borrowing Requirement

23. **Mr. Borrow:** To ask the Chancellor of the Exchequer what representations he has received on his policy to ensure economic stability through greater control of the public sector borrowing requirement. [32515]

Mr. Darling: My right hon. Friend has received a number of representations in advance of his Budget later this month.

Small and Medium Businesses

24. **Mr. Caplin:** To ask the Chancellor of the Exchequer if he will make a statement on his policy to ensure economic stability for the small and medium business sector. [32516]

Mrs. Liddell: The Government are seeking to promote the economic stability that will give all sectors of the economy, including small and medium sized business, the confidence to plan and invest for the future.

Bank of England

29. **Mr. Nicholas Winterton:** To ask the Chancellor of the Exchequer what estimate he has made of the reduction in staffing at the Bank of England following the establishment of the proposed European central bank. [32521]

Mrs. Liddell: In view of the fact that the United Kingdom has opted not to join EMU at the outset, the Bank expects the establishment of the European Central Bank will have no implications for the staffing of the Bank of England.

Tax and National Insurance

30. **Mr. Rendel:** To ask the Chancellor of the Exchequer what research he has evaluated into the advantage of equalising lower earnings levels at which tax and national insurance are first paid. [32522]

Dawn Primarolo: The Government keep the tax and NIC systems under constant review.

European Union Contribution

32. **Mr. Wilkinson:** To ask the Chancellor of the Exchequer what estimate he has made of the net cost to HM Treasury of the United Kingdom's contribution to the EU under the next quinquennial financial perspective. [32524]

Mrs. Liddell: In July 1997 the European Commission issued outline proposals for the next Financial Perspective, which they proposed should run from 2000 to 2006. These formed part of the Commission's Agenda 2000 communication, which also dealt with the enlargement of the Union to Cyprus and the states of central and eastern Europe, and the reform of its main policies.

Enlargement of the EU will deliver substantial economic benefits, as well as reinforcing freedom and democracy throughout the continent. This is the context for the Commission's financial proposals, which would imply a significant increase in net contributions, or reduction in net receipts, for all existing member states.

It would be premature to issue estimates of the amounts involved in advance of the Commission's more detailed proposals, which are expected shortly. In any case any assessment could reflect only the views of the Commission rather than the actual outcome, which will

depend on negotiation between member states of the final Agenda 2000 package. The UK will, of course, argue in those negotiations for an approach to the EU's finances which matches the discipline which member states are applying to their domestic budgets.

European Single Currency

33. **Dr. Starkey:** To ask the Chancellor of the Exchequer if he will make a statement on the steps currently being taken by his Department to prepare for the single European currency. [32525]

Mr. Gordon Brown: I have set up a Euro Preparations Unit (EPU) in the Treasury to play a coordinating role in helping both British business and the public sector prepare for the single currency. The Unit will look at the implications of the introduction of the euro on 1 January 1999 as well as how we would join and introduce the single currency in the United Kingdom if we decided to do so.

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will press for Greek membership of the Euro. [33806]

Mrs. Liddell: Decisions on which countries meet the necessary conditions to go forward to Stage III of Economic and Monetary Union will be taken by Heads of Government in May.

Mr. Redwood: To ask the Chancellor of the Exchequer (1) if the British Government will support the triangulation method for currency conversion between member states; [34087]

(2) what assessment he has made of the measures which British companies will be required to take in order to prepare their accounts in euros under the triangulation method. [34089]

Mrs. Liddell: After the launch of the euro on 1 January 1999, the national currencies of participating countries will continue to exist as national currency denominations (or units) of the euro during a transitional period of three years. Conversion from one of these national denominations to another national denomination will need to be effected via a conversion to the euro unit, or by another process producing the same result, to ensure that mathematical discrepancies do not arise. This process is described as triangulation and is set out in Council Regulation (EC) No 1103/97 on certain provisions relating to the introduction of the euro, adopted on 17 June 1997. Given that it applies to conversion between national currency units of participating countries and not the euro unit itself, its use will not arise for the calculation and presentation of accounts in euro.

Mr. Redwood: To ask the Chancellor of the Exchequer what role the Bank of England will have in assisting the European system of central banks to support the value of the currencies participating in monetary union after 2 May. [34090]

Mrs. Liddell: There can be no presumption that such support will be necessary, but in any event the Bank of England will have no formal obligations to assist the ESCB to support the value of currencies participating in monetary union after 2 May. The Bank will continue to stand ready to assist other central banks in their operations from time to time.

Tobacco and Alcohol

34. **Mrs. Lait:** To ask the Chancellor of the Exchequer what progress he is making at ECOFIN in persuading European Union Finance Ministers to increase excise duty on tobacco and alcohol. [32526]

Dawn Primarolo: The issue of excise duty rates on tobacco and alcohol has not been raised in ECOFIN so far during the UK Presidency. We await the commission's report on their reviews of the minimum rates of duty on tobacco and alcohol.

40. **Mr. Forth:** To ask the Chancellor of the Exchequer what representations he has received from associations representing tobacco retailers and/or manufacturers concerning illegal resale of tobacco imported from Belgium. [32532]

Dawn Primarolo: The tobacco trade associations have made a number of written representations concerning the illegal re-sale of tobacco imported from Belgium. In addition I met with the Tobacco Manufacturers' Association on 4 March 1998.

Business Cycles

36. **Mr. Flight:** To ask the Chancellor of the Exchequer what assessment he has made of the extent to which the British and continental European business cycles are becoming more synchronised; and if he will make a statement. [32528]

Mrs. Liddell: The Chancellor set out the Government's views on the convergence of the British and continental European business cycles in his statement on EMU on 27 October 1997. In addition the Government published the Treasury's assessment "UK Membership of the Single Currency: an Assessment of the Five Economic Tests" which also discussed this subject.

Local Authority Expenditure

38. **Sir Sydney Chapman:** To ask the Chancellor of the Exchequer what proportion of total local authority expenditure is met by *(a)* central Government funds, *(b)* business rate payers and *(c)* council tax payers. [32530]

Mr. Darling: In 1995–96, across Great Britain as a whole, central government funds to local authorities had a value of 61 per cent. of total local authority expenditure, business rates payments 18 per cent., and council tax 15 per cent.

Interest Rates

39. **Ms Keeble:** To ask the Chancellor of the Exchequer what steps he is taking to promote long-term stability in interest rates. [32531]

Mr. Gordon Brown: The Government have put in place a credible monetary and fiscal policy framework that will deliver consistently low and stable inflation over

the long term. These measures should help promote interest rate stability in the long run, improving the environment for long-term investment.

Company Taxes (Euro)

Mr. Mitchell: To ask the Chancellor of the Exchequer who will bear the exchange costs relating to company taxes paid in euros. [33119]

Mrs. Liddell: A working group, which will report in April, is looking at steps that the Government might take to help businesses that choose to use the euro from 1 January 1999 and the associated implications for departments.

Included in this work is an analysis of the implications of meeting the Government's commitment to allow certain taxes to be paid in euro.

Taxation (Professional Businesses)

Sir Nicholas Lyell: To ask the Chancellor of the Exchequer what representations he has received as to the legality of the Government's proposals to withdraw the cash basis practice for the taxation of professional businesses, with particular reference to the provisions of the Equal Treatment Directive (76/207). [33030]

Dawn Primarolo: A large number of representations and comments were received, including some referring to the provisions of the Equal Treatment Directive. We are now in the process of reviewing the comments received. The outcome of that review will not be announced before my right hon. Friend's Budget.

Sir Nicholas Lyell: To ask the Chancellor of the Exchequer what representations he has received on the double taxation effect of the proposed catch up charge contained in the proposals to withdraw the cash basis of taxation for professional businesses. [33032]

Dawn Primarolo: We have received a large number of comments and representations on the proposal to withdraw the cash basis practices. A few of these suggested that there was a double taxation effect of the proposed catch up charge, but we do not accept that there is. The catch up charge brings into account, only once, the receipts which would have been included had the business always been taxed on the accruals basis, and which would otherwise escape tax altogether on moving to that basis, because they were earned in an earlier period.

Sir Nicholas Lyell: To ask the Chancellor of the Exchequer, pursuant to his answer to the hon. Member for Preseli Pembrokeshire (Ms Lawrence) of 22 December 1997, *Official Report*, column *471*, on business profits, in what way the imposition of the catch up charge proposed in the Government's proposals to withdraw the cash basis of taxation for professional businesses *(a)* corrects an anomaly and *(b)* creates a level playing field for all businesses. [33200]

Dawn Primarolo: The normal way in which those carrying on a business compute profits for tax is on the 'earnings' or 'accruals' concept under which items are brought into account not as money is received or paid, but as receipts are 'earned' or expenses 'incurred'. However, the Inland Revenue had long-standing published practices under which self-employed people carrying on a business which counts as a 'profession or vocation' may choose a special basis for computing their tax profits, often called a 'cash' basis. Professionals on a cash basis can, subject to certain conditions, compute their tax profits by bringing into account money only as it is received or paid out. Many professional businesses do not adopt a cash basis, but the tax profits of those that do are generally lower than they would be if they were computed on an earnings or accruals basis.

The idea of withdrawal of the cash basis was to level the playing field for all businesses. The catching up charge is necessary to ensure that the transition from cash to accruals basis does not leave out tax receipts, less any expenses, which have not yet been included in their tax returns, but which would have been included if the accruals basis had always applied.

Sir Nicholas Lyell: To ask the Chancellor of the Exchequer if he will list the tax liability of a barrister *(a)* under the current practice and *(b)* under the potential future practice under the Government's proposals to withdraw the cash basis of taxation from professional businesses whose earnings correspond with each of the two examples given at Appendix B of the Bar Council's response dated 12 February. [33029]

Dawn Primarolo: The proposal to withdraw the cash basis practices available to professionals was the subject of a consultation process which was started by the issue of an Inland Revenue Press Release on 22 December 1997. Comments were invited by 14 February 1998. Now we are in the process of reviewing the many comments received. The outcome of that review will not be announced before my right hon. Friend's Budget. A barrister's liability under the potential future practice will of course depend on the final shape of the proposal yet to be announced. A comparison at this stage is not therefore possible.

Sir Nicholas Lyell: To ask the Chancellor of the Exchequer what representations he has received as to the effect on the taxation of partnerships of the Government's proposals to withdraw the cash basis practice for the taxation of professional businesses. [33031]

Dawn Primarolo: We have received a large number of comments and representations on the proposal to withdraw the cash basis practices. Many of these raised issues about the effect of the proposal on partnerships. Now we are in the process of reviewing the comments received. The outcome of that review will not be announced before my hon. Friend's Budget.

Public Appointments

Mrs. Lait: To ask the Chancellor of the Exchequer how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33256]

Mrs. Liddell: Treasury Ministers use a wide range of sources, including the Public Appointments Unit, to identify candidates for public appointments. Of those appointments made since 1 May 1997, one has been identified as having been as a direct result of the PAU list. However there may be other appointees, identified from other sources, who are also on the PAU list.

Housing (VAT Rates)

Dr. Iddon: To ask the Chancellor of the Exchequer, pursuant to his answer of 24 February 1998, *Official Report*, column *132*, if he will place in the Library copies of the requests for advice sent to the European Commission as to which government policy measures qualify for a lower rate of VAT because they are defined as the supply, construction, renovation and altering of housing as part of social policy under Annex H of the Sixth VAT Directive and copies of the advice which he received from the European Commission. [33362]

Dawn Primarolo: No. Publication of this correspondence is inappropriate under the Code of Practice on Access to Government Information.

Millennium Compliance

Mr. David Atkinson: To ask the Chancellor of the Exchequer if he will make a statement on progress to date towards *(a)* millennium compliance and *(b)* single currency compliance, of the computer systems involved in the introduction of European Monetary Union in the central Governments of each EU member state. [33361]

Mrs. Liddell: The Government have a full programme for ensuring that its computer systems are millennium compliant. My right hon. Friend the Chancellor of the Duchy of Lancaster reports progress to the House regularly. The programme covers all government computer systems including any which relate to the introduction of the euro. Departments that have dealings in foreign currencies are also carrying out work to ensure that they are able to accommodate the introduction of the euro.

The millennium compliance and euro compliance of IT systems involved in the introduction of the single currency in other member states is a matter for the Governments concerned.

Tenants (Tax Liability)

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will make the tax liability of tenants for improvement of their property applied to *(a)* tied cottages and *(b)* Church of England clergy, the same as that applied to accommodation provided on the basis of being wholly necessary for the discharge of an individual's employment. [33805]

Dawn Primarolo: All employees who are provided with living accommodation by reason of their employment are already subject to the same tax rules in respect of the benefit arising from the provision of that accommodation.

Resuscitation Training Models

Mr. Lansley: To ask the Chancellor of the Exchequer what representations he has received on the treatment of resuscitation training models as items of medical equipment for tax purposes. [33793]

Dawn Primarolo: In recent months Treasury Ministers have received representations on the VAT liability of resuscitation training models from St. John Ambulance through nine letters from MPs and a further letter enclosing correspondence from the Royal Free Hospital. In the last year Customs have also received representations from the Charities Tax Reform Group and a number of charities. This matter is now the subject of an appeal to the VAT and Duties Tribunal, which is the proper forum for resolving questions of liability.

Mr. Hancock: To ask the Chancellor of the Exchequer what factors underlay the decision by Customs and Excise to withdraw relief from VAT for St. John Ambulance's Resuscitation Training Models under notice 701/6 in March 1997. [33604]

Dawn Primarolo: The supply of training equipment, such as resuscitation training models, has always been subject to VAT. The position was made clear in March 1997 in an updated Public Notice.

Mr. Hancock: To ask the Chancellor of the Exchequer what factors underlay the decision to term St. John Ambulance's Resuscitation Training Models as not being items of medical equipment. [33603]

Dawn Primarolo: Customs interpret medical equipment as covering articles required for the purpose of diagnosing or treating injury or illness or the preservation of health.

Duty-free Sales

Dr. Ladyman: To ask the Chancellor of the Exchequer what is his policy in respect of the duty regime which will apply following the planned abolition of duty free sales in the EU. [33923]

Dawn Primarolo: Operators currently dealing in intra-EU duty free sales will, following abolition, be required to account for duty and tax on the sales they make in accordance with the principles laid down in the relevant EC directives. Customs and Excise are in discussion with UK trade interests to explore the practicalities of implementing this duty paid regime.

Dr. Ladyman: To ask the Chancellor of the Exchequer what progress has been made towards tax harmonisation in the EU; and what account will be taken of that progress in any decision to abolish duty free in the EU in 1999. [33924]

Dawn Primarolo: The mechanism for progressing harmonisation of excise duty rates on alcohol and tobacco is through the Commission's biennial reviews of the minimum rates of excise duty. Their current reports are overdue.

The decision to end intra-EU duty-free sales has already been taken by the Council of Finance Minister, in 1991. The harmonisation of duties and taxes was not a factor in that decision.

Dr. Ladyman: To ask the Chancellor of the Exchequer if he will list the current position of each member state of the EU in respect of commissioning an impact assessment of the effect on employment of abolishing duty free sales in the EU. [33925]

Dawn Primarolo: There was a brief discussion of the matter among Economic and Finance Ministers on 9 March, but I regret that the information in the form sought by my hon. Friend is not available.

Brewing Industry

Mr. Hoyle: To ask the Chancellor of the Exchequer how many people are employed *(a)* directly and *(b)* indirectly in the United Kingdom brewing industry. [33913]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Lindsay Hoyle, dated 12 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on employment in the brewing industry.

Information from the Annual Employment Survey (AES) shows that at September 1996 there were 24,000 employees in the manufacture of cider and other fruit wines, beer and malt, and 410,000 employees in bars and the retail sale of alcoholic and other beverages. This information is for Great Britain and not the United Kingdom as Northern Ireland estimates are not available at this level of detail.

Pensions Mis-selling

Mr. Timms: To ask the Chancellor of the Exchequer what progress has been made towards resolving cases of personal pensions mis-selling; and what further action will be taken to see that all those missold a personal pension receive redress. [34007]

Mrs. Liddell: I have today placed in the Library a table showing what further progress has been made in the period up to 28 February 1998 by the 41 firms the Government have been monitoring.

Continuing the trend established in recent months, the table shows that the firms have made further progress during the month, and that about 65 per cent. of the cases identified for review are now completed.

The general trend hides a wide range of different performances. A few firms—8 in all—have yet to complete even half their cases. One is still some way short of the 10 per cent. mark. At the other end of the scale seven of the 41 firms I am monitoring have now completed over three quarters of their cases identified for review.

In previous announcements, I have underlined the importance that both the Government and the regulators attach to all firms, including small firms, taking all possible steps to complete their reviews. I have also made it clear that firms will not escape sanction if they fail to act. That was not an empty threat. Two days ago, the Personal Investment Authority (PIA) announced it was investigating apparent failures to meet the regulator's targets for completing the most urgent case reviews in respect of about 600 small firms, with a view to taking disciplinary action. The firms concerned should have completed at least 90 per cent. of the top priority cases—which include people who are already retired or have died—by the end of December 1997. Far too many small firms appear to have failed to tackle even these most pressing cases. This is simply not acceptable, and PIA's action is to be commended.

As noted above, a number of large firms have resolved over three quarters of their cases. Some of these firms are now getting close to the point where they will have completed their priority cases. This is welcome news. However it highlights the importance of looking forward beyond the first phase of the review of pensions mis-selling. The first step has rightly been to address the more pressing categories of cases, for example the cases of those who are most likely to have lost out and those either in or close to retirement. But they are not the only victims of pensions mis-selling and it is now important to look ahead at how to address the less pressing cases, which have in the past been referred to as "non-priority" cases.

The regulators—Financial Services Authority (FSA) and the PIA—have today issued a consultation document setting out proposals for taking forward the review of personal pensions mis-selling into its second phase. Copies have been placed in the Library. The Government welcome this step forward, which reflects the outcome of research on the extent of the problem.

The document sets out the regulators' proposed approach for firms to tackle the second phase of the review, building on experience of the first phase. It is important to note that this policy is not yet finalised. The way forward must be practicable. It must work. That is why the regulators have chosen to consult.

This is particularly important given that initial research commissioned by the FSA suggests that it will be a large task—potentially involving as many as 1.8 million cases. Whatever the final figures turn out to be, it is clear that the scale is such that it is in everyone's interests that the process adopted is the right one. To that end I urge everyone that is involved or has an interest to participate in the consultation—including investors, occupational pension schemes and of course the firms themselves. In doing that I hope that everyone will make constructive contributions. That is the only way to see that the final policy that the regulators adopt is the best way forward, in the interests of investors and ultimately in the interests of the industry.

Progress by pensions firms in completing reviews of personal pensions mis-selling in the period to the end of February 1998

	A	B	C	D	E	F	G	H
Under 25% of cases resolved								
DBS	2,506	37	199	64	135	72	3	7
25–50% of cases resolved								
Gan	11,111	802	3,719	482	3,237	2,328	21	33
Lincoln National	13,239	1,358	4,148	1,015	3,133	2,164	16	34
Financial Options	339	100	32	18	14	11	3	38
Burns Anderson	1,035	247	164	96	68	53	5	38
Countrywide	4,684	1,594	252	159	93	74	2	39
Windsor Life	9,451	2,559	1,706	264	1,442	1,179	12	42
Abbey Life	17,251	4,107	6,288	889	5,399	3,272	19	48
50–75% of cases resolved								
Friends Provident	6,831	932	2,791	418	2,373	2,069	30	50
Canada Life	5,498	280	2,961	520	2,441	1,953	36	50
Standard Life	6,899	593	3,028	967	2,061	1,898	28	50
Colonial	8,167	2,118	2,832	339	2,493	1,737	21	51
CIS	42,536	3,402	20,969	12,683	8,286	6,355	15	53
London and Manchester	8,182	1,045	3,802	483	3,319	2,875	35	54
Royal & Sun Alliance	15,672	2,146	7,399	906	6,493	5,513	35	55
Hill Samuel	5,987	760	2,894	586	2,308	1,962	33	55
IFA Network	251	40	104	75	29	26	10	56
Sun Life of Canada	26,660	7,046	9,546	1,836	7,710	6,312	24	57
Britannic	18,722	4,413	9,664	2,547	7,117	3,824	20	58
United Assurance	12,793	900	7,879	1,855	6,024	4,810	38	59
NatWest	14,450	3,988	5,743	981	4,762	3,646	25	60
Allied Dunbar	18,689	3,139	9,677	3,005	6,672	5,195	28	61
Albany Life	2,913	567	1,662	148	1,514	1,169	40	65
Godwins	1,478	100	941	355	586	507	34	65
Equitable Life	7,303	1,563	3,482	1,422	2,060	1,806	25	66
Guardian	8,884	1,097	5,738	882	4,856	4,075	46	68
Commercial Union	7,678	1,192	4,705	751	3,954	3,434	45	70
Sedgwick	15,487	7,702	3,456	1,322	2,134	1,904	12	71
Berkeley Independent	126	73	17	14	3	2	2	71
Lloyd's TSB	48,853	10,100	27,292	5,952	21,340	18,503	38	71
Legal & General	36,480	14,441	14,856	1,537	13,319	10,504	29	73
M&E Network	290	159	58	22	36	31	11	73
Royal London	12,075	1,082	8,891	1,369	7,522	6,439	53	74
Norwich Union	7,344	2,189	3,702	661	3,041	2,633	36	75
Over 75% of cases resolved								
Pearl	45,927	3,080	37,302	5,557	31,745	26,562	58	77
Wesleyan	4,156	247	3,164	918	2,246	2,031	49	77
Prudential	72,580	18,970	50,412	3,779	46,633	35,884	49	81
Midland	4,828	384	3,956	570	3,386	3,033	63	83
AXA Equity and Law	3,925	718	2,736	617	2,119	1,950	50	84
Hogg Robinson	2,039	795	1,018	357	661	556	27	84
Barclays	16,924	6,147	8,985	2,091	6,894	5,942	35	84

A: cases identified as requiring review.
B: of A, cases where investor was informed that information gained during assessment excluded cases from review.
C: number of assessments completed.
D: cases where the investor has been informed that no redress is due.
E: cases where redress has been offered.
F: cases where redress has been accepted.
G: cases where redress has been accepted as a percentage of cases identified for review ((F/Ax100).
H: cases completed, including exclusions, as a percentage of cases identified for review (((B+D+F)/A)x100).

GDP Calculation

Mr. Colman: To ask the Chancellor of the Exchequer if he will make a statement on the implications of the proposed change in the calculation of the main figure for GDP from factor cost to market prices. [34001]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Tony Colman, dated 12 March 1988:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on the implications of the proposed changes in the calculation of the main figure for GDP.

From September 1998 the UK will implement the new European System of Accounts (ESA95), both for UK publication and for data provided to Eurostat and other international organisations. As part of this process, GDP at market prices would become the main figure reported for GDP. This is one of a number of changes being considered which would affect the presentation of the UK national

accounts. The change to market prices would bring UK practice into line with most other countries and hence help to make international comparisons more meaningful.

The ONS has been consulting users about these changes and intends to announce the outcome of the consultation in a News Release during April.

ECOFIN

Ms Lawrence: To ask the Chancellor of the Exchequer if he will make a statement on the Council Meeting of the Economic and Finance Ministers of the European Union held on 9 March. [34326]

Mr. Gordon Brown: I chaired the Economic and Finance Council—ECOFIN—of the European Union in Brussels on 9 March. The Economic Secretary represented the UK.

The Council began by discussing its recommendation to the Parliament that they discharge the Budget for 1996. Prof. Friedmann, President of the European Court of Auditors (ECA), gave a full presentation of the key findings from his report on the implementation of the 1996 Budget. Both Commissioner Liikanen and other colleagues responded. Although I was able to congratulate Prof. Friedmann on an excellent and thorough report, and Commissioner Liikanen on the significant steps forward in financial management, I also noted the Council's disappointment that the ECA was again unable to provide us with a positive Statement of Assurance on the implementation of the Budget.

I also drew colleagues' attention to my intention to use the 19 May ECOFIN for a wide-ranging discussion of Community financing issues, including follow-up to the criticisms made in the ECA report, the next Preliminary Draft Budget (for 1999), and the future financing of the Community (on the basis of the Commission's Agenda 2000 proposals).

The Council next considered the follow-up to the code of conduct for business taxation agreed at the 1 December ECOFIN. We agreed the setting up of the assessment group provided for in the code. Commissioner Monti presented his draft directive regarding the taxation of interest and royalty payments between associated companies in different states.

The Council considered a memorandum on a coordinated European response to the challenges posed by the development of electronic commerce. After some contributions from Commissioner Monti and other colleagues, I noted that this was a matter of some interest to ECOFIN, and that we should return to it.

Under the preparation of Stage 3 of EMU, the Council received information from the Presidency, Commission, and Council Secretariat on the timetable for the EMU decision-making process. I also took the opportunity to remind colleagues of the importance of ensuring that national legislation, including the statutes of national central banks, is made compatible with the Treaty requirements for EMU.

On the basis of a presentation from Commissioner de Silguy, and a response from Sir Brian Unwin (President of the European Investment Bank), the Council discussed the principle of the Community guaranteeing EIB lending to Bosnia-Herzegovina. After some discussion, I concluded that there was a broad consensus that the Commission should bring forward a proposal, and noted particularly that some Member States had asked the Commission to keep budget discipline in mind when doing so.

Employment Statistics

Mr. Sheerman: To ask the Chancellor of the Exchequer what steps he is taking to produce employment and unemployment statistics which can be directly compared with those of the UK's EU partners. [34185]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Barry Sheerman, dated 12 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on producing employment and unemployment statistics which can be directly compared with those of the UK's EU partners.

The ONS recently announced major improvements to UK labour market statistics. In recognition of the increasing complexity of the labour market in the United Kingdom, the new ONS presentation will focus on employment, unemployment and inactivity (out of work but not unemployed) as being equally important in describing the changing labour market.

From April 1998, the ONS's assessment will give more weight to the Labour Force Survey, which in future will be published twelve times a year for an average of each three month period. Existing internationally agreed definitions as recommended by the International Labour Organisation (ILO) will continue to be used. Each EU member state is required to carry out a Labour Force Survey on the ILO definitions and the survey results can therefore be directly compared.

A new regulation is due to be adopted by the EU Council of Ministers that will lead to improved harmonisation of employment and unemployment statistics across EU countries on the basis of quarterly Labour Force Surveys.

Women

Mr. MacShane: To ask the Chancellor of the Exchequer if he will list the number and the percentage of women who have (i) a dependent child aged (1) 0–4, (2) 5–10 and (3) 11–15 years and (ii) no dependent children who are *(a)* working full time, *(b)* working part-time, *(c)* registered unemployed and *(d)* economically inactive, indicating separately the numbers of women in each group who are (A) married or living with another person and (B) not married or living with another person. [34002]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Denis MacShane, dated 12 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question asking for a breakdown of women by economic and marital status and age of youngest dependent child.

This information is shown in the attached table using estimates available from the Labour Force Survey (LFS). The ONS measure of unemployment, derived from the LFS, is defined on a consistent and internationally recognised basis set out by the International

Labour Organisation (ILO) and counts as unemployed people who are: a) without a paid job; b) available to start work within the next two weeks and c) have either looked for work in the last four weeks or are waiting to start a job already obtained. The ILO measure of unemployment has been used in this reply instead of "registered unemployed" for consistency with the rest of the table.

Women aged 16–59 by economic and marital status and age of youngest dependent child Summer 1997 (not seasonally adjusted)

United Kingdom

		Age of youngest dependent child				
	All women	*0–15*	*0–4*	*5–10*	*11–15*	*No dependent children under 16*
Thousands:						
All persons						
All women aged 16–59	17,033	6,800	3,067	2,203	1,530	10,233
Economically active	12,310	4,408	1,684	1,553	1,171	7,902
In employment[1]	11,511	4,119	1,563	1,448	1,108	7,393
Full time[2]	6,545	1,579	562	507	510	4,966
Part time[2]	4,962	2,538	1,000	940	597	2,424
ILO unemployed	799	289	121	105	63	509
Economically inactive	4,723	2,392	1,383	650	359	2,331
Married/cohabiting						
All women aged 16–59	10,978	5,275	2,425	1,648	1,202	5,703
Economically active	8,070	3,658	1,468	1,243	948	4,412
In employment[1]	7,767	3,496	1,392	1,188	916	4,271
Full time[2]	4,082	1,313	502	401	411	2,769
Part time[2]	3,683	2,182	890	787	505	1,501
ILO unemployed	303	162	76	54	32	141
Economically inactive	2,908	1,617	957	405	255	1,291
Non-married						
All women aged 16–59	6,055	1,525	642	555	327	4,530
Economically active	4,240	750	216	311	223	3,490
In employment[1]	3,744	623	171	260	192	3,122
Full time[2]	2,463	266	61	106	100	2,197
Part time[2]	1,279	356	110	154	92	923
ILO unemployed	496	127	45	51	32	368
Economically inactive	1,815	775	426	245	104	1,040
Per cent.:						
All persons						
All women aged 16–59	100	100	100	100	100	100
Economically active	72	65	55	70	77	77
In employment[1]	68	61	51	66	72	72
Full time[2]	38	23	18	23	33	49
Part time[2]	29	37	33	43	39	24
ILO unemployed	5	4	4	5	4	5
Economically inactive	28	35	45	30	23	23
Married/cohabiting						
All women aged 16–59	100	100	100	100	100	100
Economically active	74	69	61	75	79	77
In employment[1]	71	66	57	72	76	75
Full time[2]	37	25	21	24	34	49
Part time[2]	34	41	37	48	42	26
ILO unemployed	3	3	3	3	3	2
Economically inactive	26	31	39	25	21	23
Non-married						
All women aged 16–59	100	100	100	100	100	100
Economically active	70	49	34	56	68	77
In employment[1]	62	41	27	47	59	69
Full time[2]	41	17	9	19	30	48
Part time[2]	21	23	17	28	28	20
ILO unemployed	8	8	7	9	10	8
Economically inactive	30	51	66	44	32	23

[1] Includes those who did not state whether they worked full or part-time.

[2] Full/part-time classification is based on respondents self-assessment.

Note:

Less than 10,000 in cell: figure too small for reliable estimate.

Source:

Labour Force Survey.

Parliamentary Questions

Mr. Butterfill: To ask the Chancellor of the Exchequer if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32704]

Mrs. Liddell: The eight questions listed did not receive answers within eight weeks of the due date for answer. This represents 0.36 per cent. of the 2,215 written questions tabled to the Chancellor of the Exchequer in the present Session.

Member	*Table Office serial number*
Tim Boswell	15967
Malcolm Bruce	20683
Jim Cousins	23034
Nick Gibb	19771
John Horam	20952
Peter Lilley	19704
Austin Mitchell	12339
John Redwood	20894

EU Code of Conduct Group

Mr. Gibb: To ask the Chancellor of the Exchequer what are the aims and objects of the EU Code of Conduct Group established by ECOFIN. [34031]

Mrs. Liddell: The purpose of the Code of Conduct Group is to assess harmful tax measures which may fall within the scope of the Code of Conduct. The Code itself, which covers business taxation, is designed to curb harmful direct tax measures which may affect in a significant way the location of business in the European Community.

Ecu Bonds

Mr. Redwood: To ask the Chancellor of the Exchequer if the Government propose to provide for the compulsory conversion of Ecu bonds into Euro bonds by 1 January 1999. [34088]

Mrs. Liddell: All Ecu bonds issued by the UK Government will automatically become denominated in euro at the start of Stage 3 under European Council Regulation No. (EC)1103/97.

Correspondence

Mr. Winnick: To ask the Chancellor of the Exchequer when the hon. Member for Walsall, North will receive a reply to his letter of 22 January, reference: 0603/15. [34032]

Mr. Gordon Brown: My hon. Friend the Financial Secretary to the Treasury responded on 11 March.

DEFENCE

Gulf (Inoculations)

Mr. Llew Smith: To ask the Secretary of State for Defence what arrangements have been made to inoculate British forces and medical auxiliaries currently dispatched to the Gulf against *(a)* anthrax, *(b)* botulism and *(c)* chemical weapon agents; what range of insecticides have been sent; and if serving personnel have been given an option not to receive inoculations. [30830]

Dr. Reid: A programme of immunisation against anthrax is currently being offered to UK Service personnel and MOD civilians in the Gulf region. Details of this programme, which whilst strongly recommended is not compulsory were given in the reply by my right hon. Friend the Secretary of State for Defence to the hon. Member for Salisbury (Mr. Key) on 3 March 1998, *Official Report*, column *535*. UK forces currently deployed in the Gulf region have been equipped with a range of medical countermeasures against chemical and biological warfare agents. However, no other prophylactic medical countermeasures are currently being used by these forces.

Up to three types of pesticide from Service stocks are available for use by UK forces in the Gulf region, according to their location. These are pyrethroid-based insecticides for general insect control, a bendiocarb-based insecticide cockroach control and difenacoum-based rodenticides.

Riot Control Agents

Mr. Cohen: To ask the Secretary of State for Defence (1) what stockpile his Department holds of CR; and for what purpose the material is held; [31274]

(2) what assessment he has made of the United Kingdom's obligations under the Chemical Weapons Convention in his policy on the use of CR; [31269]

(3) where his Department's stockpile of CR is held; and what is the estimated annual cost of storage. [31270]

Dr. Reid: CR gas is a riot control agent designed to cause temporary irritation. The Ministry of Defence currently holds stocks of approximately 260kg for use if necessary by those units responsible for maintaining an effective counter terrorist response capability. This policy is consistent with the Chemical Weapons Convention, which permits the use of certain toxic chemicals for law enforcement purposes. Stocks of CR are held at the Defence Evaluation and Research Agency's Chemical and Biological Defence sector at Porton Down and at the relevant unit level. Figures for the annual cost of storing CR cannot separately be identified.

Mr. Livingstone: To ask the Secretary of State for Defence what stocks of riot control agents are held by his Department; what quantities of each agent are held by his Department; what is the intended purpose of each agent; and where the stocks are held. [33888]

Dr. Reid: CS irritant is the only riot control agent held by my Department. Its purpose is for Nuclear Biological and Chemical Defence training and as a contingency in case the armed forces should ever be asked to support the civil power in riot control. The quantity of CS held is currently under review, although at present it stands at:

1.5 inch Cartridges: 7,209 (+ 14,541 obsolete variants awaiting disposal).

Hand Thrown Grenades: 12,799 (+ 640 obsolete variants or shelf life expired grenades awaiting disposal).

Discharged Grenades: 19,152 (+ 250 shelf life expired grenades awaiting disposal).

A further quantity of 2,500 kilogrammes of CS.

The locations of the agent are being withheld under Exemption 1 of the Code of Practice on Access to Government Information.

Casualties (Training Exercises)

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Defence how many British soldiers have been (i) injured and (ii) killed during training exercises in the United Kingdom in each year since 1992 to date. [31740]

Dr. Reid: Figures for the number of deaths and injuries to Army Officers and Soldiers during training exercises for each year since 1992 are provided in the table.

Year	*Deaths*	*Injuries*
1992	2	367
1993	1	333
1994	2	494
1995	1	377
1996	0	462
1997	1	325
1998 (to 27 February 1998)	1	0

Note:
The figures for 1997 and 1998 are provisional as specific details of some incidents remain to be verified.

MOD Sites (Wales)

Sir Raymond Powell: To ask the Secretary of State for Defence how many MoD sites in Wales have been disposed of (i) since 1 May and (ii) between November 1996 and May 1997; and to which bodies. [33697]

Mr. Spellar: The properties in Wales which have been sold and the date are shown in the table. With the exception of the sales of St. David's airfield (January 1997), the sites have been sold to private individuals or companies the details of which are withheld under exemption of 14 of the Code of Practice on Access to Government Information.

MOD sites in Wales: disposals

Date	*Site*	*Purchaser*
(i) Since 1 May 1997		
May 1997	Part of St. David's Airfield	Private Individual
Sept 1997	No. 3 Scarborough Road, Newport	Private Individual
Sept 1997	2/3 Church Cottages, Beachley	Private Individual
Oct 1997	12 Ellis Avenue, Haverfordwest	Private Individual
Nov 1997	1 Church Cottages, Beachley	Private Individual
Dec 1997	6 Duke's Meadow, Pendine	Private Individual
Dec 1997	14 Ellis Avenue, Haverfordwest	Private Individual
Jan 1998	Area of RNAD Trecwn, Pembroke	Private Consortium
(ii) Between Nov 1996 and May 1997		
Dec 1996	22 Woodend, Pendine	Private Individual
Dec 1996	Land adjoining Cawder Bks, Brawdy	Private Individual
Jan 1997	Rinston Farm, Beachley	Private Individual
Jan 1997	Part of St. David's Airfield	Pembrokeshire Coast National Park
Jan 1997	2 Duke's Meadow, Pendine	Private Individual
Feb 1997	7 Duke's Meadow, Pendine	Private Sale
Feb 1997	Land at Vauxhall Camp, Monmouth	Private Individual
Feb 1997	Berrybush Aerial Site, Brawdy	Private Individual
Feb 1997	4 Scarborough Road, Newport	Private Individual

MOD sites in Wales: disposals

Date	*Site*	*Purchaser*
Mar 1997	Part of St. David's Airfield	Private Individual
Mar 1997	Beachley House, Chepstow	Private Individual
Apr 1997	Part of St. David's Airfield	Private Individual
Apr 1997	Part of St. David's Airfield	Private Individual

Note:
This does not include the sale of 263 Married Quarters to Annington Homes Limited in November 1996 which were part of a national transaction.

Porton Down

Mr. Livingstone: To ask the Secretary of State for Defence how many times since 1990 the Chemical Defence Establishment at Porton Down has supplied information about former volunteers to the War Pensions Agency when those volunteers have submitted a claim to the Agency. [33803]

Dr. Reid: Since 1990 the Chemical and Biological Defence sector (CBD) of the Defence Evaluation and Research Agency (DERA) has responded to approximately eighty requests from the War Pensions Agency for information relating to former volunteers. CBD also responds to requests received from individual volunteers, their representatives and the Army Historical Branch.

CBD responds to each request for information with all available details from the surviving records and as full an explanation as possible concerning the trials in which the volunteer participated.

Defence Council Instructions

Mr. Livingstone: To ask the Secretary of State for Defence if he will place in the Library a list of the titles and subject matter of the unclassified Defence Council Instructions which were issued between 1 September 1997 and 30 November 1997. [33847]

Mr. Spellar: Yes. I am placing a list today.

NATO Working Papers

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will place in the Library the NATO working papers agreed at the NATO summit in November 1997. [33677]

Mr. George Robertson: The last NATO Summit took place in Madrid on 8–9 July 1997. The last meetings of NATO Defence Ministers and NATO Foreign Ministers took place in Brussels on 2 and 16 December 1997 respectively. The working papers presented at such meetings are classified documents. Copies of the "Madrid Declaration on Euro-Atlantic Security and Cooperation" issued at the Madrid Summit, and the communiques of the latest meetings of NATO Defence and Foreign Ministers, have been placed in the Libraries of both Houses.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Defence if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32706]

Dr. Reid: There has been one such question. I answered a question from my hon. Friend the Member for Tooting (Mr. Cox) on 17 February 1998, *Official Report*, column *562*. The information he requested was not held centrally and significant effort over a period, including the Christmas break, was required to collate the information that was readily available.

WALES

Training

Mr. Ancram: To ask the Secretary of State for Wales how much was spent from public funds on training how many people *(a)* in Wales and *(b)* in connection with LG companies in 1996–97; and if he will estimate expenditure and numbers in respect of *(a)* and *(b)* in (i) 1997–98 and (ii) 1998–99. [33285]

Mr. Hain: Welsh Office expenditure on the main youth and adult training programmes delivered via Training and Enterprise Councils in 1996–97 amounted to £83.2 million and covered 37,734 starts by people on the programmes. Comparable provision in the current financial year amounts to £86.1 million and it is estimated that, by the outturn, there will have been some 31,540 starts. For 1998–99, the equivalent figures are £77 million and 29,000 starts, although target activity and funding levels are subject to on-going contractual negotiations with the TECs. These figures do not include training linked to TEC funding from their Business Growth and Start-Up budget and Local Initiative Fund, or training under the New Deal.

No public funds were spent on training in connection with LG companies in 1996–97. The above figures for 1997–98 and 1998–99 include 32 Modern Apprentices in training linked to LG companies, supported by Welsh Office funding of £50,000 in 1997–98 and £125,000 in 1998–99. In addition, in 1997–98, Gwent TEC has been allocated £2 million for the training of 547 people from LG companies. The equivalent figures for 1998–99 are £6 million for 1,660 people. Finally, LG (Electronics) has free occupancy of a Welsh Development Agency building to use as a training centre for 3 years. The value of this is estimated at some £206,000 a year for 1997–98 and 1998–99. The costs of training at the Centre are being met by LG (Electronics), drawing on the funding assistance noted above.

Contaminated Land

Mr. Brake: To ask the Secretary of State for Wales if he will list the number of hectares of contaminated land in each of the last 12 years in each county by region. [33037]

Mr. Win Griffiths: I refer the hon. Member to the reply given to him by the Under-Secretary, my hon. Friend the Member for Neath (Mr. Hain) on Friday 6 March 1998, *Official Report*, columns *812–13*.

Schools

Mr. Evans: To ask the Secretary of State for Wales what estimate he has made of the number of schoolchildren from England receiving education in Welsh schools. [33280]

Mr. Hain: The information requested is not available centrally.

Transport Links

Mr. Barry Jones: To ask the Secretary of State for Wales how he proposes to upgrade *(a)* road, *(b)* rail and *(c)* air links in Wales; and if he will make a statement. [33533]

Mr. Hain: The role that all transport modes should play in improving transport links is being considered as part of our plans to develop an integrated transport policy. The consultation exercise launched last August will lead to a UK-wide White Paper on transport later this year. At around the same time, a Welsh Transport Policy Statement will be published drawing out those issues of particular relevance and importance to Wales. I am meanwhile conducting a series of consultations on air and rail links between North and South Wales.

Coal Industry

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the future of the coal industry in Wales. [33527]

Mr. Hain: The Government are currently undertaking a full review of energy policy including the position of coal within it. The future of the Welsh coal industry depends on a number of factors, including the ability to compete and the availability of markets. These issues were considered at the Coal Workshop in Cardiff last December, the report of which will be issued for comment shortly.

Empty Housing

Mr. Barry Jones: To ask the Secretary of State for Wales how many vacant dwellings there are in each local housing authority in Wales. [33526]

Mr. Win Griffiths: I refer my hon. Friend to the reply I gave to the hon. Member for Carshalton and Wallington (Mr. Brake) on 2 March 1998, *Official Report*, column *4*.

Long-term Unemployed

Mr. Barry Jones: To ask the Secretary of State for Wales how many long-term unemployed people there are in Wales, by each Parliamentary constituency. [33535]

Mr. Hain: The information requested is given in the table, and is available from the NOMIS database, which can be accessed by the staff of the Library of the House.

Long-term unemployed (claimant count), January 1998[1]

Constituency	*Male*	*Female*	*Total*
Aberavon	233	33	266
Alyn and Deeside	278	40	318
Blaenau Gwent	694	99	793
Brecon and Radnorshire	199	52	251
Bridgend	320	73	393
Caernarfon	631	96	727
Caerphilly	522	91	613
Cardiff, Central	563	109	672
Cardiff, North	183	27	210
Cardiff, South and Penarth	772	116	888
Cardiff, West	722	104	826
Carmarthen, East and Dinefwr	280	66	346

Long-term unemployed (claimant count), January 1998[1]

Constituency	*Male*	*Female*	*Total*
Carmarthen, West and South Pembrokeshire	562	110	672
Ceredigion	285	61	346
Clwyd, South	214	41	255
Clwyd, West	302	63	365
Conwy	541	107	648
Cynon Valley	381	60	441
Delyn	237	42	279
Gower	207	35	242
Islwyn	173	34	207
Llanelli	518	79	597
Meirionnydd Nant Conwy	308	79	387
Merthyr Tydfil and Rhymney	394	73	467
Monmouth	267	48	315
Montgomeryshire	89	18	107
Neath	286	48	334
Newport, East	444	86	530
Newport, West	537	98	635
Ogmore	313	55	368
Pontypridd	372	59	431
Preseli Pembrokeshire	572	117	689
Rhondda	475	79	554
Swansea, East	367	39	406
Swansea, West	408	68	476
Torfaen	323	45	368
Vale of Clwyd	328	54	382
Vale of Glamorgan	453	94	547
Wrexham	275	64	339
Ynys Mon	795	172	967
Total	15,823	2,834	18,657

[1] Claimant unemployed for over 52 weeks. These figures are not seasonally adjusted.
Source:
Office for National Statistics.

Tourism

Mr. Spring: To ask the Secretary of State for Wales what tourism initiatives he is undertaking in respect of *(a)* accommodation schemes and quality standards, *(b)* promoting Wales, *(c)* trade communication, *(d)* market and product intelligence and research, *(e)* training and *(f)* market access and information. [33812]

Mr. Hain: The Wales Tourist Board is responsible for a range of initiatives under its "Tourism 2000" strategy which are aimed at these areas. The Board is in the process of reviewing and updating its strategy to ensure that it continues to meet the needs of the industry into the future.

Housing Department

Mr. Gareth Thomas: To ask the Secretary of State for Wales when he will announce the outcome of his consultation on the new housing department within the Welsh Office. [34539]

Mr. Win Griffiths: We have sought powers in the Government of Wales Bill to wind up Tai Cymru and transfer its functions to the Secretary of State for Wales. We intend to transfer these functions to the Assembly when it is established.

In my written reply to my hon. Friend of 4 December 1997, *Official Report*, column *306*, I announced the setting up of a new Housing Department of the Welsh Office to combine all of the existing functions of Tai Cymru and the Welsh Office Housing Division. I also announced the issue of a consultation paper on the organisation and role of the Housing Department and its relations with other bodies including an enhanced role for local authorities in planning the provision of housing in their areas. Copies of the consultation paper "Streamlined, Efficient, Accountable: A New Housing department for Wales" were placed in the Library of the House.

Consultation ended on 23 January. There were 52 responses. Our proposals were widely supported. My right hon. Friend and I have therefore decided to confirm the proposals set out in the paper.

A number of the responses raised particular points about the way in which the new Department will operate and its relations with other bodies. We shall bear these in mind as we are putting the new organisation together.

A list of respondents has been placed in the Library of the House.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Wales if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32718]

Mr. Ron Davies: There are no parliamentary questions that my Department has taken eight weeks or more to answer since 1 May 1998.

Elective Surgery (Bro Taf)

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what consultations he has had with the Chairman of the Bro Taf Health Authority in relation to the suspension of major elective surgery for the remainder of the 1997–98 financial year. [34172]

Mr. Ron Davies: None. Contractual issues are management responsibilities for health authorities and their provider hospitals.

TRADE AND INDUSTRY

Exports (Kenya)

Mr. Stinchcombe: To ask the President of the Board of Trade how many licence applications have been granted in the past five years for the export of tear gas and plastic bullets to Kenya. [24331]

Mrs. Roche: These goods, and others, are controlled under different entries in Part 1 of Schedule III to the Export of Goods (Control) Order which are known as the ratings for these goods: tear gas under entry ML7; and plastic bullets under entries ML3 or PL5021.

The Export Control Organisation's computer databases have been interrogated, and the following results were obtained. Between 1 January 1992 and 12 January 1998, 73 standard individual export licences were issued for the export to end users or consignees in Kenya of goods with these ratings. 61 of these licences covered goods rated ML3 and 12 covered goods rated PL5021; none covered goods rated ML7. Between 1 January 1994 and 12 January 1998, one Open Individual Export Licence was issued for the export to end users or consignees in Kenya of goods rated ML3 and none covering goods rated

ML7 or PL5021. The paper record of this case has been examined and the licence did not cover tear gas or plastic bullets.

This information should be considered in light of the answer I gave my hon. Friend the Member for Don Valley (Caroline Flint) on 30 October 1997, *Official Report*, columns *870–71*.

Information on Open Individual Export Licences issued before 1 January 1994 could be provided only at disproportionate cost. It would also entail disproportionate cost to determine which, if any, of the standard individual export licences set out above covered the specified goods.

Goods with the relevant ratings may also have been exported to Kenya under the following Open General Export licences: OGEL (export after repair: military goods) and OGEL (export after exhibition: military goods), both of which were first issued on 1 March 1994.

Mr. Harvey: To ask the President of the Board of Trade what licences have been granted for the export of tear gas, plastic bullets and other security equipment to Kenya; and to which units in Kenya these transfers were destined. [28839]

Mrs. Roche: The entry in the legislation under which the export of goods is controlled is known as their rating. The export of tear gas is controlled under entry ML7 of Part III of Schedule 1 to the Export of Goods (Control) Order (the so-called "Military List"), and that of plastic bullets under entries ML3 or PL5021. Certain security and paramilitary police goods are specified under entry PL5001, but other goods with possible security uses may be controlled under various other entries in the Military List.

The Export Control Organisation's computer databases have been interrogated and the results are as follows. Between 1 January 1992 and 12 January 1998, 380 standard individual licences were issued for the export to end users or consignees in Kenya of goods described on the Military List. Between 1 January 1994 and 12 January 1998, 49 Open Individual Export Licences were issued for such exports. None of these licences covered goods rated ML7. Individual export licences can cover a range of goods, controlled under several entries in the legislation. Where this is so the licence is included in the Table in the total shown against each of the relevant ratings.

Rating	*Number of standard individual export licences*[1]	*Number of open individual export licences*[2]
ML1	175	1
ML2	5	2
ML3	61	1
ML4	12	5
ML5	6	8
ML6	17	3
ML8	0	2
ML9	5	2
ML10	15	22
ML11	33	7
ML13	6	5
ML14	0	2
ML15	2	3
ML18	1	3
ML21	0	1
ML22	0	4
PL5001	1	2
PL5002	1	1
PL5009	4	0
PL5017	1	3
PL5018	45	0
PL5021	12	0
PL5027	0	1

[1] Issued between 1 January 1992 and 12 January 1998 covering the export to Kenya of goods with this rating.
[2] Issued between 1 January 1994 and 12 January 1998 covering the export to Kenya of goods with this rating.

In addition, 48 Media OIELs were issued during the period. Media OIELs are a special category of Open Individual Export Licence authorising the export to any destination of protective clothing, mainly for the protection of aid agency workers and journalists when working in areas of conflict.

This information should be considered in light of the answer I gave my hon. Friend the Member for Don Valley (Caroline Flint) on 30 October 1997, *Official Report*, columns *870–71*.

It would entail disproportionate cost to determine which, if any of the licences set out in the table covered the specified goods, or to identify the end users in each case.

Goods with the relevant ratings may also have been exported to Kenya under the following Open General Export licences: OGEL (export after repair: military goods) and OGEL (export after exhibition: military goods), both of which were first issued on 1 March 1994.

Officials (Telephone Calls)

Mr. Vaz: To ask the President of the Board of Trade what departmental guidelines are issued regarding her officials returning telephone calls from members of the public. [31956]

Mr. Nigel Griffiths: The DTI is committed to providing a high quality of service to all its contacts. Staff are expected to deal with telephone calls in an efficient, effective and courteous manner, and this includes ensuring that calls from members of the public are returned. Tailored training is available for staff to help them meet this requirement. Consideration will also be given to introducing guidelines on call handling as part of the induction process for new staff.

Arms Exports (Indonesia)

Ann Clwyd: To ask the President of the Board of Trade how many applications for licences for the export of military equipment to Indonesia have been *(a)* granted, *(b)* refused and *(c)* revoked since 13 November 1997. [32848]

Mrs. Roche: The Export Control Organisation's computer databases have been interrogated and the results are as follows for the period between 13 November 1997 and 6 February 1998 in respect of applications for individual licences to export to endusers or consignees in

Indonesia goods controlled by Part III of Schedule 1 to the Export of Goods (Control) Order (the so-called "Military List").

	Licences issued	*Licenses revoked*	*Applications refused in full*
Standard Individual Export Licences	26	0	2
Open Individual Export Licences	0	0	0

This information should be considered in light of my answer to a question from my hon. Friend the Member for Don Valley (Caroline Flint) on 30 October 1997, *Official Report*, columns *870–71*.

Two of the standard individual export licences included in the table were issued on 13 November, and so are also included in the table in my answer to the hon. Member for West Dorset (Mr. Letwin), on 2 December 1997, *Official Report*, columns *124–26*.

Arms Sales

Sir Richard Body: To ask the President of the Board of Trade if she will make it her policy to disaggregate figures for ECGD guarantees relating to the export of lethal weapons from other defence-related business in statistics for future years. [32816]

Mrs. Roche: ECGD already provides a disaggregation in its annual report of new guarantees in respect of defence-related equipment between military aircraft, vehicles, naval vessels, communications and ancillary equipment.

Environmental Protection and Waste Management Technology

Mr. Llew Smith: To ask the President of the Board of Trade what assistance her Department provided to British firms to help them participate in the ENVITEC Environmental Protection and Waste Management Technology Trade Fair held in Düsseldorf in March. [33027]

Mrs. Roche: The industry put in a very late bid for support which was considered carefully by the DTI. On balance, a decision was taken not to accept it. However, we expect to support nine other environmental events in the coming year.

Pharmaceuticals

Mr. Gareth Thomas: To ask the President of the Board of Trade what assessment he has made of the impact of the loss of resale price maintenance on over-the-counter medicines on the pharmacy sector. [33489]

Mr. Nigel Griffiths: The Director General of Fair Trading has published details in his January 1998 report "Material Changes in the Medicaments Market since 1970", a copy of which has been placed in the Library of the House.

The report shows that branded over-the-counter medicines are estimated to account for up to 8 per cent. of chemists' turnover in 1995, compared with up to 13 per cent. in 1970, and that the proportion of turnover accounted for by regulated NHS business has increased from 35 per cent. to 45 per cent. in 1970 to around 70 per cent. in 1995.

Heinz (Wigan)

Mr. Hoyle: To ask the President of the Board of Trade what representations she has received on the negotiating right of the MSF union at Heinz factory, Wigan; and if she will make a statement. [33968]

Mr. Ian McCartney: I have received no representations on this matter.

Market Access (Taiwan)

Mrs. Ewing: To ask the President of the Board of Trade if she will make a statement on the outcome of the recent EU Taiwan market access negotiations. [33882]

Mrs. Roche: The 12th round of market access negotiations between the European Union and Taiwan relating to Taiwan's accession to the World Trade Organisation was held between 24–26 February in Taipei. The European Commission will formally report back on the talks to Member States in Brussels on 13 March. Our understanding from initial reports is that good progress was reached in a wide range of areas but that agreement has still to be reached on a number of issues, notably on Taiwan's taxation of alcoholic spirits and in particular of Scotch Whisky where the UK has a strong interest. UK officials will continue to keep in close contact with the European Commission on this issue and to work hard towards a mutually acceptable solution.

Parliamentary Questions

Mr. Butterfill: To ask the President of the Board of Trade if she will list those parliamentary questions she has taken eight weeks or more to answer since 1 May 1997. [32717]

Mrs. Beckett: Since the State Opening of Parliament on 14 May, three questions have received answers eight weeks or more after the due date. These were question 1117 from the right hon. and learned Member for Rushcliffe (Mr. Clarke), 31 July 1997, *Official Report* column *630*; question 12695 from the hon. Member for Truro and St. Austell (Mr. Taylor), 22 December 1997, *Official Report*, column *517*; question 13042 from the right hon. Member for Wokingham (Mr. Redwood), 12 February 1998, *Official Report*, column *393*.

Foreign Shareholdings

Mr. Barry Jones: To ask the President of the Board of Trade if she will make a statement about the requests from British Aerospace plc and Rolls-Royce plc for changes to their foreign shareholding limits. [34678]

Mr. Battle: The Government as holders of the special shares in British Aerospace plc and Rolls-Royce plc, have today agreed to the changes requested by these two companies.

When British Aerospace and Rolls-Royce were privatised, a limit was imposed on total foreign shareholdings in each company, in order to maintain UK control of these companies because of their strategic

importance to the UK's defence interests. These limits can be varied only with the consent of the Government, under the powers of the special share which it holds in each company. These foreign shareholding limits are currently set at 29.5 per cent. and the companies have now proposed that these limits be increased to 49.5 per cent., together with a new limit of 15 per cent. on any individual foreign shareholder. These revised limits will take effect only if they are also approved by the shareholders of the two companies. I understand that resolutions to make these changes will now be put to the forthcoming Annual General Meetings of the respective shareholders of both companies.

These changes are designed to promote the competitiveness of these companies, by increasing their freedom to operate commercially in world markets.

Mauritius

Dr. Marek: To ask the President of the Board of Trade, pursuant to her answer of 6 March 1998, *Official Report*, column *808*, for what reason the visit to Mauritius by one of her junior ministers has been cancelled. [34187]

Mrs. Roche: I was planning to visit Mauritius in April. Unfortunately an ACP/EU Parliamentary meeting was re-scheduled which coincided with the dates of this visit. Given that the Mauritian authorities would inevitably be fully engaged in hosting this important meeting which will be attended by my hon. Friend the Parliamentary Under-Secretary of State for International Development, it was decided that it was best to postpone my visit. I hope to be able to visit at a later date.

HOME DEPARTMENT

Millennium Compliance

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when he or his Ministers last met a Treasury Minister to discuss the costs of millennium compliance in his Department. [32296]

Mr. Straw *[holding answer 3 March 1998]:* Neither I nor my Ministerial colleagues have met a Treasury Minister to discuss the costs of Year 2000 compliance in my Department.

A Ministerial group is chaired by my right hon. Friend the Chancellor of the Duchy of Lancaster to drive action across the public and private sector. Her Majesty's Treasury are represented on this group and my hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael) represents my Department.

Hunting

Mr. Caplin: To ask the Secretary of State for the Home Department what representations he has received on the implications of the Wild Mammals (Hunting with Dogs) Bill for the UK's adherence to the European Convention on Human Rights; if he will place copies of such representations in the Library; and if he will make a statement. [33474]

Mr. George Howarth: I will write to my hon. Friend.

Prisons (Foreign Nationals)

Mr. Beith: To ask the Secretary of State for the Home Department how many foreign nationals who received a prison sentence were deported on completion of their sentence, in each of the last five years for which figures are available. [33680]

Mr. Mike O'Brien: Regrettably, the information requested is available only at disproportionate cost through the examination of individual case files.

The available information relates to persons removed from the United Kingdom under the deportation process following a court recommendation, or on grounds conducive to the public good having been convicted of a criminal offence, and is set out in the table. The data may include cases where no prison sentence was served. Removals under illegal entry and port refusal procedures are excluded.

Persons removed[1] [2] from the United Kingdom under the deportation process following a court recommendation, or on grounds conducive to the public good having been convicted of a criminal offence[3], 1994 to 1997[4]

	Number of persons[5]			
	1994	*1995*	*1996*	*1997*
Court recommendation	225	255	272	245
Conducive to the public good—criminal conviction	99	81	101	114

[1] Includes voluntary departures after deportation action had been initiated.
[2] Excludes removals under illegal entry and port procedures.
[3] Where the court did not make a recommendation for deportation.
[4] 1997 data are provisional.
[5] May include persons who did not serve a custodial sentence.

Restorative Justice

Mr. Beith: To ask the Secretary of State for the Home Department if he will make a statement on the impact of measures contained in the Crime and Disorder Bill [*Lords*] on restorative justice initiatives being undertaken at present. [33678]

Mr. Michael: The Government believe that offenders—especially young offenders—should be made to face up to the impact of their offences on other people. We are following closely the development of restorative justice both in this country and abroad and recognise that, in appropriate circumstances, this approach may well be able to provide a useful tool for addressing law and order problems, particularly where young people are involved. We welcome the work to develop these ideas, such as that undertaken by the Thames Valley Police and the Northamptonshire Diversion Scheme.

We plan to reflect existing best practice in guidance to support the implementation of the new Final Warning Scheme introduced by the Bill. The new Reparation Order also introduced by the Bill and our proposals for reform of the youth court, set out in the White Paper "No More Excuses", are likewise consistent with the principles of restorative justice.

Birmingham Six

Mr. Beith: To ask the Secretary of State for the Home Department if the outstanding issues relating to the compensation payments to the men wrongly convicted of

the Birmingham pub bombings have been resolved; when his officials last met representatives of the men to discuss compensation; what interim payments have been made to date to them; and what factors underlie the length of time taken to finalise the compensation. [33597]

Mr. Michael: Final assessments of the amount of compensation payable were made some time ago by the independent assessor; in March 1995 in the cases of five of the men, and in the sixth case in July 1996. These have not been accepted. Significant interim payments have been made in all six cases, but it is not the practice to disclose the amount of such payments in individual cases. The assessor has considered further representations on behalf of all six men: the outcome of his consideration of the most recent representations in the cases of five of the men was communicated to their representatives last August and we await their response. The assessor has just completed his consideration of representations on behalf of the sixth man, and my officials will write to his representatives shortly. My officials have not met representatives of the six men to discuss compensation; nor would such a meeting be appropriate as the assessment of the amount of compensation payable is solely a matter for the independent assessor.

Publications

Mr. Flight: To ask the Secretary of State for the Home Department if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33661]

Mr. Straw: The titles of magazines, newsletters and occasional publications published by the Commission of the European Communities and subscribed to by the Home Office are listed.

(a) Magazines

Women in Europe

(b) Newsletters

Bulletin of the European Union Commission of the European Union: Briefing Official Journal of the European Communities: Information and Notices (C series)

Official Journal of the European Communities:

Legislation (L Series)

Supplement to the Official Journal (S Series)

The week in Europe

Occasional Publications

Basic Statistics of the Community

Directory of Community Legislation in Force

European Parliament: List of Members

Eurostat Yearbook

General Report on the Activities of the European Union

Guide to the Council of the European Union

Interinstitutional Directory of the European Union

Labour Force Survey.

Immigration Service

Mr. Goggins: To ask the Secretary of State for the Home Department what is the total cost in the current year of the UK Immigration Service. [33875]

Mr. Mike O'Brien: The Immigration Service consists of the Ports Directorate and the Enforcement Directorate within the Immigration and Nationality Directorate. Their expected expenditure out-turn for 1997–98 is £92.3 million (gross) and £42.4 million respectively. Additional expenditure on some support costs is met centrally.

Criminal Cases Review Commission

Mr. Plaskitt: To ask the Secretary of State for the Home Department how many cases have been completed by the Criminal Cases Review Commission to date; how many cases are (i) currently under investigation and (ii) have been referred and are still pending; what has been the average length of time taken to complete each case; and in how many cases investigated to date the person originally convicted had died prior to the Commission taking up the case. [33598]

Mr. Michael: At the end of February, the Criminal Cases Review Commission had completed 288 cases, was substantively reviewing 215 cases, and had done preliminary work on a further 749. In 222 of the 288, the Commission had determined that the applicant did not meet the eligibility criteria laid down by the Criminal Appeal Act 1995. Of the remaining 66, the Commission had decided to refer 12 to an appeal court, of which two have so far been heard. The average length of time taken to complete the 66 cases was 108 days. In three completed cases, and two cases currently being reviewed, the person originally convicted had died before the Commission took up the case.

Political Publicity

Mr. Plaskitt: To ask the Secretary of State for the Home Department how many prosecutions have been brought under section 2A of the Local Government Act 1986 to date. [33623]

Mr. Michael: The Court Proceedings database, held centrally, does not separately identify proceedings under section 2A of the Local Government Act 1986, as amended by section 28 of the Local Government Act 1988. However, the Department of the Environment, Transport and the Regions advise that they are not aware of any prosecutions brought under section 28.

Speeding Offences

Mr. Plaskitt: To ask the Secretary of State for the Home Department how many convictions in respect of offences of speeding on the motorway network have been secured in each of the last four years. [33624]

Mr. Michael: The information requested is not separately identifiable in the statistics collected centrally.

All Ports Warning System

Mr. Goggins: To ask the Secretary of State for the Home Department what is his policy towards the use of the All Ports Warning System to detect the departure from the United Kingdom of people included in that system. [34167]

Mr. Mike O'Brien: The All Ports Warning System has had only limited success as a means of detecting departing passengers who are included in that system. I believe that

there is potential for operating the system much more efficiently and effectively and this is something which my officials are currently examining.

Illegal Immigrants

Mr. Goggins: To ask the Secretary of State for the Home Department what assessment he has made of the contribution of immigration checks to the detection of illegal immigrants. [34168]

Mr. Mike O'Brien: Experience has shown that it is highly ineffective and wasteful of resources to use such checks as a means of pursuing inquiries in individual cases. For many years now, and to much greater effect, enforcement inquiries have been intelligence based.

Passenger Checks

Mr. Goggins: To ask the Secretary of State for the Home Department what obligations carriers have to check the documents of passengers departing from the United Kingdom. [34169]

Mr. Mike O'Brien: The Convention on International Civil Aviation requires airlines to ensure that embarking passengers have the correct documentation—passports, visas etc—for their journey.

Seat Belts

Mr. Sheerman: To ask the Secretary of State for the Home Department (1) how many prosecutions have been successfully brought against those persons who have failed to ensure that children are wearing suitable restraints or seat belts in cars, in each of the past 10 years; [34148]

(2) how many successful prosecutions have been brought against adults who have failed to wear seat belts as *(a)* drivers and *(b)* passengers in each of the past 10 years. [34147]

Mr. Michael: It is not possible, in the statistics held centrally, to distinguish between passengers and drivers prosecuted for not wearing seat belts, or whether children are involved.

The table gives the available information. As the majority of seat belt offences are dealt with by the issue of a fixed penalty notice, these are also included in the table, although the numbers of fixed penalties paid for these particular offences are not available centrally (around 65 per cent. of all fixed penalties issued where the driver is present are paid).

Driving or riding in a motor vehicle while not wearing a seat belt England and Wales, 1987–1996

Year	*Number of convictions*	*Number of fixed penalties issued*
1987	7,504	n/a
1988	6,837	n/a
1989	7,275	n/a
1990	8,466	n/a
1991	9,856	n/a
1992	8,503	102,322
1993	7,083	106,153
1994	6.597	114,712
1995	6,577	126,251
1996 (provisional)	6,676	154,345

Police Discipline Appeals

Mr. Bercow: To ask the Secretary of State for the Home Department on how many occasions the holder of his office has been successfully challenged over the last five years over a ruling which he has given in a police disciplinary case. [34095]

Mr. Michael: There have been 295 police discipline appeals determined during the last five years. Eleven applications for judicial review have arisen from these decisions of which two were successful and one is still proceeding.

Mr. Bercow: To ask the Secretary of State for the Home Department on how many occasions in the last five years the holder of his office has overruled the recommendations of tribunals in police discipline cases. [34094]

Mr. Michael: Since April 1994, which is as far back as reliable statistics are available, the Home Secretary has not accepted the recommendations of tribunals appointed to consider police discipline appeals in 27 out of 169 cases (approximately 1 in 6). The figures for each year are shown.

	Against tribunal	*Total dealt with by tribunal*	*Total appeal cases determined*
1994–95	3	35	48
1995–96	8	56	81
1996–97	7	52	66
1997–98[1]	9	26	40

[1] Until 11 March 1998.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for the Home Department if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32711]

Mr. Straw: There have been no parliamentary questions which we have taken eight weeks or more to answer since 1 May 1997.

European Elections

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to his answer of 9 March 1998, *Official Report*, columns *17–18*, to the hon. Member for Basildon (Angela Smith), what evidence he had estimated in support of his statement concerning the failure of voter preferences for individual candidates to be translated into electoral success under the Belgium electoral system prior to his comments on the Belgian electoral system on 25 November. [34189]

Mr. George Howarth: As my right hon. Friend said during the Second Reading debate on the European Parliamentary Elections Bill on 25 November 1997, *Official Report*, columns 803–17, he had looked at the operation of the Belgian electoral system. He recognised that, by the very nature of the way the system operates, those candidates who gained the most personal votes would not necessarily be elected.

Mr. Clappison: To ask the Secretary of State for the Home Department, pursuant to his answer of 9 March 1998, *Official Report*, columns *17–18*, to the hon. Member for Basildon (Angela Smith), *(a)* when the numerical examples he has placed in the Library were worked out and *(b)* when he received them. [34188]

Mr. George Howarth: The numerical examples were worked out by Home Office officials on 6 March and received by my right hon. Friend on the same day.

Immigration Detainees

Mr. Corbyn: To ask the Secretary of State for the Home Department how many *(a)* suicides and *(b)* attempted suicides have been recorded amongst immigration detainees in each year since 1992; and if he will make a statement. [33749]

Mr. Mike O'Brien: There have been no suicides in immigration detention centres since 1992. One immigration detainee committed suicide in Her Majesty's Prison Norwich on 25 August 1995, where he had completed a prison sentence and was awaiting deportation.

Information concerning those who may have attempted suicide is not available in the form requested. However, statistics concerning incidents of self-harm in immigration detention accommodation are reproduced in the table. It is not possible to say how many, if any, of the incidents can be regarded as attempted suicide.

Information concerning incidents of self-harm in relation to immigration detainees held in Prison Service accommodation is available only at disproportionate cost.

Year	*Immigration Detention*
1992	10
1993	16
1994	'5
1995	14
1996	14
1997	10

[1] Statistical information incomplete.

Mr. Corbyn: To ask the Secretary of State for the Home Department what discussions have taken place between officials of the Immigration Service and Group 4 concerning treatment of detainees; and what specialist training is given to staff involved with detainees. [33842]

Mr. Mike O'Brien: Discussions between the Immigration Service and Group 4 about the management of Detention Centres are routine and regular. Immigration Service staff based at centres provide routine monitoring of performance against contracts and, in the case of Campsfield House, there is thorough external monitoring under the provisions of the IS 9002 quality assurance programme. In addition, senior staff pay regular visits to Detention Centres and have discussions with local managers and company directors.

All personnel employed by Group 4 [Total Security] Limited are required to undergo a training programme which includes duty of care, health and safety, suicide prevention, security management, race relations, cultural and ethnic considerations and first aid.

Mr. Corbyn: To ask the Secretary of State for the Home Department if he will list the dates on which disturbances took place at Campsfield House between January 1993 and July 1997 and in each case the numbers of detainees involved, the action taken by security staff, police and immigration officials and the subsequent Ministerial action. [33843]

Mr. Mike O'Brien: Campsfield House immigration detention centre opened on 29 November 1993. Up until July 1997, there had been 4 incidents best described as disturbances.

Dates	*Nature of incident*	*Number of detainees*
24 December 1993	Concerted indiscipline	40–50
5–6 June 1994	Concerted indiscipline	60–70
29 November 1996	Rooftop protest	1
21 May 1997	Rooftop protest	16

The incidents of concerted indiscipline which occurred in 1993 and 1994 required the presence of officers from Thames Valley Police to restore order. As a result of these incidents, the then Chief Inspector of Prisons, Judge Stephen Tumim, was invited by the former Home Secretary to inspect Campsfield House. His report, which was published on 21 April 1995, included a number of recommendations which were implemented at Campsfield House.

The remaining disturbances did not necessitate a large scale police presence and were successfully resolved by the centre contractors, Group 4 Total Security Limited.

Mr. Corbyn: To ask the Secretary of State for the Home Department what were the detention costs per head of each immigration detention centre for each of the last three years; and what was the average cost of (i) prison and (ii) police station detention per head for the same period. [33750]

Mr. Mike O'Brien: The information requested is in the table. Costs are per person per week, and include headquarters overheads. Costs for the 1997–98 financial year are based on estimated outturns.

£

	1995–96	*1996–97*	*1997–98*
Harmondsworth	511	532	532
Campsfield House	490	504	735
Meadvale Buildings (closed May 1997)	580	532	546
Tinsley House (opened May 1996)	—	658	546
Prisons (average cost per prisoner place)	464	476	'—
Police stations	2,086	2,849	2,800

[1] Not yet available.

The costs for Meadvale Buildings (a temporary facility near Gatwick Airport) in 1995/96 and Tinsley House in 1996/97 reflect the start-up costs and phased build-up of these centres.

The sharp rise in unit costs at Campsfield House in 1997/98 is a result of reduced capacity, to about half, and increased security costs resulting from the disturbances there in August 1997. Once the centre is operating at full capacity, unit costs there will fall in line with previous years.

The figure for detention in police cells is a weighted average across all forces. Detention of people under Immigration Act powers in police cells is limited to a maximum of five days, or seven if removal directions have been given.

Mr. Corbyn: To ask the Secretary of State for the Home Department on what date the review of asylum and immigration detention was announced; from whom submissions were sought; if he will list the organisations and individuals that have responded; and when he plans to make a statement on future policy. [33841]

Mr. Mike O'Brien: The review of detention was commissioned in May 1997. At the beginning of September, I wrote to 12 non-governmental organisations inviting their comments on the major policy areas covered by the review. Submissions were received from the following groups:

United Nations High Commission for Refugees

Amnesty International

Immigration Advisory Service

The Law Society

The Refugee Council

Joint Council for the Welfare of Immigrants

Churches Commission for Racial Justice

Refugee Legal Centre

Charter 87

Immigration Law Practitioners Association

The Medical Foundation

Justice.

A number of other bodies put forward submissions on this issue, both before and during the review.

The findings of the review are currently being considered and I expect to announce the results in due course.

Gambling

Mr. Faber: To ask the Secretary of State for the Home Department what plans he has to raise the minimum age for playing slot machines and scratchcards to 18 years. [34155]

Mr. George Howarth: There is already a minimum age of 18 for £10 all-cash amusement-with-prizes machines in amusement arcades.

There are no current plans to extend this limit to machine gambling generally or to raise the age limit for scratchcards. However, the Government keep the age limits under review.

Mr. Faber: To ask the Secretary of State for the Home Department what evidence he has evaluated in respect of the numbers of people under the age of 18 years playing Pronto. [34160]

Mr. George Howarth: None.

Mr. Faber: To ask the Secretary of State for the Home Department what evidence he has evaluated concerning under age gambling on slot machines in public houses; and what action he proposes to take as a result. [34154]

Mr. George Howarth: There is no minimum legal age for machine gambling in public houses.

Dr. Sue Fisher's report for OFLOT on young people's gambling, published last month, was based on a survey last summer of 9,774 schoolchildren aged 12–15 years.

Thirty per cent. said they had played amusement-with-prizes machines (commonly known as fruit machines) in the past week, 19 per cent. with their own money. Of the 19 per cent., 44 per cent. had played machines in public houses.

Four per cent. of the total were identified as problem fruit machine gamblers.

We are carefully considering the implications of Dr. Fisher's study and whether we should take any action as a result.

Lotteries (Frequent Draws) Bill

Mr. Faber: To ask the Secretary of State for the Home Department what assessment he has made of the likely financial impact on the voluntary sector of his Draft Lotteries (Frequent Draws) Bill. [34156]

Mr. George Howarth: The likely effect of the draft Bill on the voluntary sector's fundraising capacity is one of the factors we will consider in evaluating the response to the consultation on it.

We aim to report the outcome of the consultation shortly.

Mr. Faber: To ask the Secretary of State for the Home Department if he is still receiving submissions in respect of his Draft Lotteries (Frequent Draws) Bill; when the last submission was received; and if those received after 13 February will be considered. [34157]

Mr. George Howarth: The last submission was received on 4 March. All submissions received to date will be taken into account.

Police Statistics

Mr. McNamara: To ask the Secretary of State for the Home Department if he will list the *(a)* population served, *(b)* geographical area served and *(c)* strength of each police force in England and Wales and the ratio of (c) in each force area to *(a)* and (b); and what is the ratio of police offices (i) per head of the population and (ii) to geographical area in (1) England and (2) Wales. [33990]

Mr. Michael: The information requested is set out in the table.

Force	Population mid 1996[1] (million)	Hectares[2]	Strength as at 30.09.97	Police/population ratio	Police/hectares ratio
Avon and Somerset	1.467	480,340	2,973	1:493	1:162
Bedfordshire	0.549	123,470	1,081	1:508	1:114
Cambridgeshire	0.703	340,900	1,292	1:544	1:264
Cheshire	0.980	233,280	2,029	1:483	1:115
Cleveland	0.558	58,280	1,481	1:377	1:39
City of London	0.005	320	836	1:6	1:04
Cumbria	0.491	680,990	1,62	1:423	1:586
Derbyshire	0.962	262,800	1,757	1:548	1:150
Devon and Cornwall	1.543	1,024,090	2,910	1:530	1:352
Dorset	0.682	265,260	1,279	1:533	1:207
Durham	0.608	243,400	1,479	1:411	1:165
Dyfed-Powys	0.477	1,094,380	1,008	1:473	1:1086
Essex	1.514	359,420	2,944	1:514	1:122
Gloucestershire	0.556	265,500	1,107	1:502	1:240
Greater Manchester	2.576	129,480	6,908	1:373	1:19
Gwent	0.556	155,600	1,229	1:452	1:127
Hampshire	1.753	416,100	3,481	1:503	1:120
Hertfordshire	0.863	148,730	1,738	1:497	1:86
Humberside	0.887	350,790	2,030	1:437	1:173
Kent	1.557	373,190	3,301	1:472	1:113
Lancashire	1.425	305,510	3,281	1:434	1:93
Leicestershire	0.927	255,280	1,958	1:473	1:130
Lincolnshire	0.616	591,750	1,189	1:518	1:498
Merseyside	1.420	64,750	4,223	1:336	1:15
Metropolitan Police	7.564	200,990	26,391	1:287	1:8
Norfolk	0.777	538,500	1,440	1:540	1:374
North Wales	0.656	629,220	1,371	1:478	1:459
North Yorkshire	0.735	831,210	1,383	1:531	1:601
Northamptonshire	0.604	236,730	1,181	1:511	1:200
Northumbria	1.435	556,440	3,689	1:389	1:151
Nottinghamshire	1.032	220,880	2,317	1:445	1:95
South Wales	1.232	207,190	2,990	1:412	1:69
South Yorkshire	1.305	156,050	3,158	1:413	1:49
Staffordshire	1.056	271,610	2,230	1:474	1:122
Suffolk	0.662	379,480	1,198	1:553	1:93
Surrey	0.777	149,940	1,608	1:483	1:124
Sussex	1.472	378,470	3,040	1:484	1:124
Thames Valley	2.066	574,850	3,705	1:558	1:155
Warwickshire	0.501	197,890	914	1:548	1:217
West Mercia	1.118	742,900	2,031	1:550	1:366
West Midlands	2.642	89,920	7,079	1:373	1:13
West Yorkshire	2.109	201,460	5250	1:402	1:38
Wiltshire	0.593	347,600	1,167	1:508	1:298
England	49.089	13,048,530	98,424	1:499	1:133
Wales	2,921	2,086,390	6,598	1:443	1:316
England and Wales	52.010	15,134,920	124,815	1:417	1:121

[1] Source if the Office for National Statistics. Population figures form mid 1996 are the latest available.
[2] Source is the Annual Statistical Return to Her Majesty's Inspectorate of Constabulary for 1996–97.

HEALTH

UN Convention on the Rights of the Child

Mr. Gorrie: To ask the Secretary of State for Health what plans he has to withdraw or alter the reservations and declaration by the United Kingdom Government regarding the UN Convention on the Rights of the Child. [24344]

Mr. Boateng: During 1998 the Government will be preparing the Second United Kingdom Report to the United Nations Committee on the Rights of the Child in accordance with the requirements of Article 44 of the Convention on the Rights of the Child, 1989. That process will also allow a review of the original reasons for the UK's reservations to the Convention made in 1991 and to what extent they remain valid in 1998. One particular reservation with respect to Article 37(d) was withdrawn by the previous Government on 18 April 1997.

Mr. Gorrie: To ask the Secretary of State for Health what plans he has to involve young people in the process of preparing the Government's response to the report on the United Kingdom's performance in implementing the UN Convention on the Rights of the Child. [24341]

Mr. Boateng: During 1998 the Government will be preparing the Second United Kingdom Report to the United Nations Committee on the Rights of the Child in accordance with the requirements of Article 44 of the Convention on the Rights of the Child, 1989. Early in that process there will be a UK wide launch conference at which children will be making a presentation. The advice of government departments and non-governmental organisations closely involved with children is being sought to ensure that children's views are reflected in the report's preparation.

Mr. Stinchcombe: To ask the Secretary of State for Health if he will make a statement on *(a)* central and *(b)* local government progress in implementing the UN Convention on the Rights of the Child. [24335]

Mr. Boateng: During 1998 the Government will be preparing the Second United Kingdom Report to the United Nations Committee on the Rights of the Child in accordance with the requirements of Article 44 of the Convention on the Rights of the Child, 1989. The main focus of the report will be central and local government progress in implementing the Convention. The report will be publicly available early in 1999.

Children's Rights Officers

Mr. Stinchcombe: To ask the Secretary of State for Health what plans the Government have to extend the network of children's rights officers. [24334]

Mr. Boateng: We have no such plans. Children's rights officers are usually appointed by local authorities. There is no statutory requirement that authorities should have such a post and it is up to each authority to determine the priority for this type of development.

Minister for Children

Mr. Stinchcombe: To ask the Secretary of State for Health if the Government will establish a Minister for Children. [24337]

Mr. Boateng: We have no plans to establish a Minister for Children with responsibilities for England. There are already systems in place to ensure cross-departmental co-operation in areas of shared interest. The Scottish and Welsh Offices have appointed Ministers for Children, but in their case, unlike in England, all social affairs responsibilities rest in the same department.

National Health Service Budget

Sir Geoffrey Johnson Smith: To ask the Secretary of State for Health what percentage of the NHS budget is spent on *(a)* maternity services, *(b)* infertility treatment, *(c)* joint replacement and *(d)* immunisation prior to visits abroad. [29278]

Mr. Boateng: In 1996–97 4.2 per cent. of the total National Health Service budget was spent on maternity services. At present, information on specific expenditure on infertility treatment, joint replacement, and immunisation prior to visits abroad, is not collected centrally.

Sheep Dips

Dr. Brand: To ask the Secretary of State for Health what action his Department has taken to ensure that doctors are aware of the contents of the leaflet "Sheep Dipping" published by HSE, VMD, MAFF and Department of Environment (9AS 29 (rev) 3/95 C250). [32057]

Ms Jowell: We have been advised that the leaflet AS29 issued by the Health and Safety Executive and the Veterinary Medicines Directorate (Ministry of Agriculture, Fisheries and Food) has recently been revised and the latest version is to be launched on 12 March. It is aimed at farmers and primarily gives advice on the safe use and disposal of sheep dips. The leaflet also refers to issues of health surveillance of people regularly using organophosphate sheep dips. We would expect occupational hygienists or occupational health professionals to be better placed to assist farmers on these matters than local general practitioners or hospitals. If contractors or employers need advice on health surveillance of employees, the HSE Employment Medical Advisory Service can and does provide it.

However, the Department has taken steps to increase awareness among medical practitioners. The Chief Medical Officers have written to doctors on a number of occasions since 1991 to remind them of the possibility of adverse effects from exposure to pesticides and certain veterinary medicines and to remind them of the reporting schemes. We are currently considering whether any further action may be necessary to advise doctors in this area and I will write to the hon. Member when a decision has been taken.

Malnutrition

Mr. Llwyd: To ask the Secretary of State for Health what percentage of British children suffer from malnutrition; and what was the figure in 1990. [32550]

Ms Jowell: Malnutrition can mean over-nourishment as well as under-nourishment. As there is no clearly defined or accepted definition of malnutrition, the Department does not have information in the form requested.

Nevertheless, the nutritional status of children can be assessed in several ways. The most widely adopted measure is height. An increase in height indicates an improvement in the nutrition of children. A continuous survey of English and Scottish children aged 5–11 years between 1972 to 1994 showed a year by year increase in the average height of all age groups. The same survey showed an increase in the mean weight for height index (an indicator of fatness) since about 1982, especially in girls. Another measure of fatness is Body Mass Index (BMI) and a recent survey indicated that the BMI of English children aged 2–15 years was generally higher than the 1990 reference figures. This indicates that children are generally getting fatter which represents an unsatisfactory trend.

The Health Survey for England 1996 provides some information on anaemia in children, which can be caused by iron deficiency. It indicated that in the 12–14 age group, about 3 per cent. of white boys and girls might have had an iron deficiency. A survey in 1992–93 of British children aged between $1\frac{1}{2}$ and $4\frac{1}{2}$ years indicated that over 8 per cent. might have been deficient in iron. However, there is no comparable information for 1990. The problems of deficiencies of iron are being investigated to identify how best to prevent the disorder in all population groups.

Trust Boards (South Yorkshire)

Mr. Ennis: To ask the Secretary of State for Health how many directors serve on National Health Trust Boards operating in *(a)* Doncaster and *(b)* Barnsley; and how many of those directors reside in the Barnsley, East and Mexborough constituency. [33207]

Mr. Milburn: The current non-executive directors serving on the boards of National Health Service trusts operating in Barnsley and Doncaster are shown in the tables. Information is not held centrally on the parliamentary constituencies in which directors reside.

Barnsley Community and Priority Services NHS Trust

Name	Post type	Term	Post town
Cllr. Thomas Douglas Sheard	Chairman	1 December 1997–30 November 2001	Barnsley
Mr. Keith Ellis	Non-Executive Director	1 December 1995–30 November 1998	Barnsley
Mrs. Josephine Ruth Lees	Non-Executive Director	1 December 1996–30 November 1999	Barnsley
Mrs. Margaret Michaels	Non-Executive Director	1 December 1997–30 November 2001	Sheffield
Mr. William Newman	Non-Executive Director	1 December 1997–30 November 2001	Barnsley

Barnsley District General Hospital NHS Trust

Name	Post type	Term	Post town
Mr. Alan William Sherriff	Chairman	1 November 1994–31 October 1998	Rotherham
Ms Lynn Joyce Ambler	Non-Executive Director	1 November 1996–31 October 2000	Barnsley
Mr. Brian Levitt	Non-Executive Director	1 November 1994–31 October 1998	Barnsley
Mr. Maurice Alfred Robbins	Non-Executive Director	1 November 1994–31 October 1998	Barnsley
Mr. Robert Walker	Non-Executive Director	1 November 1996–31 October 2000	Sheffield
Mrs. Judith Watts	Non-Executive Director	4 November 1997–31 October 2001	Barnsley

Doncaster Healthcare NHS Trust

Name	Post type	Term	Post town
Mr. David Bertram	Chairman	19 December 1997–30 November 2001	Doncaster
Mrs. Sheila Bryant	Non-Executive Director	1 December 1996–30 November 2000	Doncaster
Cllr. Jean Maureen Elwick	Non-Executive Director	16 December 1997–30 November 2001	Doncaster
Mr. John Lucas	Non-Executive Director	1 December 1995–30 November 1998	Lincoln
Mr. David Charles Miller	Non-Executive Director	11 December 1996–30 November 2000	Doncaster

Doncaster Royal Infirmary and Montague Hospital NHS Trust

Name	Post type	Term	Post town
Mr. Richard D. Kitson	Chairman	1 December 1996–30 November 2000	Doncaster
Mrs. Janet Conroy	Non-Executive Director	1 December 1996–30 November 1998	Near Doncaster
Mrs. Rachel Cottrell	Non-Executive Director	1 December 1994–30 November 1998	Doncaster
Mrs. June Hawley	Non-Executive Director	1 December 1997–30 November 2001	Near Doncaster
Mrs. Carol Shekle	Non-Executive Director	1 December 1996–30 November 2000	Doncaster
Mr. Clifford Spiller	Non-Executive Director	1 December 1996–30 November 1999	Doncaster

South Yorkshire Metropolitan Ambulance and Paramedic Service NHS Trust

Name	Post type	Term	Post town
Dr. Bernard Kingston	Chairman	16 January 1998–31 May 1999	Sheffield
Mrs. Patricia Battersby	Non-Executive Director	1 December 1995–30 November 1998	Sheffield
Mrs. Sandra Holland	Non-Executive Director	1 December 1997–30 November 2001	Doncaster
Mr. Sean Mahon	Non-Executive Director	1 December 1995–30 November 1999	Sheffield
Mr. Peter Threlfall	Non-Executive Director	1 December 1995–30 November 1998	Sheffield

Ante-natal and Maternity Care

Mr. Wood: To ask the Secretary of State for Health how many district health authorities require women to pay for ante-natal or maternity care. [33367]

Mr. Boateng: The National Health Service provides all clinically necessary ante-natal and maternity care free of charge. Some NHS trusts may offer private tests which are not provided because they are not clinically effective or deemed to be clinically necessary by the NHS.

Public Appointments

Mrs. Lait: To ask the Secretary of State for Health how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33247]

Mr. Milburn: Of the appointments made to the Department's public bodies since 1 May 1997, five have been candidates whose names were obtained from the Public Appointments Unit's list. When seeking

nominations for candidates for appointments to public bodies we use a wide range of sources, of which the Public Appointments Unit is one, to ensure that there is the widest possible dissemination of information about vacancies.

Accident and Emergency Services, Solihull

Mr. John M. Taylor: To ask the Secretary of State for Health what recent change there has been in the arrangements for the provision of accident and emergency services at Solihull Hospital. [33461]

Mr. Milburn: Following a meeting on 18 February, the Royal College of Surgeons decided to withdraw accreditation for the training of junior doctors at Solihull Hospital's Accident and Emergency Department, with effect from the end of July 1998. The Birmingham Heartlands and Solihull National Health Service Trust plans to replace the doctors in training with fully qualified doctors to enable the service to continue as before.

Community Pharmacists

Mr. Gareth Thomas: To ask the Secretary of State for Health what research his Department has evaluated into the financial savings to the NHS of healthcare advice provided by community pharmacists; and what estimate he has made of the impact on NHS costs of the closures of community pharmacies over the last three years. [33475]

Mr. Milburn: Pharmacists provide a most useful service to the community through the provision of advice, particularly on minor or common ailments. We have made no evaluation of potential financial savings to the National Health Service of healthcare advice given to patients by community pharmacists.

The overall number of community pharmacies in England and Wales has remained virtually unchanged over the last three years. It is difficult to estimate the cost, if any, to the NHS of any particular closures that have occurred during this period.

Mrs. Organ: To ask the Secretary of State for Health what data his Department has collected on the numbers of people without access to public transport who use community pharmacies. [33741]

Mr. Milburn: None.

Departmental Buildings

Mr. Burden: To ask the Secretary of State for Health if he will list the cost of *(a)* the original refurbishment of Richmond House as the Department of Health headquarters and *(b)* refurbishing (i) Skipton House and (ii) Quarry House, Leeds, in each of the last 10 years. [33675]

Ms Jowell: The refurbishment of Richmond House for the Department of Health and Social Security in 1988–89 was undertaken by the Property Services Agency. Details of the costs incurred are not held by the Department.

Skipton House was acquired by the Department in 1992. The costs of fitting out the shell and core were £14,735,000 in 1992–93 and £1,192,000 in 1993–94. Subsequent expenditure on the building structure and services, excluding routine maintenance, was £368,115 in 1994–95, £500,619 in 1995–96 and £543,394 in 1996–97.

Quarry House, Leeds, was purpose built for joint occupation by the Department of Health and the Department of Social Security (who met the costs of construction and fit-out). It was first occupied in 1992–93 since when the Department of Social Security has been responsible for managing the building. Expenditure on the building structure and services by the Department of Health on the accommodation that it occupies was nil in 1993–94 and 1994–95, £139,000 in 1995–96 and £180,000 in 1996–97.

Publications

Mr. Flight: To ask the Secretary of State for Health if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33652]

Ms Jowell: These European Commission publications are taken on subscription by the Department:

Basic statistics of the European Union (annual)

General report on the activities of the European Union (annual)

Journal of the European Communities:

Series C—Information and Notices

Series L—Legislation

Series S—Supplements

Mutual Information System on Social protection in the Community (annual)

Public Health in Europe

Who's Who in the European Union (annual).

Myalgic Encephalomyelitis

Mr. Hesford: To ask the Secretary of State for Health what provisions there are for specific training for GPs *(a)* before and *(b)* post qualification for the diagnosis and treatment of ME. [33711]

Ms Jowell: There are currently no provisions for specific training for general practitioners before or post qualification for the diagnosis and treatment of myalgic encephalomyelitis (ME).

It is not practicable or desirable for the Government to prescribe the exact training that any individual doctor will receive. In general practice each trainee general practitioner will, during their year of general practice training, regularly see patients who present with those illnesses which are most common, which may well include patients with chronic fatigue syndrome/ME. This is in addition to the training received in medical school and during the pre-registration year and during their two-year hospital rotation.

Additionally, doctors are encouraged to continue with their medical education after qualification and it is expected that they will spend some of this time learning about the illnesses they most commonly encounter.

Asylum Seekers

Sir Raymond Powell: To ask the Secretary of State for Health how many asylum seekers have been transferred from London authorities to Wales in the last 12 months; and if he will ensure that Welsh local authorities are not required to contribute to their support. [33698]

Mr. Boateng: We are not aware of any asylum seekers being transferred by a local authority from London to Wales. If an authority makes arrangements under the National Assistance Act 1948 or the Children Act 1989 to place someone outside its boundaries, the financial responsibility remains with the placing authority.

GP Lists

Ms Walley: To ask the Secretary of State for Health if he will list the number of patients struck off GP lists in each of the last three years, for each health authority; and if he will make a statement. [34028]

Mr. Milburn: General practitioners' terms of service provide that a doctor may have a person removed from their list.

The number of patients struck off GP lists for the years 1993–94, 1994–95 and 1995–96, for each former family health services authority, is published in the General Medical Practitioner Census Additional Data Collection 1995–1996, copies of which are in the Library.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Health if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32710]

Ms Jowell: The Department has received over 3,400 Parliamentary Questions since 1 May 1997. 15 questions, or half of one per cent. of the total, were not answered within eight weeks.

Vote office Reference	*Name of hon. Member*	*Date due for answer*
10422	Mr. Simon Hughes	30 July 1997
10416	Mr. Simon Hughes	31 July 1997
12915	Paul Flynn	27 October 1997
16716	Mr. Simon Hughes	19 November 1997
17338	Mr. Simon Hughes	24 November 1997
18270	Mr. Elfyn Llwyd	27 November 1997
19983	Mr. Keith Vaz	8 December 1997
21400	Mr. Simon Hughes	18 December 1997
20702	Mrs. Jackie Ballard	12 January 1998
20703	Mrs. Jackie Ballard	12 January 1998
23005	Ann Clwyd	14 January 1998
23010	Ann Clwyd	14 January 1998
23011	Ann Clwyd	14 January 1998
23013	Ann Clwyd	14 January 1998
23014	Ann Clwyd	14 January 1998

Mobile Phones

Mr. Faber: To ask the Secretary of State for Health (1) what discussions he or his Department have had with representatives of the mobile phone industry concerning the possible medical effects of the use of mobile phone handsets; [34152]

(2) what research he has commissioned into the possible medical effects of *(a)* telecommunication masts and *(b)* the use of mobile phone handsets. [34153]

Ms Jowell: The Department has had no discussions with the mobile phone industry about possible health effects associated with handsets. The National Radiological Protection Board (NRPB) provides advice to Government on the risks to human health from both ionising and non-ionising radiations. NRPB's view is that mobile phone handsets currently used in the United Kingdom comply with the recommended exposure restrictions.

At locations accessible to the public, the electromagnetic radiation emitted by mobile phone transmitters is below maximum exposure levels recommended by the NRPB, published in Documents of the NRPB, Vol 4, No 5, 1993, copies of which have been placed in the Library.

Wider concerns about the alleged health effects of long term use of mobile phones are currently being addressed by a range of research undertakings. The Department has commissioned three studies on biological effects of mobile phone microwave frequencies. The first is investigating the influence of radiation on learning ability and behaviour, the second is a laboratory study looking for biological responses of human cells in an electromagnetic radiation field and the third is a human volunteer study investigating possible effects of mobile phone usage on cognitive ability.

The Department is also currently supporting the following initiatives:

the review of possible health effects of electromagnetic fields, including microwave frequencies, being undertaken by the Advisory Group on Non-ionising Radiation to the NRPB;

the World Health Organisation International Electromagnetic Fields Project which includes health effects of microwave frequencies.

In addition a European Commission Expert Group has recommended a programme of scientific research to address the subject of mobile telephony and human health.

SOCIAL SECURITY

Poor People

Mr. Pond: To ask the Secretary of State for Social Security if she will carry out an assessment of the impact of her Department's current policies on the *(a)* income, *(b)* employment opportunities and *(c)* living standards, of the poorest 30 per cent. of the population. [23342]

Mr. Keith Bradley: Our society is more divided than it has been for generations, and our policies are aimed at addressing these inequalities. We aim to offer educational and employment opportunities for all. The best way of improving the living standards of most people at the bottom of the income distribution is to help them into work, and we are implementing a range of policies under the New Deal to achieve this aim. We have also established a Social Exclusion Unit to co-ordinate action across Government to find new and more integrated ways of tackling the worst problems.

We continually evaluate our policies using a variety of methods. In particular, the annual Government Statistical Service publication "Households Below Average Income" contains detailed data on the position of those at the lower end of the income distribution.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Social Security if she will list those parliamentary questions she has taken eight weeks or more to answer since 1 May 1997. [32716]

Mr. Denham: There have been two parliamentary questions which have taken more than 8 weeks to answer (not including recesses):

Hon. Member received from	*Date of Order Paper*	*Date answered*
Argyll and Bute	22 May 1997	29 July 1997
Sutton and Cheam	23 May 1997	29 July 1997

Note:
Information taken from the Department's Parliamentary Question database which may be subject to some degree of error.

Benefit Claimants (Millennium Awards)

Mr. Rendel: To ask the Secretary of State for Social Security if Millennium Award grants given to benefit claimants will affect the levels of benefit which they receive. [34121]

Mr. Keith Bradley: Guidance issued by the Millennium Commission to organisations wishing to take part in the Award scheme (known as Award Partners) makes it clear that they are expected to take account of the implications an award might have for individuals, including eligibility for benefits, and to set out how this will be addressed so that individuals receiving benefits are not penalised. Prospective Partners normally discuss their proposals with this Department, as the potential effect of an award in an individual case would depend on a number of factors. These include the type of benefit concerned, the purpose of the award, whether any cash payment was to be made to the individual and, if so, whether it was to be paid as a one-off grant or a regular series of payments.

National Insurance Fund

Mr. Webb: To ask the Secretary of State for Social Security (1) if she will estimate the effect on the National Insurance Fund in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02 of (i) leaving unchanged the expenses loading for contracted out money purchase schemes and (ii) increasing the rebate for contracted out salary-related schemes from 4.6 per cent. to 4.79 per cent; [34097]

(2) if she will estimate the effect on the National Insurance Fund in *(a)* 1999–2000, *(b)* 2000–01 and *(c)* 2001–02 of her proposed amendments to rebates for approved personal pension schemes. [34096]

Mr. Denham: The information is set out in the tables.

Estimated amount of revenue forgone in respect of contracted out money purchase schemes (COMPS) for the tax years 1999–2000 to 2001–2002

Year	*£ million*
1999–2000	69
2000–01	142
2001–02	144

Note:
It is based on the assumption that the rebate remains unchanged, and that the number and type of schemes which attracted that rebate do not alter.

As the report by the Secretary of State for Social Security on Certain Contracting-out Terms (Command 3888) explains, there is evidence to show that a significant percentage of schemes which previously contracted-out on a salary-related basis are switching to contracting-out on a money purchase basis. Some are doing this to take advantage of the higher age-related rebates, and others for business reasons unconnected to the rebate. Irrespective of the reasons why schemes are switching to become COMPS, given that many will now be larger schemes, the expense margin contained within the rebate is inappropriate.

Both this Government, and the previous one, made it clear that action would be taken to prevent further losses from the National Insurance Fund if it became apparent that the nature of COMP provision was changing. It is impossible therefore to provide a reliable estimate of what the various changes and behavioural effects imply for the National Insurance Fund. But clearly there would be huge costs if all schemes switched to take advantage of the current higher average rebates for COMPS.

Additional estimated amount of revenue forgone from the national insurance fund should the rebate in respect of contracted out salary-related scheme be increased to 4.79 per cent.

Year	*£ million*
1999–2000	225
2000–01	250
2001–02	250

Extra amount of revenue forgone from the national insurance fund, as a result of increasing the rebates for appropriate personal pensions

Year	*£ million*
1999–2000	—
2000–01	144
2001–02	154

Note:
There is no change to the amounts paid in the tax year 1999–2000 because the age related top up due for that period is not paid until the following tax year.

Written Answers to Questions

Friday 13 March 1998

HOUSE OF COMMONS

Bicycle Parking

Mr. Robathan: To ask the Chairman of the Accommodation and Works Committee what provision for bicycle parking has been made at Portcullis House. [34085]

Sir Sydney Chapman: Bicycle parking to serve Portcullis House is already available at the Norman Shaw North Building.

Smoking Room

Mr. Brake: To ask the Chairman of the Accommodation and Works Committee if he will list expenditure on *(a)* refurbishment of and *(b)* furnishings for the smoking room for each of the last five years. [34086]

Sir Sydney Chapman: The expenditure on both refurbishment and furnishings for the smoking room over the last five years has been of such a minor nature that separate records are not available.

Former Members (Remuneration)

Mr. Keetch: To ask the President of the Council if she will list for an hon. Member elected in October 1974, who lost their seat in May 1997, *(a)* the salary and individual allowances received (i) in actual terms and (ii) at today's value, *(b)* the total pension granted and *(c)* the amount received as winding up allowance, and the purpose for which this allowance is granted. [34435]

Mrs. Ann Taylor: The answers to the questions are in relation to the sums claimable and not to the sums actually received which are never divulged in individual cases:

(a) (i) Salaries: £442,748

Office Costs Allowance (OCA): £450,160

Additional Costs Allowance: £162,363

(ii) cannot be obtained except at disproportionate expense.

(b) £19,334.88 pa.

(c) The Winding Up Allowance available as at 1 May 1997, for those Members who left the House of Commons—for whatever reason—amounted to £15,856 (being one third of the annual sum available of OCA at that time of £47,568). Outgoing Members may submit claims up to that maximum to meet the cost of any work on Parliamentary business undertaken on behalf of that Member after the General Election date.

ATTORNEY-GENERAL

Pleas

Mr. Baker: To ask the Attorney-General what percentage of cases prosecuted by the Crown Prosecution Service were begun with the defendant having indicated an intention to plead *(a)* guilty to the offence for which he or she was charged, *(b)* guilty to a lesser charge and *(c)* not guilty. [34482]

The Attorney-General: The Crown Prosecution Service holds no central records on plea indications. The information is held in branch offices on individual case files, and could be obtained only at a disproportionate cost.

Mr. Baker: To ask the Attorney-General how many defendants were convicted having *(a)* pleaded guilty to the offence with which they were originally charged, *(b)* pleaded guilty to a lesser charge and *(c)* pleaded not guilty in the last year for which figures are available. [34478]

The Attorney-General: The Crown Prosecution Service holds no central records on pleas to original or lesser charges. The information is held on individual case files in each branch office, and could be obtained only at a disproportionate cost. However, central records are kept in relation to the number of defendants convicted following a not guilty plea.

The number of defendants convicted in magistrates' courts following a plea of not guilty was 53,235 in 1997, 74.4 per cent. of contested hearings.

The number convicted in the Crown Court following a plea of not guilty was 13,226, 60.3 per cent. of contested hearings.

Child Prostitution

Helen Jones: To ask the Attorney-General what was the cost of gaining convictions against children for offences relating to prostitution in each year since 1992. [34361]

The Attorney-General: The information sought is recorded only on individual case files and is not collected or collated centrally. This information could therefore be collected only at disproportionate cost. Home Office statistics for 1989 and 1994 show a decline in convictions for soliciting in the 14 to 17 year old age group.

WALES

National Assembly

Mr. Gareth Thomas: To ask the Secretary of State for Wales if he will make a statement about the location of the National Assembly for Wales. [34734]

Mr. Ron Davies: I have decided to provide accommodation for the Assembly through a new building in Cardiff. My officials are in negotiation with developers, and I will announce the precise location when those negotiations are complete.

EU Agriculture Council

Mr. Ancram: To ask the Secretary of State for Wales when he next plans to attend a meeting of the Council of Ministers of the European Union in relation to agriculture. [34277]

Mr. Win Griffiths: As the Minister responsible for agriculture in Wales, I will be attending the Agriculture Council meeting on 31 March.

Marine Pollution

Mr. Barry Jones: To ask the Secretary of State for Wales what steps he has taken to improve the marine environment of the Irish Sea as it affects the Welsh coast line. [33528]

Mr. Win Griffiths: Levels of pollution in the Irish Sea are being investigated in a Quality Status Report being prepared under the auspices of the Oslo and Paris Commissions. A Regional Task Force is overseeing the Report's preparation: its membership is made up of experts from the Irish and UK Governments, including from the Welsh Office.

At the same time, action is in hand to tackle many of the sources of marine pollution. We are currently reviewing the National Contingency Plan for pollution from shipping and offshore installations which sets out the arrangements for dealing with pollution arising from spillages of oil and other hazardous substances into the marine environment. Whilst radioactive discharges into the Irish Sea are already at levels which cause minimal harm to the environment, we are reducing them still further. We have also said that we want to move toward the target of the cessation of discharges, emissions and losses of hazardous substances. The dumping of sewage sludge at sea is being phased out—Dwr Cymru Welsh Water stopped using this disposal route several years ago. Dwr Cymru is also introducing full treatment at all its coastal sewage discharges.

Social Exclusion

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the social exclusion network as it affects *(a)* North and *(b)* South Wales. [33531]

Mr. Win Griffiths: The Welsh Office Social Exclusion Network is an internal Welsh Office group consisting of senior officials drawn from across the spectrum of the Department's functions. Its remit is to promote effective co-operation between the various parts of the Welsh Office to tackle social exclusion and to shift the focus of policies and programmes towards preventing social exclusion across Wales. Its work builds on and complements that of the Social Exclusion Unit, which is based within the Cabinet Office.

Timber-processing Industry

Mr. Barry Jones: To ask the Secretary of State for Wales if he will estimate the number of jobs in the timber processing industry in Wales. [33529]

Mr. Hain: The Office for National Statistics' 1995 Annual Employment Survey estimated that there were 3,900 employees in the timber processing industry in Wales.

School Leavers

Sir Raymond Powell: To ask the Secretary of State for Wales how many 18 and 19 year olds left school in Wales with no qualifications in each year since 1992. [33703]

Mr. Hain: Information on the qualifications on school leavers is not held by age group prior to 1994. From 1994, the collected information has distinguished as a single group all those aged 17 and over as at 31 August of the preceding academic year. This will include some pupils who leave school aged 17 and a few who left school aged over 19. The following table shows the number of such students who left school with no A-level, AS-level, GCSE, Certificate of Education or vocational qualification from BTEC, Pitmans, City & Guilds or RSA.

Number of people aged 17 and over leaving school with no qualifications[1]

Year	*Number*
1993–94	60
1994–95	55
1995–96	30

[1] Age is at 31 August of the preceding academic year.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Buses

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions how many bus companies have been banned from operating buses in the last 12 months for which figures are available due to concerns about the condition of the vehicles. [33365]

Ms Glenda Jackson: In the period 1 March 1997 to 28 February 1998 twenty bus companies have had their licence revoked by the Traffic Commissioners due to inadequate maintenance of their vehicles. The companies concerned are as follows:

Western Traffic Area
- Valley Travel, Bristol

Scottish Traffic Area
- St Andrews Coaches, Fife
- Grahams of Gretna
- White Ribbon Coaches
- Govan Minibuses

North Eastern & North Western Traffic Area
- Valley Coaches
- Ted's Auto Minibuses
- Richard Smith
- Diane's Coaches
- Browns of Durham

Eastern Traffic Area
- G & J Minibus Service
- Paul Steed Coaches
- West End Travel & Car Hire Services

West Midland & South Wales Traffic Area
- Colwill Coaches
- Phillips Coaches
- Dixieland Eurogold
- Black Horse Coaches

South Eastern & Metropolitan Traffic Area
- Red & Green Coaches
- South Coast Coaches & Minibuses
- Westerham Coaches Ltd.

Coastguard

Mr. Viggers: To ask the Secretary of State for the Environment, Transport and the Regions if it is the policy of Her Majesty's Government to maintain the current coastguard helicopter search and rescue provision at Lee-on-Solent and Portland. [33378]

Ms Glenda Jackson: The Coastguard helicopters at Lee-on-Solent and Portland are contracted until 2001. The Coastguard Agency has no plans to change the current arrangements.

Bus Services

Mr. Chaytor: To ask the Secretary of State for the Environment, Transport and the Regions how many individual journeys provided by bus operators in the north west traffic area were cancelled without notice during (i) 1994–95, (ii) 1995–96 and (iii) 1996–97; and what percentage of total journeys these figures represent. [33959]

Ms Glenda Jackson: My Department does not collect this information in the form requested. However, under the provisions of the Transport Act 1985 bus operators are required to run services in accordance with the details they register with the local Traffic Commissioner, whose staff monitor compliance on a random basis. Details are not available for 1994–95 and 1995–96 but the results of 22 monitoring exercises carried out in the north west traffic area in 1996–97 and 54 in 1997–98 to date, show that the number of individual journeys which failed to run was a negligible proportion, less than 3 per cent. of total bus journeys in the area. In view of local concerns, the traffic area office are planning further monitoring exercises in the area including Greater Manchester.

Nuclear Waste

Mr. Cohen: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the inquiry into the derailment of a train carrying nuclear waste at Harwich on 8 January; and when its report will be published. [33906]

Ms Glenda Jackson: This incident occurred at approximately 17.50 hours on 8 January 1998, at Harwich Parkstone Quay Yard. During shunting operations one pair of wheels of a barrier wagon, between a locomotive and three nuclear flask wagons, became derailed on hand worked points. The barrier wagon contained no nuclear materials and there were no injuries.

The incident was investigated by the Health and Safety Executive's Railway Inspectorate and a summary of the incident will appear in the 1997–98 Annual Report on Railway Safety which is due for publication in December 1998.

Aviation Industry

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what representations he *(a)* has made and *(b)* plans to make to the IPCC study into the Impacts of Aviation on Climate Change; and what consultations the Government have had, for the purpose of this study, with organisations outside the aviation industry. [34112]

Ms Glenda Jackson: The DETR plays a leading part in the International Civil Aviation Organisation which is working closely with the IPCC on this special report. One of the report's two lead authors is an adviser to the Department and the DETR is also supporting the participation of other key UK experts.

The IPCC process is an open one and the draft report will be available for review by experts, governments and international non-governmental organisations.

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what reasons the aviation industry has given his Department for its opposition to new noise limits for departing aircraft at Heathrow, Gatwick and Stansted. [34114]

Ms Glenda Jackson: The grounds put forward by the International Air Transport Association in their recent application for leave to apply for judicial review related to alleged deficiencies in the consultation paper. The Department has undertaken to publish a supplementary paper and IATA has therefore withdrawn its application. I expect those airlines and aviation organisations which are opposed to our proposals will give their reasons for this in their responses to the consultation.

Trams

Ms Shipley: To ask the Secretary of State for the Environment, Transport and the Regions what measures he proposes to encourage the development of trams. [34491]

Ms Glenda Jackson: Light rapid transit systems, which include street running tramways, can have a role to play in delivering integrated transport in urban areas—particularly if they are planned as part of an overall local transport strategy. We look to local authorities to develop proposals through public/private partnerships and will consider on their merits any such proposals which require support from Government funds.

Park-and-ride Schemes

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the number of park-and-ride schemes for which each local authority bid for funding under the transport policy and programmes system for 1998–99, indicating in each case the amount of money bid for; and if he will list by local authority, the number of schemes which received funding under the transport policy and programmes system for 1998–99, indicating in each case the amount of money allocated. [34522]

Ms Glenda Jackson: All the available information is contained in the table. Only park-and-ride schemes that individually cost £2 million or more received scheme-specific allocations for 1998–99. Local authorities also have the freedom to pursue schemes below that value, using the block allocations they receive for packages of

transport measures. Under the package approach they are not required to specify before the start of a financial year the schemes they will pursue using those allocations. So except for the single major scheme shown, the figures in the right hand column of the table indicate only the schemes that authorities *could* pursue if they wished.

Bids and allocations for park-and-ride schemes 1998–99
Major schemes (cost £2 million or more)

£000

Authority	Total bid	Number of schemes bid for	Allocation	Number funded
Cheshire	1,650	1	1,500	1
Hampshire	547	1	0	0
Norfolk	1,869	5	0	0
Windsor and Maidenhead	4,256	1	0	0

Minor works (under £2 million)

£000

Authority	Total bid	Number of schemes bid for	Block allocations for transport packages	P and R schemes within accepted packages
Bedfordshire	870	2	900	2
Birmingham	150	1	[1]12,675	1
Blackburn	200	1	310	1
Bournemouth	500	1	223	1
Bradford	140	2	[2]800	2
Brent	85	1	0	0
Cambridgeshire	900	2	1,500	2
Cornwall	550	1	500	1
Coventry	725	1	[1]12,675	1
Derby	500	1	450	1
Derbyshire	90	1	167	0
Devon	646	7	800	7
Gloucestershire	4	1	700	1
Greater Manchester PTE	40	1	[3]8,750	1
Hampshire	1,000	1	883	1
Kent	250	2	1,215	2
Knowsley	50	1	[4]10,000	1
Lancashire	30	1	990	1
Leeds	50	1	[2]8,000	1
Lewisham	20	1	0	0
Lincolnshire	75	1	300	1
Medway Towns	100	1	0	0
Norfolk	170	1	1,000	1
North Yorkshire	185	3	300	3
Nottingham	39	3	754	3
Nottinghamshire	158	1	779	1
Oldham	50	1	[3]8,750	1
Oxfordshire	48	1	1,500	1
Plymouth City	200	1	750	1
Poole	30	1	177	1
Rochdale	10	1	[3]8,750	1
Rotherham	200	1	[5]6,125	1
Sefton	150	1	[4]10,000	1
Sheffield	50	1	[5]6,125	1
Shropshire	200	1	700	1
Surrey	235	2	650	2
Swindon	929	2	750	2
Torbay	371	2	0	0
Tyne and Wear PTE	100	1	[6]4,250	1
West Midlands PTE	2,963	9	[1]12,675	9
Wiltshire	1,802	1	250	1
Wirral	50	1	959	1
Wolverhampton	350	2	[1]12,675	2
Worcestershire	161	3	350	1

[1] allocation for West Midlands joint package
[2] allocation for West Yorks joint package
[3] allocation for Greater Manchester joint package
[4] allocation for Merseyside joint package
[5] allocation for South Yorkshire joint package
[6] allocation for Tyne and Wear joint package

Local Authority Pensions

Mr. Gibb: To ask the Secretary of State for the Environment, Transport and the Regions what plans his Department has to change the basis of actuarial assumption in the valuation of local authority pension funds. [34359]

Mr. Raynsford: My Department has no responsibility under the regulations governing the Local Government Pension Scheme to set actuarial assumptions in connection with the valuation of local authority pension funds. This is a matter for fund actuaries in the context of the triennial valuation exercise for each fund.

Vehicle Excise Duty

Mr. William Ross: To ask the Secretary of State for the Environment, Transport and the Regions on how many heavy goods vehicles vehicle excise duty was paid in Northern Ireland in each of the years *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97. [34465]

Ms Glenda Jackson: The information is available only in calendar years, as follows:

Years	*Numbers*
1994	14,810
1995	15,844
1996	17,401

CULTURE, MEDIA AND SPORT

Surplus Property and Land

Mr. Baker: To ask the Secretary of State for Culture, Media and Sport if he will list the properties and land owned by his Department which he has identified as surplus to requirements, giving in each case their estimated value. [30317]

Mr. Tom Clarke *[holding answer 23 February 1998]:* No properties or land which are surplus to requirements at the present time are held by the main Department or the Historic Royal Palaces Agency. The Royal Parks Agency have one dwelling, valued at approx £90,000, which is surplus to requirements and which is being disposed of.

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Culture, Media and Sport if he will list the bodies within the responsibility of his Department currently required by legislation to lay a report before Parliament. [33554]

Mr. Tom Clarke *[holding answer 9 March 1998]:* The bodies within my responsibility which are required to lay a report before Parliament are

Name of Organisation	*Type of Report*
English Sports Council Lottery Fund	Annual Report and Annual Accounts
Arts Council of England Lottery Fund	Annual Report and Annual Accounts
Millennium Commission	Annual Report and Annual Accounts
British Library	Annual Report including a financial statement
Public Lending Right	Annual Report including a financial summary
South Bank Centre	Annual Financial Statement
British Tourist Authority	Annual Report and Annual Accounts
English Tourist Board	Annual Report and Annual Accounts
National Lottery Charities Board	Annual Report and Annual Accounts
ITC	Annual Report and Annual Accounts
Radio Authority	Annual Report and Annual Accounts
Channel 4	Annual Report and Annual Accounts
Channel 4 Wales	Annual Report and Annual Accounts
Broadcasting Standards Commission	Annual Report and Annual Accounts
British Museum	A report to be laid at least once every 3 years and Annual Accounts
National Gallery	A report to be laid at least once every 3 years and Annual Accounts
National Museums and Galleries on Merseyside	A report to be laid at least once every 3 years and Annual Accounts
National Portrait Gallery	A report to be laid at least once every 3 years and Annual Accounts
Natural History Museum	A report to be laid at least once every 3 years and Annual Accounts
National Museum of Science and Industry	A report to be laid at least once every 3 years and Annual Accounts
Tate Gallery	A report to be laid at least once every 3 years and Annual Accounts
Victoria and Albert Museum	A report to be laid at least once every 3 years and Annual Accounts
Wallace Collection	A report to be laid at least once every 3 years and Annual Accounts
Imperial War Museum	Annual Accounts
National Maritime Museum	Annual Accounts
Museum of London	A report to be laid at least once every 3 years
National Heritage Memorial Fund	Annual Report and Annual Accounts
Heritage Lottery Fund	Annual Report and Annual Accounts
Royal Armouries	Annual Report and Annual Accounts
English Heritage	Annual Report and Annual Accounts
Treasure Trove Operations	Annual Report
Football Licensing Authority	Annual Report and Annual Accounts

PRIME MINISTER

Ministerial Visits

Mr. Wilshire: To ask the Prime Minister if he will list those visits made within the United Kingdom since 1 May on which he has been accompanied under Rule 83 of the Ministerial Code indicating (i) those persons accompanying and (ii) the cost to public funds. [23756]

The Prime Minister *[holding answer 19 January 1998]:* My wife accompanied me on the following official visits within the United Kingdom since 1 May:

June: Redditch and Worcester

September: Scotland, Wales

October: Edinburgh.

We were accompanied by officials and protection officers.

There were no additional costs to public funds other than for two occasions when the total cost was less than £100 in both cases.

Overseas Visits

Mr. Fabricant: To ask the Prime Minister if he will list the Ministers, officials and others who accompanied him on his visit to Washington on 4 to 7 February, indicating the reasons why each attended, the itinerary of each and their travel and other expenses. [28188]

The Prime Minister *[holding answer 6 February 1998]:* I was accompanied by nine key officials from the No. 10 Private and Press Offices and the Policy Unit and two outside experts. There was also the normal number of security and secure telecommunications staff who accompany a Prime Minister on an overseas visit. The three Ministers on the trip were each accompanied by an official.

Because of the block booking arrangements, the cost per person for travel was £3,500.

The accommodation costs for all the members of the official delegation were fully met by the United States government. Costs for support staff were £400 per person. The two outside experts met all their own costs.

These arrangements are in line with overseas visits made by the previous Administration.

The full cost of Ministerial overseas visits for 1996–97 was over £7.8 million. This compares with expenditure since 1 May of less than £5 million.

Israel

Mr. Faber: To ask the Prime Minister what representations he made to Prime Minister Netanyahu during their recent meeting concerning *(a)* Israeli commitments to honour existing agreements, *(b)* further Israeli redeployments, *(c)* Israeli expansion of settlements, *(d)* the opening of Gaza airport and *(e)* the resumption of final status talks. [34151]

The Prime Minister *[holding answer 12 March 1998]:* I met Prime Minster Netanyahu on 9 March. I underlined the need for both parties to respect their commitments under existing agreements. I emphasised the need for progress on implementation of Interim Agreement commitments, particularly on further redeployments from the West Bank, security co-operation, Gaza port, airport and industrial estate and safe passage. I also set out the government's view that progress on these issues and avoidance of unilateral actions which destroy confidence are essential to restore trust and allow for a resumption of negotiations on final status issues.

News International

Mr. Baker: To ask the Prime Minister, pursuant to his answer of 5 March 1998, *Official Report*, column *702*, for what reason it is not his policy to give specific details of meetings between himself or his officials and *(a)* Rupert Murdoch and *(b)* representatives of News International. [34521]

The Prime Minister: As under previous administrations, it is not the normal practice to provide details of private meetings with specific individuals or organisations.

HOME DEPARTMENT

Knives

Mr. Soley: To ask the Secretary of State for the Home Department what proposals he has to review legislation on knives; and if he will assess the advantage of banning knives with sharp points except when such knives are designated as for a specific and legitimate purpose. [33105]

Mr. Michael: The need for legislation to control the availability and promotion of knives as weapons was considered in detail by hon. Members during 1996 and 1997 during the passage of the Offensive Weapons Act 1996 and the Knives Act 1997, introduced by my hon. Friend the Member for Glasgow, Baillieston (Mr. Wray) which was fully supported by my right hon. Friend and myself, then in Opposition. We had concluded that simply banning knives with sharp points except when such knives are designated for a specific and legitimate purpose would not achieve the desired end. Knives with legitimate purposes can be as lethal as ones which would not be so designated and such an approach would require a complex and costly designation system.

While the Government have no plans at present for a further review, we remain open to any suggestions for a further tightening of legislation on knives, and would consider banning the sale of any specific bladed or pointed article which could be defined in a way which distinguished it from articles which do have legitimate purposes.

Police Evidence

Mrs. Lait: To ask the Secretary of State for the Home Department on how many occasions in respect of the evidence of how many Metropolitan police officers the prosecution has been required to disclose that evidence given by that officer had previously been discredited. [34273]

Mr. Michael: The Commissioner of Police of the Metropolis tells me that no central figures are kept on the number of cases where the prosecution has had to disclose that the evidence of an officer has on a previous occasion been discredited. Nevertheless, the Commissioner demands absolute integrity from his officers. If an officer gives evidence which raises concern with the trial magistrate or judge then they will direct that the matter be investigated. The procedure is for an internal investigation to be started. If, following such an investigation, the officer can be shown to be discredited then any cases in which the officer is subsequently involved would be reviewed by the Metropolitan Police and the Crown Prosecution Service.

Prisons (Drugs)

Mr. Malins: To ask the Secretary of State for the Home Department what evaluation he has made of technology to detect the presence of *(a)* class A and *(b)* class B drugs on persons entering prisons. [34467]

Mr. George Howarth: The Prison Service Security Group, through the Police Scientific Development Branch, are currently evaluating a number of drug detecting systems in laboratory tests and will be implementing field trials within prison establishments shortly. The evaluation will cover the detection of both class A and class B drugs.

Mr. Malins: To ask the Secretary of State for the Home Department what measures he is undertaking to prevent the entry of class A and B drugs to prisons. [34466]

Mr. George Howarth: The Prison Service has in place as part of its drug strategy robust measures aimed at preventing the entry of drugs into prisons. In practical terms, the methods aimed at preventing the entry of drugs are the same for all classes of drugs. All drugs are hard to detect due to the small amounts usually involved, although the additional risks posed by class A drugs are recognised.

Measures include: searching of visitors and of prisoners following visits; use of closed circuit television in visits areas; and perimeter searching. Many establishments use drug dogs which are an effective means of deterring visitors who may attempt to smuggle drugs. Prisoners found guilty of drug smuggling are liable to be placed on closed visits, while visitors may be arrested and denied future visits if found with drugs.

Fruit Machines

Mr. Sanders: To ask the Secretary of State for the Home Department if he will delay the triennial review of jackpot sizes for fruit machines. [34423]

Mr. George Howarth: We expect the Gaming Board to make its recommendations to us in June with a view to implementation of any agreed changes with effect from 1 October.

Mr. Sanders: To ask the Secretary of State for the Home Department what assessment he has made of the report by Dr. Fisher of Plymouth University on jackpot prizes. [34422]

Mr. George Howarth: Dr. Fisher's report for OFLOT was on gambling and problem gambling among young people. The Government will carefully consider the report's findings, including those on fruit machines, and any implications for gambling controls.

Mr. Sanders: To ask the Secretary of State for the Home Department what estimate he has made of the effect of the introduction of the £2 coin on fruit machine revenues. [34429]

Mr. George Howarth: None.

Football-related Offences

Mr. Spring: To ask the Secretary of State for the Home Department if he will make a statement on the range of penalties available to courts in respect of those subject to restriction orders as a result of offences related to football matches who failed to attend designated police stations. [34274]

Mr. Michael: Section 16 of the Football Spectators Act 1989 sets out the effect of a restriction order and provides for the offence of failure to comply with the duty to report. A person who fails to report to a police station without reasonable excuse is liable on conviction to a term of imprisonment of up to one month or a level 3 fine (currently £1,000) or both.

World Cup

Mr. Spring: To ask the Secretary of State for the Home Department if he will liaise with the French authorities to ensure that tickets for the World Cup are not re-sold. [34285]

Mr. Michael: France has strict laws against ticket touting under their Penal Code. All tickets for the World Cup will carry the name of the person to whom they are issued by the French authorities. The tickets can be re-sold only with the written permission of the authorities, and without that authority the original purchaser remains liable for the actions of those in the ground who use the ticket. The French authorities have advised they will rigidly apply the law against those who are in breach of the Code. My right hon. Friend has welcomed this approach in meetings with his French counterpart. Additionally, United Kingdom officials have discussed with the French authorities the practical measures in place to minimise the ability to sell tickets without written permission from the relevant authorities. We have registered our concern at the potential impact on safety and security of touted tickets getting into the hands of rival fans.

Correspondence

Mr. Wilshire: To ask the Secretary of State for the Home Department when he will reply to the letter of 20 November 1997 from the hon. Member for Spelthorne concerning Mrs. H. Buckell of Staines. [34281]

Mr. Mike O'Brien: The Home Office has no trace of ever having received the letter. Having now received a copy of it from the hon. Member, I will reply to him as soon as possible.

Police Vehicles (Heathrow)

Mr. Wilshire: To ask the Secretary of State for the Home Department how many vehicles designed for transporting people are operated by the Heathrow Airport Division of the Metropolitan Police. [34284]

Mr. Michael: The Commissioner tells me that Heathrow Division has 52 vehicles of which 45 are designed for transporting people. These include motorcycles, response vehicles, beat vehicles and armoured Landrovers.

Prisoners (Repatriation)

Mr. Reed: To ask the Secretary of State for the Home Department how release dates of prisoners who are repatriated from abroad are calculated. [34935]

Mr. Straw: The release dates of repatriated prisoners are calculated on the basis of the legislation in force on the date on which the prisoner is repatriated, subject to the provisions of the Schedule to the Repatriation of Prisoners Act 1984 (as amended by Schedule 2 to the Crime (Sentences) Act 1997).

The warrants under which prisoners are repatriated may contain reference to two separate periods. The first is the balance to serve, which is deemed to be the prisoner's sentence in this country. The second, for prisoners for whom it is applicable, is a period used solely to calculate the parole eligibility date of the prisoner.

In calculating the balance of the sentence remaining to be served by a prisoner following return to this country, account is taken of the time served abroad by the prisoner including, where applicable, any remand time and any remission available to the prisoner. The resulting balance is administered in accordance with the relevant United

Kingdom legislative provisions. Automatic release in the case of prisoners sentenced abroad to four years or more therefore occurs at the two thirds point of the balance to serve, and for prisoners sentenced abroad to less than four years, at the halfway point. Prisoners sentenced to periods of imprisonment abroad of four years or more are also eligible to be considered for discretionary release on licence (parole).

As far as parole is concerned, it has always been the policy that a repatriated prisoner should be treated as if he had been sentenced here i.e. he should become eligible for parole after having served one half of his original term of imprisonment (or one third in the case of prisoners sentenced prior to 1 October 1992). For the purposes of achieving this, it was the practice to specify in the warrant for the purposes solely of calculating parole eligibility, a period equivalent to the time actually served by the prisoner abroad.

Amendments made to the 1984 Act as a consequence of the introduction of the Criminal Justice Act 1991 resulted in anomalies with regard to the position of repatriated prisoners. In particular, the amendments linked parole eligibility and automatic release dates. As a consequence specifying a period in the warrant for the purposes of calculating parole eligibility had the unintended effect of bringing forward the prisoner's automatic release date. Judicial reviews brought in 1995 and 1996 brought these difficulties to light for the first time. It also emerged that the parole eligibility dates of prisoners had not previously been calculated fully in accordance with the terms of the legislation.

The difficulties identified in the legislation were corrected by means of amendments to the 1984 Act contained in Schedule 2 of the Crime (Sentences) Act 1997. In the light of the amendments and the discovery that parole dates were not previously calculated entirely in accordance with the legislation, it has become clear that it is not always appropriate to specify in the warrant a period equivalent to the actual time served by the prisoner abroad since this does not always result in the correct parole eligibility date.

Since 1 October 1997, therefore, normal policy has been to specify, for the purposes of calculating parole eligibility in accordance with the provisions of the Schedule to the 1984 Act, a period which ensures that the prisoner becomes eligible to be considered for parole after having served one half (or one third) of the original sentence. Each case is considered on an individual basis, taking into account the length of the original sentence, the time served abroad, and the balance to serve in this country.

TRADE AND INDUSTRY

Plutonium

Mr. Baker: To ask the President of the Board of Trade what steps she takes to ensure plutonium held for civil purposes cannot fall into the hands of people whose possession of such would constitute a threat to national security. [34471]

Mr. Battle: The stringent physical protection measures in place for the protection of civil plutonium follow the relevant international recommendations published by the International Atomic Energy Agency (IAEA). These measures are kept under review to ensure their continuing effectiveness. For security reasons, I cannot give the details of the precise measures which are taken.

Civil plutonium at UK nuclear facilities are subject to Euratom safeguards and to the terms of the UK Safeguards Agreement with Euratom and the IAEA.

Mr. Baker: To ask the President of the Board of Trade what estimate she has made of the costs of providing security to protect the stocks of plutonium held for civil purposes for the latest year for which figures are available. [34470]

Mr. Battle: Security costs for nuclear facilities are funded by the operator responsible for the relevant facility. They would include both the installation and maintenance costs of a range of physical protection measures, the guarding costs and the costs of the independent regulation of that security envelope. It is not possible to provide separate estimates of the costs of protecting the United Kingdom's stocks of civil plutonium.

Mr. Baker: To ask the President of the Board of Trade how much plutonium has been *(a)* exported from the UK and *(b)* imported into the UK for each year since 1979 indicating the countries of origin and destination for each movement. [34485]

Mr. Battle: Details of the quantities of civil plutonium exported from, and imported to, the United Kingdom, including countries of origin and destination, are published by my Department each year. Copies of all the annual plutonium figures since 1987 have been placed in the Libraries of both Houses. Figures relating to exports and imports before 1987 could be obtained only at disproportionate cost.

Mr. Baker: To ask the President of the Board of Trade how much civil plutonium has been held in the United Kingdom in each year since 1979. [34475]

Mr. Battle: Details of the quantities of civil plutonium stored at United Kingdom nuclear facilities, including its form and ownership, are published by my Department each year. Copies of all the annual plutonium figures since 1987 have been placed in the Libraries of both Houses. Figures relating to holdings before 1987 could be obtained only at disproportionate cost.

Mr. Baker: To ask the President of the Board of Trade how much civil plutonium has been *(a)* produced in the United Kingdom and *(b)* used in the United Kingdom in each year since 1979. [34473]

Mr. Battle: Details of the quantities of civil plutonium produced and used at United Kingdom nuclear facilities are published by my Department each year. Copies of all the annual plutonium figures since 1987 have been placed in the Libraries of both Houses. Figures relating to civil plutonium produced and used before 1987 could be obtained only at disproportionate cost.

Millennium Compliance

Mrs. Gillan: To ask the President of the Board of Trade if the estimate of £2,700,000 for achieving millennium compliance at her Department has been revised. [32370]

Mrs. Roche *[holding answer 3 March 1998]:* No. The estimate remains unchanged from that made under the previous Government. We will of course keep this under constant scrutiny.

Mrs. Gillan: To ask the President of the Board of Trade when the code checking exercise for millennium compliance at the Radiocommunications Agency's will be completed. [32373]

Mrs. Roche *[holding answer 3 March 1998]:* Code checking of the Radiocommunications Agency's 'business critical' bespoke software systems is planned to be complete in January 1999. All other bespoke software code checking is expected to finish by the end of May 1999.

Mrs. Gillan: To ask the President of the Board of Trade when the testing of systems for millennium compliance at the Export Credits Guarantee Department will be completed. [32375]

Mrs. Roche *[holding answer 3 March 1998]:* The bulk of the systems will be tested by 31 March 1998. However, we are awaiting upgraded software from two package suppliers and thus the testing will not be completed until these are available later in 1998.

Mrs. Gillan: To ask the President of the Board of Trade if the estimate of £184,187 for achieving millennium compliance at the Export Credits Guarantee Department has been revised. [32376]

Mrs. Roche *[holding answer 3 March 1998]:* No.

Mrs. Gillan: To ask the President of the Board of Trade if her estimate of £7,200 for the cost of achieving millennium compliance in the Insolvency Service has been exceeded. [32363]

Mrs. Roche *[holding answer 3 March 1998]:* The estimate of £7,200 was provided by the Insolvency Service in its response to a request for year 2000 plans to be provided to the Central Computer and Telecommunications Agency (CCTA) and represented the cost of remaining compliance testing for the Service's IT systems. This testing will not be completed until mid 1998 and current indications are that the original estimate will not be exceeded.

Mrs. Gillan: To ask the President of the Board of Trade to what extent her estimate for the costs of achieving millennium compliance in the Employment Tribunals Service has been revised, following the systems audit. [32366]

Mrs. Roche *[holding answer 3 March 1998]:* The cost of system audits is £72,850 inclusive of VAT.

The estimated cost of purchasing new compliant software is £116,860 inclusive of VAT.

An estimate is awaited from third party suppliers on the costs of remedial work on other software.

The cost of remedial work on embedded systems will be finalised following the results of the audit due by the end of March 1998.

Mrs. Gillan: To ask the President of the Board of Trade when the audit of the Employment Tribunals Service for millennium compliance will be completed. [32364]

Mrs. Roche *[holding answer 3 March 1998]:* The audit is expected to be completed on schedule by the end of March 1998.

Mrs. Gillan: To ask the President of the Board of Trade if the Patent Office has completed contacting all suppliers about millennium compliance. [32371]

Mrs. Roche *[holding answer 3 March 1998]:* The Patent Office is undertaking an extensive programme of checks to ensure that its effective operation is not prejudiced by the millennium date change. As part of this programme it has already been in touch with its existing suppliers of goods and services and will seek assurances on compliance from any new supplier with which it places a contract.

Mrs. Gillan: To ask the President of the Board of Trade when all testing on Year 2000 compliance will be completed within the Department. [32353]

Mrs. Roche *[holding answer 3 March 1998]:* The core DTI plans to complete Year 2000 compliance testing by the end of April 1999.

Mrs. Gillan: To ask the President of the Board of Trade if the estimate of £850,000 for achieving millennium compliance within the Patent Office has been revised. [32372]

Mrs. Roche *[holding answer 3 March 1998]:* The Patent Office revisited this estimate in February as part of the quarterly monitoring of compliance programmes carried out by the CCTA but found no reason for change.

Mrs. Gillan: To ask the President of the Board of Trade when *(a)* the conversion and *(b)* the testing of systems in Companies House for achieving millennium compliance will be completed. [32367]

Mrs. Roche *[holding answer 3 March 1998]:* Conversion should still be completed by October 1998 with final testing anticipated over the Easter weekend, 1999.

Mrs. Gillan: To ask the President of the Board of Trade from which budgetary sub-head will the costs of millennium compliance be met by her Department. [32356]

Mrs. Roche *[holding answer 3 March 1998]:* The cost of millennium compliance work on core DTI systems will be met from several budgetary sub-heads. Outsourced technical advice and support budgets for IT and premises will meet part of the cost. Where systems are being replaced or enhanced significantly for various reasons including millennium compliance, the Department's central IT capital budget is being employed. The cost of work done by officials to manage the programme falls on the relevant budgets such as salaries and accommodation.

Mrs. Gillan: To ask the President of the Board of Trade if the estimate of £317,000 for achieving millennium compliance in the systems at Companies House has been revised. [32368]

Mrs. Roche *[holding answer 3 March 1998]:* No, it remains our current estimate.

Mrs. Gillan: To ask the President of the Board of Trade when the assessment of the main systems at her Department for millennium compliance will be completed. [32369]

Mrs. Roche *[holding answer 3 March 1998]:* Assessment of business critical IT systems within the core DTI is complete and necessary remedial work has started.

Officials plan to complete their assessment of building-related systems by the end of March 1998.

Mrs. Gillan: To ask the President of the Board of Trade if the estimate of £1,000,000 for achieving millennium compliance at the Radiocommunications Agency has been revised. [32374]

Mrs. Roche *[holding answer 3 March 1998]:* The Radiocommunication Agency's initial estimate for its Year 2000 programme was £1.08 million; latest estimates indicate an expected cost of £1.04 million.

Mrs. Gillan: To ask the President of the Board of Trade if she will estimate the cost to her Department of *(a)* consultants and *(b)* contractors engaged by the Department to address millennium computer compliance problems; and if she will list them. [32489]

Mrs. Roche *[holding answer 3 March 1998]:* The costs of addressing the millennium compliance of core DTI computer systems are estimated as follows:

(a) Consultants: £1.6 million

(b) Contractors: £1.1 million.

Consultants and contractors have worked for the Department on a number of millennium computer compliance assignments. Numbers and personnel vary according to the needs of these assignments. At present the following consultants and contractors are engaged on this work in the core Department:

(a) 7 Consultants, supplied by Cap Gemini (3) and CMG (4)

(b) 15 Contractors, supplied by CAP Gemini (10) and ICL (5).

Mrs. Gillan: To ask the President of the Board of Trade how many people working within the Department on millennium compliance have *(a)* given notice of their intention to leave and *(b)* left the Department in the last six months. [32352]

Mrs. Roche *[holding answer 3 March 1998]:* No civil servants primarily engaged within the Department on millennium compliance work have given notice of their intention to leave or have left the Department in the last six months.

In that period one consultant completed an IT millennium compliance assignment and left the Department. Another moved to other duties within his company and has been replaced by a colleague. Two more have very recently given notice of resignation from their respective companies and will be replaced.

Mrs. Gillan: To ask the President of the Board of Trade when the remedial work on millennium compliance at the Insolvency Service will be completed. [32362]

Mrs. Roche *[holding answer 3 March 1998]:* The Insolvency Service anticipates confirming millennium compliance by the end of October 1998.

Mr. Redwood: To ask the President of the Board of Trade how much her Department will spend on achieving millennium compliance for its own computer systems between the present time and 1 January 2000. [32687]

Mrs. Beckett *[holding answer 3 March 1998]:* My department plans to spend approximately £1.93 million on achieving compliance for its core computer systems between the present time and 1 January 2000.

Mr. David Atkinson: To ask the President of the Board of Trade what action the OECD has taken to promulgate the need for computer systems to be millennium compliant. [33861]

Mr. Tony Lloyd: I have been asked to reply.

We are actively considering with the OECD what work they could undertake to raise awareness on the Millennium bug.

Employment Tribunals Service

Mrs. Gillan: To ask the President of the Board of Trade when the testing of all systems within the Employment Tribunals Service will be completed. [32365]

Mrs. Roche *[holding answer 3 March 1998]:* The ETS aims to complete testing by the end of 1998.

Council for Science and Technology

Mr. Goggins: To ask the President of the Board of Trade what plans she has for the Council for Science and Technology. [34934]

Mrs. Beckett: On behalf of my right hon. Friend the Prime Minister, I am pleased to announce today that, following extensive consultations and review, we are re-establishing the Council for Science and Technology with new terms of reference and the appointment of 14 independent members to serve as our premier advisory body on science and technology. Copies have been placed in the Library of the House.

I am delighted that we will be able to call on such a highly talented, experienced and distinguished people for independent, high level advice and very much look forward to working with them and with Sir Robert May as my Deputy.

Vehicle Emissions

Mr. Llew Smith: To ask the President of the Board of Trade what assessment her clean car task force has made of the research into wet collectors and coalescent filters conducted by Ford and PCME. [33112]

Mr. Battle: The Cleaner Vehicles Task Force, of which Ian McAllister of Ford is a co-chair, will be exploring a wide range of issues affecting the development, purchasing and use of cleaner vehicles. An element of major importance will be the contribution of new technologies to environmental objectives.

At this early stage, no assessment of any individual technological solutions has been made. However, under the Foresight Vehicle LINK Programme, the Government are providing over £5 million for collaborative research between industry and the science-base, to accelerate the exploitation of a range of environmentally friendly automotive technologies.

HEALTH

Homicide Inquiry Reports

Dr. Julian Lewis: To ask the Secretary of State for Health if he will list the homicide inquiry reports set up under HSG(94)27 which are currently under way, their commissioning authorities and their proposed reporting dates. [33848]

Mr. Boateng: The following homicide inquiries are underway:

Lead commissioning authority	*Inquiry*
Southampton Health Authority	Mr. E
Dorset Health Authority	Mr. E
Leicestershire Health Authority	Mr. P
Leicestershire Health Authority	Mr. S-P
County Durham Health Authority	Mr. J
Wigan & Bolton Health Authority	Mr. B
Lambeth, Southwark & Lewisham Health Authority	Mr. F
Lambeth, Southwark & Lewisham Health Authority	Mr. H
North Essex Health Authority	Mr.L/Mr.E
Berkshire Health Authority	Ms M
Berkshire Health Authority	Mr. C
East Norfolk HA	Mr. H

Publication dates for the inquiry reports have not been finalised.

Measles, Mumps and Rubella Vaccine

Caroline Flint: To ask the Secretary of State for Health if he will make a statement on the possible link between the MMR vaccine and the development of autism. [33921]

Ms Jowell: Following recent media coverage of a paper published in *The Lancet* on 28 February, the Chief Medical Officer, Sir Kenneth Calman, issued a public statement on 12 March as follows:

"Since the Lancet article was published there has been much misleading media coverage about possible links between measles, mumps and rubella (MMR) and autism. I am concerned that health professionals should have available the best information to give to parents.

Despite the Lancet paper stating categorically 'We did not prove a link between MMR vaccine and the syndrome described', this work has been wrongly reported as demonstrating a real causal association.

Independent experts and I have seen the published research and we are not convinced that there is indeed any link. No evidence has been published that demonstrates that MMR plays a part in autism.

Only one of the 13 authors of the Lancet paper has suggested, although not via published papers, that MMR should be given as three separate injections at least a year apart. The following points are important for parents and health professionals alike:

There is no published evidence to support the separate doses suggestion. The suggestion is counter to the recommendations of the Department of Health's independent experts and the World Health Organisation.

There are clear adverse consequences from following such a suggestion: take up for three separate immunisations will undoubtedly be less than that where only one is needed—some children will inevitably miss one or two jabs.

During the period from the first to the third injections children will be left unnecessarily at risk from serious diseases whilst they wait, unprotected, for two years or more between vaccines. During this time they and their contacts are at risk of infection.

Concerned parents, may find it helpful to know that the Assistant Director-General of the World Health Organisation, Dr. Ralph Henderson, has written to the Department of Health this week saying:

'We believe none of these data [in the Lancet article] provide a basis for providing the different components of this vaccine in separate schedules.

We wished to inform you of this as a means of offering you and your colleagues support in remaining firm in supporting the continued use of this highly effective vaccine which has such an outstanding safety record.'

Immunisation policy is built on scientific evidence of benefit and risk. No scientific evidence of the risk of autism from MMR has been published. There is an inevitable increased risk in following the suggestion that children receive three separate vaccines, given that they may then be exposed to serious infections for far longer than necessary. Therefore I strongly recommend that parents continue to have their children vaccinated with MMR."

The Chief Medical Officer's statement also included the following joint statement by the British Medical Association, Community Practitioners' and Health Visitors' Association, Faculty of Public Health Medicine, General Medical Services Committee, Royal College of General Practitioners, Royal College of Midwives, Royal College of Nursing, Royal College of Paediatrics and Child Health, and Royal College of Physicians:

"We fully support the Chief Medical Officer's advice. We strongly advise all parents to continue with the present MMR vaccination programme. This is essential for the welfare of children."

The Chief Medical Officer's statement concluded:

"I believe it is important to listen to all the arguments on this topic. Last year I agreed to convene a scientific seminar to air these issues. That independent seminar is now being organised by the Medical Research Council and will bring together experts on virology, epidemiology, gastroenterology, paediatrics and immunology. Following that meeting, on the 23 March, I will be writing to all doctors to let them know my conclusions."

Renal Services

Mr. Hoyle: To ask the Secretary of State for Health if he will make a statement on the provision of funding for renal services at *(a)* Preston and *(b)* Chorley and South Ribble Hospital. [33952]

Mr. Milburn: The South Lancashire Health Authority contract for renal services with the Royal Preston Hospital for 1997–98 is for £640,000. No renal services are provided at Chorley and South Ribble hospital, with the exception of outreach nephrology outpatient clinics at the hospital, paid for through the Preston contract.

Kidney Disease (Deaths)

Mr. Hoyle: To ask the Secretary of State for Health what representation he has received on the incidence of deaths from kidney disease in the Chorley and South Ribble area. [33951]

Mr. Milburn: We have not received any representations on the incidence of and deaths from kidney disease in the Chorley and South Ribble area.

Cannabis

Mr. Gordon Prentice: To ask the Secretary of State for Health what discussions he has had with the BMA concerning its recent report on the therapeutic uses of cannabis; and if he will make a statement. [34459]

Mr. Boateng: My right hon. Friend the Secretary of State has not had any discussions with the British Medical Association (BMA) on the therapeutic use of cannabis. However, the Chief Medical Officer and Departmental officials met the BMA on 10 March to discuss their report on the therapeutic uses of cannabis.

Health Services (Oxfordshire)

Mr. Woodward: To ask the Secretary of State for Health what is the total number of trusts in Oxfordshire; what is the average population served by each trust; what is the average national figure for all health authorities; and what is the Government's target figure for population coverage by health trusts. [34430]

Mr. Milburn: The figures are set out in the table:

	Oxfordshire	*England*
Population (1996 estimates)	603,200	49,089,100
Number of National Health Service trusts	8	425
Population per NHS trust	75,400	115,500

There is no target for population cover by NHS trusts.

Mr. Woodward: To ask the Secretary of State for Health how many patients are currently on waiting lists in Oxfordshire; and how this compares to figures over the last two years. [34441]

Mr. Milburn: Information on the number of residents of Oxfordshire Health Authority waiting on ordinary and day case waiting lists on 31 December 1997 and for the preceding two years is given in the table.

Health authority (resident based) number waiting

	Ordinary admissions	*Day case admissions*
At 31 December 1995	6,188	4,023
At 31 December 1996	6,371	4,246
At 31 December 1997	6,883	5,989

[1] Provisional figures

Mr. Woodward: To ask the Secretary of State for Health if he will make a statement on resourcing of community health trusts in Oxfordshire per head of population relative to other health authorities. [34450]

Mr. Milburn: Different patterns of service provision in different parts of the country make such direct comparisons impossible.

Community Hospitals

Mr. Woodward: To ask the Secretary of State for Health what are the statutory requirements for consultation when closing a community hospital. [34438]

Mr. Milburn: The National Health Service and Community Care Act 1990 requires that consultation must take place on the dissolution of NHS trusts. Additionally, the Community Health Councils (CHCs) Regulations 1996 require health authorities to consult CHCs on any proposals which the health authority has under consideration for any substantial developments of the health service in the CHCs' district and any substantial variation in the provision of such services.

Poverty

Mr. Peter Bottomley: To ask the Secretary of State for Health if he will estimate the level of poverty in *(a)* real and *(b)* relative terms in (i) 1979 and (ii) the most recent year for which data are available, giving the numbers and proportions of children above these levels. [28826]

Mr. Keith Bradley: I have been asked to reply.

There are various indicators which can be used to determine the scale of the situation which needs to be addressed in reforming welfare.

The tables shows the information required according to two indicators which can be used—people whose income is above half the average income, and numbers above the bottom quintile of the income distribution.

Numbers (in millions) of people and children, and the proportion of children, living in households with (a) income above half contemporary average income in 1979 and (b) above the 1979 half average in 1994–95, and (c) income above half contemporary average income in 1994–95. In each case figures are shown before housing costs (BHC) and after housing costs (AHC).

Year	*Number of people*		*Number of children*		*Proportion of children*	
	BHC	*AHC*	*BHC*	*AHC*	*BHC (per cent.)*	*AHC (per cent.)*
(a) 1979	49.6	49.0	12.6	12.4	91	90
(b) 1994–95 above 1979 average	54.6	52.3	12.4	11.6	93	87
(c) 1994–95 above 1994–95 average	47.2	44.1	10.0	9.1	75	68

Numbers (in millions) of people and children, and the proportion of children, living in households with income above the bottom quintile of the income distribution in (a) 1979 and (b) 1994–95, before housing costs (BHC) and after housing costs (AHC).

Year	Number of people		Number of children		Proportion of children	
	BHC	AHC	BHC	AHC	BHC (per cent.)	AHC (per cent.)
(a) 1979	43.2	43.2	10.9	10.9	79	79
(b) 1994–95	46.0	46.0	9.7	9.5	73	71

Notes:
1. All figures include the self-employed.
2. Figures for proportion of children use a child population of 13.8 million in 1979 and 13.3 million in 1994–95.
3. Figures use total population figures of 54 million in 1979 and 57.5 million in 1994–95.

Source:
Households Below Average Incomes 1994–95

LORD CHANCELLOR'S DEPARTMENT

Reigate Crown Court

Mr. Blunt: To ask the Parliamentary Secretary, Lord Chancellor's Department what proposals are under consideration to close Reigate Crown Court; and if he will make a statement. [33384]

Mr. Hoon: The Court Service is currently reviewing the use made of Reigate County Court.

SCOTLAND

Civil Servants (Brussels)

Mr. Maxton: To ask the Secretary of State for Scotland how many Scottish Office civil servants were sent on *(a)* permanent and *(b)* temporary Brussels placements in each year from 1973 to 1997. [33708]

Mr. Dewar: This information is not available from 1973. Reliable records are available only from 1990. The number of Scottish Office civil servants sent to Brussels each year is set out in the table. All were seconded on a temporary basis.

Year	Number
1990	1
1991	2
1992	6
1993	4
1994	4
1995	6
1996	5
1997	7

Council of Ministers

Mr. Maxton: To ask the Secretary of State for Scotland if he will list the dates of each meeting of the European Council of Ministers since 1973 which was attended by himself or junior Scottish Office Ministers, specifying the policy areas under consideration in each case. [33709]

Mr. Macdonald: Records of the meetings attended by Scottish Office Ministers between 1973 and 1987 were not collated and the information could be provided only at disproportionate cost. The information for 1988 onwards is as follows:

Year	Scottish Office Minister attendance	Policy area of Council
1988	5	All Fisheries Councils
1989	4	Three Fisheries and one Regional Policy Council
1990	4	All Fisheries Councils
1991	5	Four Fisheries and one Agriculture Council
1992	8	Five Fisheries, two Agriculture and one Education Council
1993	8	Four Fisheries, one joint Environment/Transport, one joint Foreign Affairs/Agriculture, one Agriculture and one Justice and Home Affairs Council
1994	8	Six Fisheries, one Regional Policy and one Justice and Home Affairs Council
1995	7	Four Fisheries, one Agriculture, one Environment and one Justice and Home Affairs Council
1996	15	Eight Agriculture, five Fisheries and two Environment Councils
1997	10	Four Agriculture, three Fisheries, two Education and one Environment Council

EU Delegations

Mrs. McKenna: To ask the Secretary of State for Scotland if he will list the occasions when Scottish Office Ministers have been members of Government delegations at meetings with *(a)* EU institutions and *(b)* EU member states' Governments. [34936]

Mr. Macdonald: Details as from 1 May 1997 are in the table.

Date	Meeting	Minister
Council of Ministers		
May 20–21	Agriculture Council	Lord Sewel
June 26	Education Council	Mr. Wilson
October 16	Environment Council	Lord Sewel
October 20	Agriculture Council	Lord Sewel
October 30	Fisheries Council	Lord Sewel
November 20	Education Council	Mr. Wilson
December 9	Informal ESDP Council	Mr. Chisholm
December 18–19	Fisheries Council	Lord Sewel
Bilaterals with the European Commission		
June 1–2	Meetings with Commissioners Kinnock and Bonino	Lord Sewel and Mr. Wilson

Date	Meeting	Minister
June 24	Meeting with Commissioner Kinnock	Mr. McLeish
October 7	Meeting with Commissioner Fischler (Edinburgh)	Lord Sewel
October 8	Meetings with Commissioners Bonino, Kinnock and Wulf Mathies	Secretary of State
December 1	Meeting with Commissioner Flynn	Secretary of State
January 8[1]	Commissioner Fischler	Lord Sewel
	Commissioners Cresson and Flynn	Mr. Wilson
	Commissioner Wulf Mathies	Secretary of State
	Commissioner Kinnock	Mr. McLeish
	Commissioner Gradin	Mr. McLeish
	Commissioners Bonino and Flynn	Mr. Galbraith
	Commissioner Bjerregard	Lord Sewel
	Commissioner Wulf-Mathies	Mr. Macdonald
	Commissioner Bonino	Lord Sewel

[1] This series of meetings took place in London as the traditional beginning of Presidency meetings between the new Presidency and the full Commission. The Scottish Ministers accompanied other UK Ministers in these meetings.

In addition I have represented the UK Government at ESDP Bilaterals with Ministers from the following Member States: Denmark, Sweden, Finland, Germany, Italy, France and Ireland.

AGRICULTURE, FISHERIES AND FOOD

Civil Servants

Mr. Jenkins: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33056]

Mr. Morley *[holding answer 9 March 1998]:* The information requested for the core Department is as follows:

University attendees (as at 6 March 1998)

Grade	Total staff	Number at University	percentage	Number at Oxford and Cambridge	percentage
SCS	96	90	94	45	47
UG6 and equivalent	96	67	70	7	7
UG7 and equivalent	280	179	64	34	12
SEO and equivalent	537	353	66	21	4
HEO and equivalent	817	330	40	11	1

The Executive Agencies are a matter for their Chief Executives, and I have asked them to reply to my hon. Friend direct.

Letter from Dr. J. M. Rutter to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question about the number and percentage of civil servants in the Veterinary Medicines Directorate at each grade including and above HEO who attended a) university and b) either Oxford or Cambridge university. The question relates to personnel matters for which I am responsible up to and including UG6. The details are set out in the following table which includes figures for the Senior Civil Service provided by the Department.

University attendees

Grade	Total Staff	Number at University	percentage	Number at Oxford or Cambridge	percentage
SCS	3	3	100	0	0
UG6 and equivalent	3	2	67	0	0
UG7 and equivalent	27	19	70	2	7
SEO and equivalent	9	5	56	0	0
HEO and equivalent	10	2	20	0	0

Letter from Michael Finnigan to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question about the estimated number and percentage of civil servants, within the Farming and Rural Conservation Agency (FRCA), who (a) attended university and (b) attended either Oxford or Cambridge University.

We do not hold these data in a readily accessible manner, and could only obtain them at disproportionate cost.

Letter from T. W. A. Little to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question on the number and percentage of staff at VLA who have attended university and attended either Oxford or Cambridge University.

VLA	Total staff	Number at University	percentage	Number at Oxford and Cambridge	percentage
SCS	3	3	100	1	33
UG6 and equivalent	10	7	70	0	0
UG7 and equivalent	112	85	76	9	8
SEO and equivalent	53	23	43	0	0
HEO and equivalent	85	29	34	0	0

Letter from Johnston McNeill to Mr. Brian Jenkins, dated 13 March 1998:

As Chief Executive of the Meat Hygiene Service (MHS), your question to the Minister of Agriculture, Fisheries and Food enquiring about the number and percentage of civil servants at each grade including and above higher executive officer who attended university and who attended with Oxford or Cambridge university has been passed to me for reply with regard to this Executive Agency.

Information on attendance at university is not separately identified on MHS computer records. I therefore regret that the MHS is unable to provide this information, except at disproportionate cost.

Letter from Professor P. I. Stanley to Mr. Brian Jenkins, dated 13 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Central Science Laboratory (CSL), to your question the number of civil servants who attended university and specifically Oxford or Cambridge University.

This type of information is not held in a readily accessible form and could only be provided at disproportionate cost.

Letter from P. W. Greig-Smith to Mr. Brian Jenkins, dated 13 March 1998:

As Agency Chief Executive, I am responding to your questions to the Minister of Agriculture in relation to the Centre for Environment, Fisheries & Aquaculture Science.

Concerning the number and percentage of new staff who attended Oxford or Cambridge University, records are not retained on this basis. However, I can confirm that all new entrants to the CEFAS Agency, the majority of whom are within scientific grades, join through the regular Civil Service entrance procedure.

Letter from G. K. Bruce to Mr. Brian Jenkins, dated 13 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Pesticides Safety Directorate (PSD), to your question concerning the percentage of civil servants within the Agency at each grade including and above higher executive officer who (a) attended university and (b) attended either Oxford or Cambridge University.

The information you requested is as follows:

University attendees (as at 6 March 1998)

Department/Agency	*Total staff*	*Number at University*	*percentage*	*Number at Oxford and Cambridge*	*percentage*
PSD					
SCS	3	2	67	1	33
UG6 and equivalent	2	2	100	0	0
UG7 and equivalent	16	15	94	2	13
SEO and equivalent	32	29	91	0	0
HEO and equivalent	63	55	87	0	0

Mr. Jenkins: To ask the Minister of Agriculture, Fisheries and Food if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector. [33057]

Mr. Morley *[holding answer 9 March 1998]:* Personnel information for the core Department does not include a breakdown on types of schools. They could be provided only at disproportionate cost.

The Executive Agencies are a matter for their Chief Executives, and I have asked the to reply to my hon. Friend direct.

Letter from J. M. Rutter to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question about the number and percentage of civil servants in the Veterinary Medicines Directorate at each grade who received their schooling in the independent school sector. The question relates to personnel matters for which I am responsible.

I am afraid that this information is not kept centrally and can be obtained only at disproportionate cost.

Letter from T. W. A. Little to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question on the number of staff at VLA who received their schooling in the independent school sector.

VLA personnel information does not include a breakdown on types of schools. The information would only be available at disproportionate cost.

Letter from Johnston McNeill to Mr. Brian Jenkins, dated 13 March 1998:

As Chief Executive of the Meat Hygiene Service (MHS), your question to the Minister of Agriculture, Fisheries and Food enquiring about the number of civil servants who received their schooling in the independent school sector has been passed to me to reply with regard to this Executive Agency.

Information on attendance at independent schools is not separately identified on MHS computer records, I therefore regret that the MHS is unable to provide this information, except at disproportionate cost.

Letter from P. W. Greig-Smith to Mr. Brian Jenkins, dated 13 March 1998:

As Agency Chief Executive, I am responding to your question to the Minister of Agriculture in relation to the Centre for Environment, Fisheries & Aquaculture Science.

With regard to the number of staff who received their schooling in the independent school sector, unfortunately personnel information does not include a breakdown on types of schools attended. This would only be available at disproportionate cost.

Letter from Professor P. I. Stanley to Mr. Brian Jenkins, dated 13 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Central Science Laboratory(CSL), to your question the number of civil servants who received independent schooling.

This type of information is not held in a readily accessible form and could only be provided at disproportionate cost.

Letter from G. K. Bruce to Mr. Brian Jenkins, dated 13 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Pesticides Safety Directorate (PSD), to your question concerning the number of civil servants within the Agency who received their schooling in the independent school sector.

I regret that our personnel information does not include a breakdown on types of schools attended and this could only be provided at disproportionate cost.

Letter from Michael Finnigan to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question about the estimated number of civil servants within the Farming and Rural Conservation Agency (FRCA), who received their schooling in the independent school sector.

We do not hold these data in a readily accessible manner, and could only obtain these at disproportionate cost.

Mr. Jenkins: To ask the Minister of Agriculture, Fisheries and Food if he will estimate, for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33058]

Mr. Morley *[holding answer 9 March 1998]:* Information for each of the last five years could be provided only at disproportionate cost.

However, in the calendar year 1997, there were 1,464 new entrants in the core Department, two of whom attended Oxford or Cambridge University. One of these joined through the regular Civil Service entrance procedure and the other one through the fast stream.

Information on new entrants from the private sector could be provided only at disproportionate cost.

The Executive Agencies are a matter for their Chief Executives, and I have asked them to reply to my hon. Friend direct.

Letter from T.W.A. Little to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question on the number and percentage of VLA staff, for each of the last five years, who attended Oxford or Cambridge University, broken down by those joining VLA via the regular Civil Service entrance procedure, the fast stream and the private sector.

Information for each of the last five years could only be provided at disproportionate cost. However, in calendar year 1997 there were 166 new entrants in VLA of whom none went to Oxford of Cambridge University.

Letter from Johnston McNeill to Mr. Brian Jenkins, dated 13 March 1998:

As Chief Executive of the Meat Hygiene Service (MHS), your question to the Minister of Agriculture, Fisheries and Food enquiring about the number and percentage of new civil servants who attended Oxford or Cambridge University broken down by various joining options.

Information on attendance at university is not separately identifiable on MHS computer records. I therefore regret that the MHS is unable to provide this information, except at disproportionate cost.

Letter from Professor P.I. Stanley to Mr. Brian Jenkins, dated 13 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Central Science Laboratory (CSL), to your question the number of civil servants who attended Oxford or Cambridge University and the route by which they joined the Civil Service.

This type of information is not held in a readily accessible form and could only be provided at disproportionate cost.

Letter from P.W. Greig-Smith to Mr. Brian Jenkins, dated 13 March 1998:

As Agency Chief Executive, I am responding to your question to the Minister of Agriculture in relation to the Centre for Environment, Fisheries and Aquaculture Science.

The information requested in relation to attendance at Oxford or Cambridge University is not readily available. Records are not retained on this basis and the information could only be provided at disproportionate cost.

You may find it helpful, however, to have details of CEFAS staff by grade and percentage who attended university. These are as follows:

	Total Staff	*No. who attended University*	*percentage*
SCS or equivalent	2	2	100
UG6 or equivalent	12	11	92
UG7 or equivalent	33	27	82
SEO or equivalent	50	32	64
HEO or equivalent	68	36	53

Letter from J.M. Rutter to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question about the number and percentage of new entrant civil servants joining the Veterinary Medicines Directorate (VMD) in each of the last five years who attended Oxford or Cambridge University. The question relates to personnel matters for which I am responsible.

None of the new staff joining the VMD in the last five years attended either Oxford or Cambridge University.

Letter from Michael Finnigan to Mr. Brian Jenkins, dated 13 March 1998:

The Minister has asked me to reply to your question about the estimated number, for each of the last five years, of new civil servants within the Farming and Rural Conservation Agency (FRCA), who attended Oxford or Cambridge University.

We do not hold these data in a readily accessible manner, and could only obtain these at disproportionate cost.

Letter from G.K. Bruce to Mr. Brian Jenkins, dated 13 March 1998:

The Minister of Agriculture, Fisheries and Food has asked me to reply, in respect of the Pesticides Safety Directorate (PSD), to your question concerning the number of new civil servants within the Agency who attended Oxford or Cambridge University, broken down into the number of entrants who joined from (a) the regular Civil Service entrance procedure, (b) the fast stream, and (c) the private sector.

I regret that the information for each of the last five years could only be provided at disproportionate cost. However, in calendar year 1997 there were 24 new entrants into PSD, none of whom went to Oxford or Cambridge University.

Dietary Supplements

Mr. Tredinnick: To ask the Minister of Agriculture, Fisheries and Food how many of the papers relating to vitamin B6 which were considered by the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment he has evaluated; and on what dates he read each paper. [33514]

Mr. Rooker: I have not evaluated any of the papers relating to vitamin B6 which were considered by the Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment (COT), nor am I qualified to do so. However, since I announced the Government's decision to introduce controls on dietary supplements containing vitamin B6 I have read both the papers on the safety of vitamin B6 that were prepared for the COT by its Secretariat, together with a selection of the scientific studies to which these refer.

It is the COT's role to evaluate the scientific evidence on toxicity of chemicals in food and to advise the Government on such matters. The Government have every confidence in the rigour with which the COT reviewed the data on the safety of vitamin B6, and the decision to introduce controls on dietary supplements containing this vitamin was taken in the light of the very clear recommendations of the COT and the Food Advisory Committee.

Cattle Carcases

Mr. Paice: To ask the Minister of Agriculture, Fisheries and Food (1) how many *(a)* carcases and *(b)* tonnes of meat and bonemeal of cattle slaughtered under the Over Thirty Months Scheme and the Selective Cull were disposed of in each quarter of 1997; and what is the present weekly rate of disposal; [34289]

(2) how many *(a)* carcases and *(b)* tonnes of meat and bonemeal of cattle slaughtered under the Over Thirty Months Scheme and the Selective Cull are in storage now; and what was the figure on 1 May 1997; [34291]

(3) what methods have been used for the disposal of *(a)* carcases and *(b)* meat and bonemeal since 1 May 1997; [34290]

(4) what are the current weekly costs of storing *(a)* the carcases and *(b)* the meat and bonemeal of cattle slaughtered under the Over Thirty Months Scheme and the Selective Cull. [34292]

Mr. Rooker: The animals purchased by the Intervention Board under the Over Thirty Months Scheme (OTMS) and the Selective Cull Scheme (SCS) are either being directly incinerated, or rendered into meat and bonemeal (MBM) and tallow which is being safely and securely stored pending destruction.

Some MBM is already being disposed of via high temperature waste incineration. Whilst the Board is negotiating with a number of companies for the large scale incineration of MBM with energy recovery, no decisions have yet been taken on any option or options. The goal remains to find a disposal solution which takes full account of the need to protect human and environmental health whilst at the same time keeping the cost to the taxpayer as low as is consistent with this. In the meantime the Board is pressing ahead with plans to increase the number of carcases which are directly incinerated, as indicated in my answer to the hon. Member for Vale of York (Miss McIntosh) on 19 December 1997, *Official Report*, columns *374–75*.

The number of animals slaughtered and disposed of under the OTMS and SCS, and quantity of MBM from these schemes which was incinerated in 1997, together with the present rate of disposal, is as follows:

1997 Disposal (by quarter)	*January to March*	*April to June*	*July to September*	*October to December*
			Incinerated	
(a) Number of carcases				
OTMS	17,658	18,983	17,216	21,793
SCS	4	187	289	733
(b) MBM (tonnes)				
OTMS	1,026	1,676	1,831	2,008
SCS	0	20	0	0
			Rendered	
(a) Number of carcases				
OTMS	197,876	170,018	189,621	217,935
SCS	693	9,415	21,403	23,334
(b) MBM (tonnes)				
OTMS	0	0	0	0
SCS	0	0	0	0

Present disposal (by week)	*Rendering*	*Incineration*
Average weekly rates		
OTMS Carcases	13,300	[1]2,400
OTMS MBM (tonnes)	0	350
SCS Carcases	750	70

[1] Includes animals incinerated in new build incinerators which are currently licensed to burn carcase material but not offals.

In order to help clear the backlog of OTMS animals awaiting slaughter following the scheme's introduction in 1996, carcases were held temporarily in cold store. At 1 May 1997, some 134,500 OTMS carcases were still in cold storage, but these had all been removed and rendered by the end of October 1997. No SCS carcases have been put into cold storage.

At the end of February 1998, stocks of MBM stood at 318,600 tonnes, of which 8,700 tonnes was from the

rendering of SCS animals. The cost of storing this material is £179,000 per week (of which £14,000 for the MBM from the SCS). The equivalent stock position as at 1 May 1997 was some 199,000 tonnes of MBM, of which 200 tonnes was from the SCS.

SOCIAL SECURITY

Domestic Abuse

Mr. Cohen: To ask the Secretary of State for Social Security what assessment the Minister for Women has made of the report of the Royal College of Midwives entitled. "Domestic Abuse of Pregnant Women" what plans she has to bring it to the attention of *(a)* the police and *(b)* other relevant professionals; and if she will make a statement. [29682]

Ms Ruddock: We welcome the report. The guidelines offer real support for midwives in dealing with very sensitive situations. It helps them to know the signs, both physical and emotional, to look for and how to help the woman involved and her children. The report has been brought to the attention of Home Office Ministers who have responsibility for domestic violence and the Police. Other professional groups are developing their own guidelines for their members.

Disability Benefits

Mr. Berry: To ask the Secretary of State for Social Security if she will itemise total expenditure on each of the disability benefits in the United Kingdom in *(a)* 1979–80 and *(b)* 1996–97, at 1996–97 prices, with the corresponding numbers of recipients; and if she will list, with dates, the legislation between 1979 and 1997, inclusive, other than annual upratings, which affected those numbers and costs. [29207]

Mr. Denham *[holding answer 12 February 1998]:* The information is not available in the format requested. Such information as is available is set out in the tables which have been placed in the Library.

Consultants

Mr. Malcolm Bruce: To ask the Secretary of State for Social Security what is her estimate of the expenditure of her *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies on external consultants in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year; and if she will also estimate the cost savings resulting from the employment of such consultants for each of the above years. [26619]

Mr. Denham *[holding answer 5 February 1998]:* The information is not available in the format requested. Such information as is available is set out in the table.

Expenditure on External Management and IT consultancy

£ million

Year	*BA*	*CA*	*CSA*	*ITSA*	*WPA*	*NDPBs*	*DSS HQ*	*DSS Total*
1995/96	14.3	2.7	0.6	6.9	0.2	0.2	3.4	28.3
1996/97	13	1.3	0.4	6.6	0.1	0.4	1.5	23.3
1997/98 (to date 31/12/97)	7.3	0.3	0.2	4.4	0.1	0.4	1.4	14.1
1997/98[1]	9.7	1	0.4	7.5	0.1	0.7	2.1	21.5

[1] estimated full year

The Department has produced its own guidance on buying and using consultancy based on the findings of the Efficiency Unit Scrutiny Report on the use of External Consultants published in August 1994. This has been supplemented by individual Agency procedural guidance. External Consultants are only engaged when internal resources are not available; best procurement practices are followed to ensure that value for money is obtained; and assignments are subject to a post implementation review where appropriate. Not all consultancy projects lend themselves to analysis in terms of resultant savings; however the intelligent and selective use of consultants has delivered worthwhile solutions and benefits for the Department.

Tribunals

Dr. Lynne Jones: To ask the Secretary of State for Social Security how many social security tribunal hearings were lodged in each of the 12 months preceding and succeeding October 1996 *(a)* in Birmingham, *(b)* in the West Midlands Region and *(c)* nationally for each benefit; and what was the percentage of cases heard orally. [31271]

Mr. Keith Bradley: The information is not available in the form requested. Such information as is available is set out in the tables entitled "The number of appeals lodged at Social Security Appeal Tribunals (SSAT) in the Independent Tribunal Service, and the number of appeals heard and decided by SSATS, for the twelve months preceding and succeeding October 1996", copies of which have been placed in the Library.

Conferences

Mr. Gordon Prentice: To ask the Secretary of State for Social Security how many of her officials attended conferences *(a)* in the United Kingdom and *(b)* overseas; and how many and what percentage made (i) oral and (ii) written contributions to the matters under discussion in the last 12 months for which figures are available. [31168]

Mr. Field: The information is not collected.

Disability Living Allowance

Mr. McAllion: To ask the Secretary of State for Social Security how many claimants in receipt of *(a)* higher mobility rate of disability living allowance and *(b)* the highest care rate of disability living allowance have to date been subjected to the Benefits Integrity Programme in *(a)* Dundee, *(b)* Scotland and *(c)* the United Kingdom; how many in each category have had their benefit reduced as a result; and what is the total saving in each category. [29986]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend with further details.

Letter from Peter Mathison to Mr. John McAllion, dated 12 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question asking how many claimants in receipt of (a) higher mobility rate of Disability Living Allowance (DLA) and (b) the highest care rate of DLA have to date been subjected to the Benefits Integrity Programme (BIP) in (a) Dundee, (b) Scotland and (c) the United Kingdom; how many in each category have had their benefit reduced as a result; and what is the total saving in each category. As Mr Mathison is away from the office on leave, I am replying.

The information is not available in the format requested. The database of casework has not been designed to extract information geographically during the project. To do so would necessitate high cost and disruption to the processing of ongoing casework. However, once the casework has been completed a full evaluation of the data is planned to provide a geographical analysis.

All BIP cases involve customers with entitlement to higher rate mobility component combined with either highest or middle rate care component of DLA. As at 31 January 1998, a total of 54,839 cases, have been examined as part of the BIP. Of these total cases dealt with 1,299 have had their benefit increased, 6,884 have had their benefit reduced and 3,926 have had their benefit disallowed. The total includes 10,811 renewal cases, of which 334 have had their benefit increased, 2,907 have had their benefit reduced and 1,969 have had their benefit disallowed.

Of the cases looked at by BIP 16,562 customers have the highest rate care component. Of these 3,475 have had reductions to benefit. These reductions may involve the mobility component, the care component or both components.

A monthly statistical report is produced and a copy of the report for January 1998 can be found in the House of Commons Library.

An up to date savings assessment is not currently available, but we have this under review. I will write to you again as soon as this information becomes available.

I hope you find the reply helpful.

Retirement Pension

Mr. Flynn: To ask the Secretary of State for Social Security what national insurance contribution rate would be required in 2003–04 if the basic retirement pension and linked benefits were increased to the same proportion of average earnings as in 1980, with corresponding increases in the lower and upper earnings limits. [31595]

Mr. Denham *[holding answer 26 February 1998]:* Information for 2003–04 is not available and could be provided only at disproportionate cost. However, if in 2001–02 the basic retirement pension and linked benefits were increased to the same proportion of average earnings as in 1980, with corresponding increases in the lower and upper earnings limits, the main Class 1 contribution rates required for employees and employers would be 13.8 per cent. and 12.4 per cent. respectively. This estimate assumes that each contribution rate would be set so that on full-time average earnings the employee and the employer would pay the same amount of additional contributions.

Source:

Government Actuary's Department.

Mr. Flynn: To ask the Secretary of State for Social Security what is the expected cost of *(a)* the basic retirement pension and *(b)* linked benefits in (1) 1998–99, (2) 1999–2000 and (3) 2000–01, assuming upratings in April 1999 and 2000 in line with (i) prices and (ii) average earnings; and in each case what rate of Class 1 national insurance contributions this would imply in each of those years. [31596]

Mr. Denham *[holding answer 26 February 1998]:* The figures for the basic Retirement Pension (RP) expenditure and National Insurance Contribution (NIC) rates in 1998–99 can be found in the "Report by the Government Actuary on the drafts of the Social Security Benefits Up-rating Order 1998 and the Social Security (Contributions) (Re-rating and National Insurance Fund Payments) Order 1998".

If RP and the linked benefits were to continue to be uprated by prices, we would not envisage any change to the current national insurance rates in 1999–2000 or 2000–01. To offset the extra cost of uprating basic RP and the linked benefits by earnings in April 1999 and April 2000, we estimate that Class 1 NIC rates would stay constant in 1999–2000 and would need to be raised by 0.1 per cent. for employers and 0.2 per cent. for employees in 2000–01.

Uprating by prices

£ million

	1999–00	*2000–01*
Expenditure on basic retirement pension	32,160	33,160
Expenditure on linked benefits	6,350	6,510

Uprating by average earnings

£ million

	1999–00	*2000–01*
Expenditure on basic retirement pension	32,380	34,020
Expenditure on linked benefits	6,390	6,680

Cold Weather Payments

Mr. Öpik: To ask the Secretary of State for Social Security (1) what factors underlie her Department's allocation of moneys for cold weather payments to those in receipt of a personal pension in excess of the cut off point for income support; and if she will make a statement; [31603]

(2) what factors underlie her Department's allocation of moneys for cold weather payments to those on income support; and if she will make a statement. [31602]

Mr. Denham: The Government made a manifesto commitment to set up a review of central areas of insecurity for elderly people, including all aspects of the basic pension and its value; and second pensions including SERPS. The key objective of the Government's Pensions Review is to ensure that pensioners should have an adequate income in retirement; that they should share fairly in rising prosperity; and that public finances should be both sustainable and affordable. The Government are also committed to examining ways of delivering more automatic help to the poorest pensioners. It is estimated that one million do not receive the Income Support to which they are entitled. Research has been commissioned into why they do not claim Income Support. Last November, we announced funding of £15 million for a number of pilot schemes, starting in April, to help find the most effective way of getting Income Support to pensioners who do not claim it.

During his pre-budget statement, my right hon. Friend the Chancellor of the Exchequer stated that the Government were not prepared to allow another winter to go by, when pensioners are fearful of turning up their heating, even on the coldest winter days, because they do not know whether they will have the help they need for their fuel bills. He announced that a total of £400 million was being committed to help all pensioners with fuel bills to pay, for this winter and next—each pensioner household receiving £20, but the poorest receiving Income Support £50.

This is an unprecedented initiative and is the first time any Government have been prepared to help all pensioners with their winter fuel bills.

Around one and a half million pensioners receiving Income Support or income-based Jobseeker's Allowance have already received their Winter Fuel Payment of £50. The other eight and a half million eligible pensioners should receive their payment by the end of March.

Overall, almost ten million payments will be made to over seven million pensioner households.

The Winter Fuel Payments are in addition to any Cold Weather Payments which may also be made to pensioners, the disabled, or people with a child under the age of five, receiving Income Support or income-based Jobseeker's Allowance if there is a period of very cold weather.

Incomes

Mr. MacShane: To ask the Secretary of State for Social Security if she will publish a table showing the equivalised income after income tax and national insurance payments of *(a)* a single person without dependants, *(b)* a lone parent with one child aged four years, *(c)* a lone parent with two children aged four and six years, *(d)* a single earner married couple with one child aged four years and *(e)* a single earner married couple with two children aged four and six years, assuming there are no child care costs, housing costs are £75 per week and all available benefits are claimed where the gross income is (i) £150, (ii) £200, (iii) £250, (iv) £300 and (v) £400 per week and is wholly from employment; and if she will state in which decile of the distribution of equivalised incomes before housing costs the individual would fall. [32409]

Mr. Keith Bradley: The information is set out in the table.

1995–96 data	*Gross earnings (£/week)*	*Net income before housing costs (£/week)*	*Equivalisation (Divide by)*	*Equivalised net income (£/week)*	*Decile*
(a) Single person	150	141.23	0.61	231.52	6
	200	154.66	0.61	253.54	6
	250	187.16	0.61	306.82	8
	300	219.66	0.61	360.10	8
	400	284.66	0.61	466.66	10
(b) Lone parent, child aged 4	150	202.83	0.79	256.75	6
	200	203.56	0.79	257.67	6
	250	208.83	0.79	264.34	7
	300	241.33	0.79	305.48	8
	400	306.33	0.79	387.76	9
Lone parent, children aged 4 and 6	150	220.15	1	220.15	5
	200	223.56	1	223.56	5
	250	222.40	1	222.40	5
	300	249.78	1	249.78	6
	400	314.78	1	314.78	8
Married couple, child aged 4	150	201.24	1.18	170.54	4
	200	201.35	1.18	170.64	4
	250	206.87	1.18	175.31	4
	300	235.03	1.18	199.18	5
	400	300.03	1.18	254.26	6

1995–96 data	Gross earnings (£/week)	Net income before housing costs (£/week)	Equivalisation (Divide by)	Equivalised net income (£/week)	Decile
Married couple, children aged 4 and 6	150	217.94	1.39	156.79	3
	200	221.36	1.39	159.25	3
	250	220.19	1.39	158.41	3
	300	243.48	1.39	175.17	4
	400	308.48	1.39	221.93	5

Notes:

1. Net incomes before housing costs have been derived using the 1995–96 version of the Tax Benefit Model (TBM). The TBM is designed to illustrate the weekly financial circumstances of a selection of hypothetical local authority and private tenants.
2. The net income before housing costs (NIBHC) figures reflect each family's net weekly income after income tax, National Insurance Contributions and all income from benefits (including Child Benefit) have been taken into account; but before housing costs (rent and Council Tax).
3. It has been assumed that the £75 per week housing costs specified in the question are comprised of £65 per week rent and £10 per week Council Tax.
4. The table reflects the situation for both local authority and private tenants; at any given level of rent and Council Tax, net incomes are the same for both local authority and private tenants. Owner occupiers are not covered by the table.
5. It has been assumed that the gross earnings levels specified in the question are the result of full-time employment of more than 30 hours per week. Therefore, the 30-hour Family Credit premium of £10 per week is in payment.
6. The net income deciles have been calculated from the Households Below Avenge Income (HBA) dataset, based on the 1995–96 Family Resources Survey, and are the latest available. The decile breaks (at January 1996 prices) are: £118, £144, £169, £195, £227, £262, £303, £363 and £463. The NIBHC figures have been equivalised using the McClement's scale, as used in Department's publication 'Households Below Average Income' (HBA).
7. Apart from the assumptions made specific to the question, the TBM also rests on a number of more general assumptions:

(a) No tax allowances apart from personal allowances are in operation;
(b) There is no reduced tax liability for spells of unemployment or sickness earlier in the tax year;
(c) National Insurance Contributions are paid at the not contracted out rate;
(d) The family type actually takes up all of the benefits they are entitled to;
(e) The family receives no income from earnings, benefits or capital other than that shown in the table.

State Earnings-related Pensions

Mr. Duncan Smith: To ask the Secretary of State for Social Security which of the recommendations in the Government Actuary's Department report of December 1998 on contracting-out of SERPS she *(a)* has implemented and *(b)* has not implemented. [32972]

Mr. Denham: The Government Actuary in November 1997 was asked for his views on the effect of a number of factors on the national insurance rebates. His report gave advice but did not make recommendations. When deciding on the new rebate levels we did, of course, take careful note of his advice but also had to consider the impact of recent trends in pensions on the resources available to the National Insurance Fund.

Millennium Compliance

Mr. Duncan Smith: To ask the Secretary of State for Social Security when testing on Year 2000 compliance will be completed within her Department. [32999]

Mr. Keith Bradley: The Department plans to complete testing on its major computer applications before the end of 1998. The target for testing and completing the remaining elements is the end of August 1999. Copies of the Department's published plans are available in the Library and the Internet.

Mr. David Atkinson: To ask the Secretary of State for Social Security if she will make a statement about progress on the action being taken to ensure the millennium compliance of computer systems involved in the issuing of benefits and pensions; if contingency plans are being prepared; and if local departmental offices will be open on 3 January 2000. [33320]

Mr. Keith Bradley: The Department is on target against its published plans to achieve Year 2000 compliance of the major systems which are key to the payment of benefits and pensions and the collection of contributions. All major systems will be compliant before the end of 1998 to allow a full year's running before 2000.

We already have contingency plans in place to ensure that business continuity is not disrupted as a result of external influences. We are receiving these plans with the Year 2000 in mind. We will take any necessary action as a result.

The Department for Culture, Media and Sport is conducting a consultative exercise about the public holiday dates to be assigned at the millennium and we await the outcome to inform our planning process.

Mr. David Atkinson: To ask the Secretary of State for Social Security if her Department is represented at meetings of the International Social Security Association to discuss the millennium compliance of computer systems; if best practices are being shared internationally; and if she will make a statement. [33313]

Mr. Keith Bradley: The Department of Social Security is represented at meetings of the International Social Security Association (ISSA) and we have fully participated in discussions on the millennium compliance of computer systems.

As part of the sharing of information on this issue, the Department submitted an article for inclusion in an ISSA publication circulated to all members.

Tinnitus

Mr. Burden: To ask the Secretary of State for Social Security (1) if he will recognise tinnitus related to service in the armed forces for pension and benefits purposes; [32995]

(2) if she will make a statement on the Government's policy on granting pensions to ex-servicemen who suffer from tinnitus. [32997]

Mr. Denham: Tinnitus is a symptom not a discrete pathology or diagnosis. It can be due to many causes other than ear pathologies.

Where tinnitus is linked to disablement which is due to service it will be included as part and parcel of that disablement and may result in an increased assessment of the disablement and therefore an increased pension. Tinnitus is therefore, already recognised and considered when determining the level of an award under the War Pension Scheme.

Disability Premium

Mr. Davidson: To ask the Secretary of State for Social Security on what date the present £15 earnings disregard for people who qualify for the disability premium within income support was introduced; what increases reflecting inflation have been made to this sum; if inflation adjustments will be considered for future periods; and if she will make a statement. [33335]

Mr. Denham: The present £15 earnings disregard was introduced in April 1988 and, in common with other disregards, has not been increased to reflect inflation. However, we continue to review benefits paid to sick and disabled people as part of our commitment to modernise the Social Security system. No decisions have yet been reached, but we will consult disabled people, their organisations and others with an interest before making any changes.

Public Appointments

Mrs. Lait: To ask the Secretary of State for Social Security how many of the appointments to public bodies which she has made since 1 May 1997 have been from the Public Appointments Unit list. [33248]

Mr. Field: Nominations of candidates for appointment to this Department's public bodies are sought from a wide range of sources, including the Public Appointments Unit and advertising. Many of the public bodies are of a specialist nature and their appointees are drawn from a specialist field. Since 1 May 1997 no appointments have been made from the Public Appointments Unit list.

Social Fund

Ms Walley: To ask the Secretary of State for Social Security how many requests for a review of social fund decisions have been turned down in the current financial year on the grounds that the letter of authority was a photocopy; and if she will made a statement. [33340]

Mr. Denham: The information is not available in the format requested. In 1997–98, April 1997 to the end of January 1998, 3,445 requests for review of social fund decisions were refused because they were not made in the correct time, form and manner specified by the regulations. The number of review applications refused represent 1 per cent. of all applications for a review of social fund decisions conducted in the Benefits Agency.

Applications for review are not normally refused on the grounds that the letter of authority was a photocopy.

The Social Fund (Application for Review) Regulations 1988 specify the time, form and manner in which applications for review are to be made. The regulations provide that an application for review must be made in writing, giving specific grounds on which it is made and must be signed by the applicant. Where the application for review is made on behalf of the applicant by someone who is not the applicant's appointee, the applicant must give written consent to the application being made on his or her behalf.

Nuclear Test Veterans

Mr. Livingstone: To ask the Secretary of State for Social Security in what year each of the war pensions for former service personnel who participated in the nuclear tests programmes in Australia and the South Pacific and developed multiple myeloma were awarded. [33876]

Mr. Denham: The information is in the table.

Awards of war disablement and war widows pension

Year of award	*Awards of war disablement pension*	*Awards of war widows pension*
1988	2	1
1990	1	1
1991	1	—
1992	3	1
1994	1	—
1995	2	—
Total	10	3

Dividend Tax Credits

Mr. Gibb: To ask the Secretary of State for Social Security what assessment she has made of the report by Bacon and Woodrow, actuarial consultants, on the consequences of the abolition of dividend tax credits for the minimum funding required of occupational pension schemes; and if she will make a statement. [34288]

Mr. Denham: It is for the Pensions Board of the Faculty and Institute of Actuaries to make recommendations about any changes to the minimum funding requirement. They will no doubt take account of views in Bacon and Woodrow's paper. We expect to receive a report from the Pensions Board when they have completed their consideration of these issues.

FOREIGN AND COMMONWEALTH AFFAIRS

Nigeria

Mr. Hancock: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent assessment he has made of the human rights situation in Nigeria. [33615]

Mr. Tony Lloyd: We remain deeply concerned about the human rights situation in Nigeria. In particular: the continued detention of Chief Abiola, leading trades unionists Frank Kokori and Milton Dabibi and other political prisoners despite General Abacha's 17 November 1997 Amnesty; the death in detention of Shehu Musa Yar'Adua on 8 December 1997. We are also concerned about health of other prisoners including General Obasanjo and Dr. Beko Ransome-Kuti. In 1997, the Nigerian Human Rights Commission made a number of recommendations for improving prison conditions. There has been no response to date; the continued harassment of journalists (some 18 journalists remain in detention) and human rights/pro-democracy activists who were forcibly prevented from staging a rally in Lagos on 3 March; the failure to resolve the case of the 20 Ogonis facing the same charges as Ken Saro-Wiwa. We have also received reports that in January, up to 100 Ogonis were detained, that Ogoni Mr. Daniel Naador died in January while in custody, and that a woman was shot and killed when the Rivers State Internal Security Task Force fired into the crowd during an Ogoni day event. We are also concerned about the whereabouts and health of Mr. Batom Mitee, brother of Movement for the Survival of the Ogoni People (MOSOP)'s Acting President.

As Presidency of the EU, we will be working for a further strong Resolution at the Commission for Human Rights in Geneva in April 1998. We are disappointed that the Nigerian authorities have still not responded to the UN Special Rapporteur for Nigeria's request to visit the country to allow him to fulfil his mandate.

Ministerial Travel

Mr. Flight: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to my hon. Friend the Member for Gosport (Mr. Viggers) of 19 January 1998, *Official Report*, columns *438–39*, on ministerial travel, when he decided to return to the United Kingdom between Her Majesty the Queen's state visits to the capitals of Pakistan and India. [34082]

Mr. Robin Cook: The travel plans for the visits I made to Pakistan and India were decided in July in the light of the agreement reached with Buckingham Palace that I should be in attendance on Her Majesty The Queen in Islamabad on 7 and 8 October and in Delhi on 13 and 14 October.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs where the official Government car was based that was used to transfer him from Terminal 4 to Terminal 1 at Heathrow Airport when he returned to the United Kingdom during the Queen's visit to India and Pakistan; and how many miles it travelled whilst carrying out this job. [34364]

Mr. Robin Cook: My official car is based at the Foreign and Commonwealth Office. The round trip to Heathrow is 40 miles.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs what was the cost of providing an official Government car to transfer him from Terminal 4 to Terminal 1 at Heathrow Airport when he returned to the United Kingdom during the Queen's visit to India and Pakistan; and if he will list the passengers in the car. [34363]

Mr. Robin Cook: There was no cost to public funds.

The Foreign and Commonwealth Office have an annual contract with the Government Car Service who provide my official car. This contract covers the car itself, the driver as well as fuel and all other costs, for a period of up to 15 hours a day, from Monday to Friday throughout the year (except public holidays). I was accompanied in the car by my partner, Ms Gaynor Regan, and by my protection officer.

Arrangements for my travel by car within Britain are made by my protection officers. There has been no change since the previous Administration when it was the practice that the Secretary of State was transferred by official car between aeroplanes.

EU Presidency (Children)

Mr. Gill: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the use of children to promote the United Kingdom presidency of the European Union; from which department the idea originated; and what factors determined the schools approached. [34000]

Mr. Doug Henderson: One aim of the UK Presidency of the EU is to bring Europe closer to young people. To this end, a design company retained by the FCO invited children, selected by them, to design the Presidency logo. We have also organised a competition, open to all 11–15 year olds in the UK, called "Ambassador for a Day". The UK Education Departments have organised the "Celebrating Europe" competition, open to all schools, colleges and youth groups. These projects aim to involve young people in the UK Presidency, not to use them to promote it.

President Suharto

Dr. Desmond Turner: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the status of the forthcoming visit to Great Britain of President Suharto of Indonesia. [34110]

Mr. Fatchett: Together with other Heads of State/Government from Asia and Europe, President Suharto has been invited to attend the Asia Europe Summit Meeting to be held in London on 3–4 April.

Gibraltar

Mr. Nicholas Winterton: To ask the Secretary of State for Foreign and Commonwealth Affairs if he has lodged a formal complaint with the European Commission regarding Spain's non-acceptance of the Gibraltar identity card; and if he will make a statement. [34136]

Mr. Doug Henderson: We formally complained to the European Commission in October 1995 about Spain's refusal to accept Gibraltar ID cards as valid travel documents within the EU/EEA under the terms of Directive 68/360/EEC. The complaint is now being pursued through the procedures of the Commission with whom we remain in close touch.

Mr. Nicholas Winterton: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of Spain's warning that its controls over

Gibraltar will be increased if negotiations on the future of the Rock do not progress; and if he will make a statement. [34137]

Mr. Doug Henderson: We do not accept that there should be a link between the controls Spain operates at the Spain/Gibraltar border and any discussion about Gibraltar's status. Spain has the right to carry out customs controls as Gibraltar is outside the Community Customs Territory. The Spanish Foreign Minister has given an assurance that delays will be kept to a minimum. We look to Spain to respect that assurance and to ensure that any checks are proportionate.

Mr. Nicholas Winterton: To ask the Secretary of State for Foreign and Commonwealth Affairs if the European Commission has commenced infraction procedures with Spain in her non-compliance with European Union law through non-acceptance of the Gibraltar identity card; and if he will make a statement. [34138]

Mr. Doug Henderson: The competent Directorate of the European Commission has written to Spain and to other Member States seeking the recognition of Gibraltar ID cards as valid for travel throughout the EU/EEA. We remain in close touch with the Commission on the subject.

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had concerning the situation of Moroccan workers originally invited to Gibraltar to work for the Ministry of Defence and subsequently made redundant. [34294]

Mr. Doug Henderson: I have discussed the situation of Moroccan workers with the Chief Minister of Gibraltar and with representatives of the TGWU in Britain and Gibraltar.

Environmental Assessment

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will take steps to ensure that all UN projects are subject to environmental assessment. [34477]

Mr. Fatchett: We share the hon. Member's concern that UN projects should be subject to appropriate environmental appraisal. We have raised these issues in UN fora and will continue to do so.

Human Rights

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what priority will be accorded to human rights issues in the agenda for the ASEM II Conference to be held in London in April; and if he will make a statement. [34476]

Mr. Fatchett: We look forward to a wide-ranging, informal and productive political discussion at ASEM 2 and expect to touch on human rights. Leaders at the first ASEM 2 made clear that political dialogue, including consideration of fundamental rights, was one of the key dimensions of ASEM. The successful seminar on Human Rights and the Rule of Law held in Lund, Sweden on 11–13 December 1997 encourages us to pursue this dialogue.

China

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when a resumption of substantive dialogue with China on human rights was resumed; and if he will list the positive steps taken by China as a result. [34484]

Mr. Fatchett: Since the resumption of the EU/China human rights dialogue on 23 October 1997, China has taken a number of positive steps. These include signature of the International Covenant on Economic Social and Cultural Rights, invitation to the UN High Commissioner for Human Rights to visit China and agreement to transmit Hong Kong reports under UN Covenants

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what assistance *(a)* the Government and *(b)* the European Union proposes to improve human rights in China. [34517]

Mr. Fatchett: The government are supporting a range of projects aimed at promoting legal and administrative reform in China and are currently examining a project aimed at improving child welfare. The EU has agreed an assistance package which includes legal training and village governance, as well as projects supporting rights of women and orphans.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs which Minister attended the EU/China human rights meeting in Peking on 1 and 2 December; what subjects were discussed and if he will place in the Library a copy of the communiqué issued. [34483]

Mr. Fatchett: The EU/China human rights meeting 1–2 December was held at senior official level. The two sides discussed a wide range of human rights concerns including co-operation with United Nations human rights mechanisms, individual cases, the death penalty and Tibet. Agreement was reached on a cooperation programme. No communique was issued.

Uganda

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps he is taking to encourage multi-party democracy in Uganda. [34496]

Mr. Tony Lloyd: Democratic principles are a central element in our political dialogue with the Government of Uganda. It is for the Ugandan people to decide what form democracy should take in their country. They will have an opportunity to do so in the referendum scheduled for 2000. We look to President Museveni to ensure that constitutional provisions relating to the referendum are fully implemented, including those that will enable advocates of a multi-party system to put their case to the electorate without restrictions. Legislation on political parties is scheduled for debate during the current session of the Ugandan Parliament.

St. Helena

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs if the lease signed on 27 November 1992 allowing St. Helena Airport Ltd. to construct an airstrip on St. Helena was previously presented to (i) LEGCO and (ii) EXCO for comment or agreement. [34293]

Mr. Tony Lloyd: Yes. The St. Helena Government, i.e. Executive Council, have been consulted at every step.

Azerbaijan

Gillian Merron: To ask the Secretary of State for Foreign and Commonwealth Affairs if the United Kingdom will continue to uphold the OSCE embargo on the export of weapons and munitions to Azerbaijan. [34717]

Mr. Doug Henderson: We remain committed to the OSCE embargo against both Azerbaijan and Armenia, which the UK interprets as covering all goods and technology controlled under entries in Part III of Schedule 1 to the Export of Goods (Control) Order 1994 (commonly known as the Military List).

Following consultation with this Department and the Ministry of Defence, and in line with the defence export criteria of July 1997, the Department for Trade and Industry recently issued a licence for the export of equipment containing military explosives, for use in the oil industry in Azerbaijan. While the grant of this licence constitutes an exception to the UK's interpretation of the scope of the embargo, it is in no way inconsistent with the purpose of the embargo and our continuing commitment to uphold it.

Drugs

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs what changes the Government plan to propose to the meeting in June on drugs of the UN General Assembly to the UN conventions of 1961, 1971 and 1988. [34744]

Mr. Tony Lloyd: We do not plan to propose any changes to the UN Drug Conventions at the UN General Assembly meeting on drugs.

Correspondence

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs when he will reply to the letter of 11 December 1997 from the hon. Member for Spelthorne concerning Mr. M. Al-Dujaili of Shepperton. [34282]

Mr. Fatchett: My noble friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs expects to reply to the hon. Member's letter within one week.

Mr. Wilshire: To ask the Secretary of State for Foreign and Commonwealth Affairs when he will reply to the letter from the hon. Member for Spelthorne dated 6 January concerning Mr. G. S. Wright of Shepperton. [34283]

Mr. Fatchett: A reply was sent to the hon. Member on 10 March.

EDUCATION AND EMPLOYMENT

Public Opinion Research

Mr. Duncan: To ask the Secretary of State for Education and Employment how many contracts for public opinion research his Department has awarded since 1 May; if he will indicate the *(a)* purpose, *(b)* cost, *(c)* value and *(d)* duration of each contract; and which companies (i) bid for and (ii) were awarded each contract. [28878]

Dr. Howells *[holding answer 10 February 1998]:* Details of the contracts for public opinion research placed since 1 May 1997 by the Central Office of Information, on behalf of the Department, are as follows:

Description of contract	*Date*	*Type*	*Value (£)*	*Agency*
Evaluation of *Schools Update* Newsletter	May-June 1997	Qualitative	22,407	Reflexions
Research into Design and Content of the National Record of Achievement	June 1997	Qualitative	35,720	Whalley Associates
Analysis of the Responses to the *Excellence in Schools* White Paper Consultation	July 1997	Quantitative	31,150	Numbers Market Research
Secondary Schools Performance Tables Development Research	September-November 1997	Desk Research	4,460	COI Consultancy
Research into Jobcentre Corporate Identity	September 1997	Desk Research	4,200	COI Consultancy
Research into New Jobcentre Corporate Identity	September 1997	Qualitative	43,908	One World
Learning Entitlement Development Research	October 1997	Qualitative	13,137	Ted Hudson
Research to Explore the Reactions of Unemployed and Jobcentre Staff and Managers to the New Deal	November 1997	Qualitative	43,152	Cragg Ross & Dawson
Research to Explore Reactions to the New Deal Among Partners	November 1997	Qualitative	21,004	IFF
Student Support Advertising Campaign Awareness	December 1997	Quantitative	15,969	Continental Research
Research Among Students and Employers to the Government's proposals for 16–19 Qualifications	December 1997	Qualitative	32,736	Creative Research
Employment Service Values Staff Survey	December 1997	Data Processing	13,484	Numbers
Career Development Loans Direct Mail Research	December 1997	Qualitative	16,650	Diagnostics
New Deal Campaign Development Research	December 1997	Qualitative	26,003	One World
Analysis of the Responses to the Consultation on the Government's Proposals for 16–19 Qualifications	January 1998	Quantitative	27,262	Numbers
Research Among Mature Students to the Government's Proposed Changes to Tuition Fees	January 1998	Quantitative	9,336	Continental

Description of contract	Date	Type	Value (£)	Agency
Research into Levels of Awareness of the National Training Organisations Among Employers, Partners, and TECs	January 1998	Qualitative	19,693	Ted Hudson
New Deal Leaflet Creative Development Research	January 1998	Qualitative	20,398	Carne Martin
Careers Service Corporate Identity Research	January 1998	Qualitative	17,590	Eureka
DfEE Website Evaluation	February-March 1998	Qualitative	37,530	Research International
Disability Discrimination Act Small Employers Consultation Analysis	February-March 1998	Quantitative	19,881	Numbers
Disability Discrimination Act Creative Development Research	February 1998	Qualitative	14,335	Carne Martin
Disability Discrimination Act Research Among General Public	February 1998	Quantitative	17,202	RSGB
Research Among Potential Target Audience into Perceived Need for Individual Learning Accounts	February 1998	Qualitative	17,496	Ted Hudson
National Traineeships Creative Development Research	February 1998	Qualitative	14,300	Carne Martin
Disability Discrimination Act Information Line Research	March 1998	Quantitative	16,685	BJM
Careers Service Publications Research	March 1998	Qualitative	34,463	SW1
Career Development Loans Campaign Response Research	March 1998	Quantitative	12,500	The Research Business
Career Development Loans Awareness Research	March 1998	Quantitative	12,500	RSL

The names of unsuccessful companies who pitched for these contracts are commercial in confidence.

Surveys

Mr. Forth: To ask the Secretary of State for Education and Employment if he will list each information, promotional, marketing and opinion survey contract, with its value, concluded by his Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002. [32014]

Dr. Howells: Details of each information, promotional, marketing and opinion survey contract concluded by the Department, through the Central Office of Information, for the year 1997–98 are as follows:

Description of contract	Date	Type	Value £
Evaluation of *Schools Update* Newsletter	May-June 1997	Qualitative	22,407
Research into Design and Content of the National Record of Achievement	June 1997	Qualitative	35,720
Analysis of the Responses to the *Excellence in Schools* White Paper Consultation	July 1997	Quantitative	31,150
Secondary Schools Performance Tables Development Research	September-November 1997	Desk Research	4,460
Research into Jobcentre Corporate Identity	September 1997	Desk Research	4,200
Research into New Jobcentre Corporate Identity	September 1997	Qualitative	43,908
Learning Entitlement Development Research	October 1997	Qualitative	13,137
Research to Explore the Reactions of Unemployed and Jobcentre Staff and Managers to the New Deal	November 1997	Qualitative	43,152
Research to Explore Reactions to the New Deal Among Partners	November 1997	Qualitative	21,004
Student Support Advertising Campaign Awareness	December 1997	Quantitative	15,969
Research Among Students and Employers to the Government's proposals for 16–19 Qualifications	December 1997	Qualitative	32,736
Employment Service Values Staff Survey	December 1997	Data Processing	13,484
Career Development Loans Direct Mail Research	December 1997	Qualitative	16,650
New Deal Campaign Development Research	December 1997	Qualitative	26,003
Analysis of the Responses to the Consultation on the Government's Proposals for 16–19 Qualifications	January 1998	Quantitative	27,262
Research Among Mature Students to the Government's Proposed Changes to Tuition Fees	January 1998	Quantitative	9,336
Research into Levels of Awareness of the National Training Organisations Among Employers, Partners, and TECs	January 1998	Qualitative	19,693
New Deal Leaflet Creative Development Research	January 1998	Qualitative	20,398
Careers Service Corporate Identity Research	January 1998	Qualitative	17,590
DfEE Website Evaluation	February-March 1998	Qualitative	37,530
Disability Discrimination Act Small Employers Consultation Analysis	February-March 1998	Quantitative	19,881
Disability Discrimination Act Creative Development Research	February 1998	Qualitative	14,335
Disability Discrimination Act Research Among General Public	February 1998	Quantitative	17,202
Research Among Potential Target Audience into Perceived Need for Individual Learning Accounts	February 1998	Qualitative	17,496
National Traineeships Creative Development Research	February 1998	Qualitative	14,300
Disability Discrimination Act Information Line Research	March 1998	Quantitative	16,685
Careers Service Publications Research	March 1998	Qualitative	34,463
Career Development Loans Campaign Response Research	March 1998	Quantitative	12,500
Career Development Loans Awareness Research	March 1998	Quantitative	12,500

Information on research commissioned by my Department's agencies is not held centrally. The information requested for the years *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002 is not currently available.

Adult Education

Ms Shipley: To ask the Secretary of State for Education and Employment if he will make a statement on his Department's initiatives for adult education in *(a)* the West Midlands, *(b)* Stourbridge and *(c)* the United Kingdom. [31841]

Dr. Howells: My right hon Friend the Secretary of State set out his proposals for adult education in England in his Green paper, *The Learning Age,* published on 25 February. My right hon. Friends the Secretaries of State for Wales, Northern Ireland and Scotland, who are responsible for education and training policy in these parts of the United Kingdom, are taking forward the Government's adult learning agenda in their countries.

At the local level in England, the responsibility for securing adequate further education was divided between the Further Education Funding Council (FEFC) and local education authorities (LEAs) under the Further and Higher Education Act 1992.

In Stourbridge, as elsewhere, my right hon. Friend wishes to encourage sensible local planning. In *The Learning Age,* he urges all local partners in education and training, including LEAs and the FEFC, to work together to develop relevant and cost-effective provision for their communities.

Performing Arts

Mr. Luff: To ask the Secretary of State for Education and Employment when he expects to be able to announce a new system of support for students of the performing arts; and if he will make a statement. [30801]

Dr. Howells: The Minister for the Arts and I have asked our officials to develop proposals for a new system of support by the Summer, following which the Government will announce their response.

Young Unemployed

Mr. Waterson: To ask the Secretary of State for Education and Employment if he will make a statement on the implementation of the New Deal for young unemployed people. [32888]

Mr. Andrew Smith: It is, of course, early days, but I am encouraged by the progress made in the New Deal Pathfinder areas, including Eastbourne. Across the country we have seen over 10,000 young people enter the Gateway and already there have been successful referrals to unsubsidised jobs and the four New Deal Options.

Mr. Keetch: To ask the Secretary of State for Education and Employment what communication support will be available for the education and training option under the New Deal for the young unemployed; and if he will make a statement. [34428]

Mr. Andrew Smith: Where education and training providers do not already have the necessary equipment available, applications can be made to a Discretionary Fund to cover exceptional costs of training within the Full-Time Education and Training (FTET) option. The Fund is designed to ensure that education and training can be accessed where additional barriers to participation exist. Applications to the Fund can be made for special equipment or other assistance needed by young people with disabilities.

Pathfinder Areas

Mr. Waterson: To ask the Secretary of State for Education and Employment what information his Department is making available on the criteria for selection of Pathfinder areas and the process put in place to monitor the delivery of the New Deal. [32884]

Mr. Andrew Smith: Pathfinder areas were selected to provide a cross section of delivery areas in Great Britain. They comprise a sample of travel to work areas covering a variety of urban and rural locations of different sizes. The process is overseen by local partnerships and delivery of New Deal in the Pathfinder areas is monitored nationally and regionally.

Mr. Keetch: To ask the Secretary of State for Education and Employment what sanctions have been applied to New Deal participants in the pathfinder areas; and if he will make a statement. [34425]

Mr. Andrew Smith: New Deal has been operating in twelve Pathfinder areas since 5 January 1998. In the nine weeks of delivery up to 6 March 1998, no New Deal sanctions have been applied. Young people have warmly welcomed the New Deal and many have sought early entry.

Mr. Keetch: To ask the Secretary of State for Education and Employment what are the latest figures from the Pathfinder areas of New Deal in respect of the number of participants *(a)* gaining unsubsidised employment and *(b)* entering a New Deal Option. [34433]

Mr. Andrew Smith: The great majority of young people who have entered the New Deal are currently participating in the Gateway, a period of up to four months preparation for work and entry to the options. The number of young people gaining unsubsidised employment in the period 5 January to 6 March in the New Deal Pathfinder areas was 289. The number of young people entering a New Deal option in the same period was 574.

Mr. Keetch: To ask the Secretary of State for Education and Employment what alterations are being made to the Design of the New Deal for 18 to 24 year olds as a result of his Department's evaluation of data from the Pathfinder areas; and if he will make a statement. [34440]

Mr. Andrew Smith: We have very early evidence from the pathfinders about the operation of the New Deal processes which will be taken into account in the national roll-out. In the longer term, monitoring and evaluation of the New Deal will produce evidence on the basis of which possible amendments to its design will be considered. It is presently premature to draw conclusions other than that the initial Gateway interviews have been well received by

clients, and sufficient time must be allowed to enable these to establish effective rapport and impart useful advice.

Public Appointments

Mrs. Lait: To ask the Secretary of State for Education and Employment how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33252]

Dr. Howells: The Department seeks nominations of candidates for appointment to public bodies from a wide range of sources, including the Public Appointments Unit. Since 1 May 1997, two of the individuals appointed by the Department have been provided by the Public Appointments Unit.

Training and Enterprise Councils

Mr. Bill Michie: To ask the Secretary of State for Education and Employment what arrangements Training and Enterprise Councils have in place in respect of *(a)* monitoring and evaluation of their work in terms of efficiency, effectiveness, fairness to clients and value for money, *(b)* auditing of annual accounts by a public body and *(c)* public access to meetings of (i) TEC boards and (ii) other decision-making committees and panels; and whether the minutes of these bodies are available to the public. [33216]

Dr. Howells: Through our contract we expect Training and Enterprise Councils to review regularly their performance and capability against agreed standards to retain their Licences. These standards include arrangements for quality assurance of their training suppliers, a commitment to continuous improvement and compliance with the TEC National Council's Framework for Local Accountability.

TECs are also required under the terms of their Licence to permit the National Audit Office, the European Commission or the European Court of Auditors access to their own records and those of any of their subsidiaries and/or their providers. However as private companies they are obliged to have their accounts audited by a qualified auditor.

TECs are not required to allow public access to Board meetings but the Framework for Local Accountability expects TECs to open as many Board papers as reasonable to public scrutiny and brief interested parties on the outcomes of Board discussions in accordance with the recommendation of the Committee on Standards in Public Life.

Publications

Mr. Flight: To ask the Secretary of State for Education and Employment if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33664]

Dr. Howells: The DfEE Information and Library Network (ILN) subscribes to or holds copies of the following European Commission publications:

(a) Newsletters: European Parliament News; News from the Foundation (European Foundation for the Improvement of Living and Working Conditions); ERGO; Erasmus; ESF Info Review.

(b) Journals/magazines: Bulletin of the EU; Employment Observatory Policies and Trends; European Centre for Work and Society News; European Economy and supplements; Eurostatistics; Eurobarometer; Euro Express; Janus; Official Journal of the EC (Parts C and L); Sigma; Eurostat publications—Accounts and surveys series; Statistics in focus; CEDEFOP reports and Information.

(c) Occasional publications: Employment in Europe.

New Deal

Mr. Hoyle: To ask the Secretary of State for Education and Employment if he will extend the age range of those eligible to benefit from the New Deal. [33907]

Mr. Andrew Smith: New Deal provision for people of 25 and over who have been unemployed for two years or more will be available from June 1998. I announced on 5 January that we would consider development of the pilots to extend New Deal to people over 25 who have been unemployed for a year or 18 months. These would need to be thoroughly evaluated before decisions could be taken on further extension.

Access Courses

Mr. Keetch: To ask the Secretary of State for Education and Employment if participants in the New Deal for 18 to 24 year olds will be able to study for Access Course at NVQ level 3; and if he will make a statement. [34421]

Mr. Andrew Smith: The Full-Time Education and Training option of the New Deal is primarily aimed at giving a second chance to gain qualifications for those young people who are not already qualified to NVQ Level 2 or equivalent. However, approval for an Access to Higher Education course can be given where it is clear that completion of the course is the best way to enhance a young person's employability. The course must form part of a realistic action plan leading to sustained employment, and must offer the opportunity for the young person to gain transferable skills such as Key Skills.

New Deal (Long-term Unemployed)

Mr. Keetch: To ask the Secretary of State for Education and Employment when he expects the Design of the New Deal for the Long Term Unemployed to be issued; and if he will make a statement. [34431]

Mr. Andrew Smith: The New Deal provision for adults who have been unemployed for two years or more will begin in June this year. This provision will offer people a range of advice and help to get them back to work. In particular, we will be introducing an employer subsidy of £75 a week for up to six months, and the opportunity for people from this group to study full-time for an employment-related qualification for up to a year whilst remaining on JSA. We will begin preliminary discussions later this month with strategic partners, both at national and local levels. We plan to issue a document describing the design of this programme in early May.

We will also be piloting, later this year, a further extension of the New Deal approach for adults who have been unemployed for less than two years.

New Deal (Voluntary Sector)

Mr. Keetch: To ask the Secretary of State for Education and Employment what steps he is taking to ensure that the *(a)* Environmental Task Force providers, *(b)* the voluntary sector and *(c)* ethnic minority organisations within the New Deal are fully involved in the delivery and provision of the New Deal; and if he will make a statement. [34424]

Mr. Andrew Smith: The Employment Service has ensured that the Environment Task Force providers, the voluntary sector and ethnic minority organisations have been fully involved in the development and delivery of New Deal. We have taken particular care to ensure that these groups have been fully represented both in national consultations on the design of New Deal and in local partnerships, which have planned and are now setting in place delivery arrangements. We value their support and will continue to work closely with them as New Deal rolls out nationally.

Access to Work

Mr. Keetch: To ask the Secretary of State for Education and Employment if Access to Work support will be provided for all elements of the New Deal with particular reference to non-waged voluntary options for young people aged between 18 and 24 years; and if he will make a statement. [34427]

Mr. Andrew Smith: Access to Work will be available for young people aged between 18 and 24 years old if they are on the Employment Option, the waged Environment Task Force Option and the waged Voluntary Sector Option.

Disabled people not in paid employment will not be eligible for Access to Work. However, help of the kind provided through Access to Work is available for those on the unwaged voluntary sector option, the unwaged Environment Task Force Option and the Full Time Education and Training Option from the funding available for New Deal.

New Deal (Rural Areas)

Mr. Keetch: To ask the Secretary of State for Education and Employment what extra help rural areas will receive through the New Deal for 18 to 24 year olds, with regard to the problem of transport in rural areas; and if he will make a statement. [34420]

Mr. Andrew Smith: In planning the delivery of New Deal all local partnerships have fully taken into account a wide range of local factors, including the availability of transport. Innovative local solutions are being developed by partnerships, including a number which have secured concessionary fares for New Deal participants. In addition, the Rural Development Commission (the Government's agency for economic and social development in rural England) has allocated £200k of its funds, to support projects that will test solutions to the problems of delivering New Deal to remote rural communities where public transport is scarce.

New Deal Placements

Mr. Keetch: To ask the Secretary of State for Education and Employment how many people he expects to be sanctioned for not taking up a placement on the New Deal in its first year of operation; and if he will make a statement. [34432]

Mr. Andrew Smith: Our overriding aim in the New Deal for 18–24 year olds is to offer high quality help through the Gateway and opportunities for work, education and training which will encourage young people to participate. The early evidence from the Pathfinders is that this approach is succeeding; indeed, since 16 February when we started collecting this information, over 350 entered the programme early—about 10 per cent. of all those who started. We recognise of course that a small minority might not wish to take part. If they refuse offers of options without good cause, they will be referred to independent Adjudication Officers who may impose sanctions. As each case will depend on the circumstances and be treated on its merits, it is not possible to forecast the numbers affected.

New Deal (Colchester)

Mr. Bob Russell: To ask the Secretary of State for Education and Employment what factors led to the New Deal contract for the Colchester District being awarded to SEETEC Business Technology Centre Ltd. [34275]

Mr. Andrew Smith: The competition to award the contract to SEETEC Business Technology Centre Ltd. to deliver New Deal in Colchester was fair and open. The competition was conducted by ES officials in line with Treasury procurement principles and followed requirements set down by the European Commission.

ES officials evaluated the outline proposals against predetermined quality criteria. These included an assessment of the overall understanding of the New Deal requirement, quality of proposals for New Deal delivery, and how all the private sector organisations intended to interface and work with local partners. All successful bidders, including SEETEC, met the overall quality requirements and demonstrated expertise and an ability to deliver effectively New Deal in the areas where they were selected.

Ministerial Offices

Dr. Moonie: To ask the Secretary of State for Education and Employment what were the total costs incurred between 1992 and May 1997 in moving the ministerial offices from Elizabeth House to Sanctuary Buildings. [34480]

Dr. Howells: The total cost incurred in moving the former Department of Education and Science HQ from Elizabeth House to Sanctuary Buildings was £13.7 million in the 1991–92 financial year. Costs relating to the Ministerial offices were contained within the overall project cost and it is not possible to identify them separately.

Student Funding

Mr. Keetch: To ask the Secretary of State for Education and Employment what is his estimate on *(a)* the present accounting basis and *(b)* a resource accounting basis of the yields from (i) student contributions to university tuition fees and (ii) the switch from maintenance grants to loans for each year from 1998–99 to 2015–16. [34434]

Dr. Howells: The following table shows the estimated savings from the Government's new funding policy for higher education in each year from 1998–99 to 2000–01 on the present cash accounting basis and on a resource accounting basis. Figures are for the United Kingdom and at 1995–96 prices. They do not reflect our decision to pay out loans on a termly basis, which released money in 1998–99.

£ million

	1998–99	*1999–00*	*2000–01*
Present accounting			
Additional net loans expenditure[1]	(400)	(750)	(1,100)
Grants savings	250	600	850
Private contributions to tuition fees	150	250	400
Net savings	0	100	150
Resource accounting[2]			
Additional net loans expenditure[1]	(50)	(100)	(250)
Net savings	350	750	1,050

[1] Costs are shown in brackets. The figure takes account of additional repayments.

[2] Methods of implementing resource accounting are still being determined. The figures presented here are based on the Department's present assumptions. Grants savings and private contributions to tuition fees are the same under cash accounting and resource accounting.

Figures are not available for later years, where the breakdown between loans expenditure and savings from grants and private contributions to tuition fees depends on a number of assumptions. However the estimated net savings in 2002–03 and 2015–16 are £250m and £1,100m on the present accounting basis and £1,050m and £650m on a resource accounting basis.

TREASURY

Euro

Mr. Mitchell: To ask the Chancellor of the Exchequer what representations he plans to make to the Euro-X Committee on the management of the Euro; and what assessment he has made of the effects of *(a)* a soft and *(b)* a hard Euro on sterling. [33807]

Mrs. Liddell: The Chancellor of the Exchequer regularly attends meetings of the ECOFIN Council which is the only decision making body on EU economic coordination.

The Government want to see a stable and competitive pound over the medium term, consistent with their objective of price stability. Government policy is designed to achieve low inflation and sound public finances which are necessary conditions for sustained exchange rate stability.

Mr. C. Whelan

Mr. Tyrie: To ask the Chancellor of the Exchequer which of the duties currently carried out by Mr. C. Whelan were formerly carried out by Ms Jill Rutter. [34418]

Mr. Gordon Brown: I refer the hon. Member to the answer I gave him on 10 March 1998, *Official Report*, column *100*.

DEFENCE

Millennium Compliance

Dr. Julian Lewis: To ask the Secretary of State for Defence (1) when all testing for millennium compliance will be complete in *(a)* the Army Base Storage and Distribution Agency, *(b)* the Army Training and Recruiting Agency, *(c)* the Army Technical Support Agency, *(d)* the Defence Bills Agency, *(e)* the Defence Evaluation and Research Agency, *(f)* the Defence Intelligence and Security Centre, *(g)* the Defence Postal and Courier Services Agency, *(h)* the Defence Transport and Movements Executive, *(i)* the Defence Vetting Agency, *(j)* the Joint Air Reconnaissance Intelligence Centre, *(k)* the Logistic Information Systems Agency, *(l)* the Meteorological Office, *(m)* the Ministry of Defence Police, *(n)* the Naval Recruiting and Training Agency, *(o)* the Pay and Personnel Agency, *(p)* the Royal Air Force Signals Engineering Establishment, *(q)* the Royal Air Force Training Group Defence Agency and *(r)* the United Kingdom Hydrographic Office; [32792]

(2) if he will list the (i) consultants and (ii) contractors working on Year 2000 computer problems employed in *(a)* the Army Base Storage and Distribution Agency, *(b)* the Army Training and Recruiting Agency, *(c)* the Army Technical Support Agency, *(d)* the Defence Bills Agency, *(e)* the Defence Evaluation and Research Agency, *(f)* the Defence Intelligence and Security Centre, *(g)* the Defence Postal and Courier Services Agency, *(h)* the Defence Transport and Movements Executive, *(i)* the Defence Vetting Agency, *(j)* the Joint Air Reconnaissance Intelligence Centre, *(k)* the Logistic Information Systems Agency, *(l)* the Meteorological Office, *(m)* the Ministry of Defence Police, *(n)* the Naval Recruiting and Training Agency, *(o)* the Pay and Personnel Agency, *(p)* the Royal Air Force Signals Engineering Establishment, *(q)* the Royal Air Force Training Group Defence Agency and *(r)* the United Kingdom Hydrographic Office; [32790]

(3) if he will provide a breakdown of the costs of millennium computer compliance for *(a)* the Army Base Storage and Distribution Agency, *(b)* the Army Training and Recruiting Agency, *(c)* the Army Technical Support Agency, *(d)* the Defence Bills Agency, *(e)* the Defence Evaluation and Research Agency, *(f)* the Defence Intelligence and Security Centre, *(g)* the Defence Postal and Courier Services Agency, *(h)* the Defence Transport and Movements Executive, *(i)* the Defence Vetting Agency, *(j)* the Joint Air Reconnaissance Intelligence Centre, *(k)* the Logistic Information Systems Agency, *(l)* the Meteorological Office, *(m)* the Ministry of Defence Police, *(n)* the Naval Recruiting and Training Agency, *(o)* the Pay and Personnel Agency, *(p)* the Royal Air Force Signals Engineering Establishment, *(q)* the Royal Air Force Training Group Defence Agency and *(r)* the United Kingdom Hydrographic Office. [32791]

Mr. Spellar: This is a matter for the Chief Executives of the Agencies concerned. I have asked them to write to the hon. Member.

Letter from C. L. Elliott to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Questions to the Secretary of State for Defence about testing for millennium compliance, consultants and contractors working on Year 2000 computer problems and the costs of millennium computer compliance, as these matters fall within my area of responsibility as Chief Executive of the Army Training and Recruiting Agency (ATRA).

On the question of testing for millennium compliance, the ATRA is in the process of introducing a major new computer service throughout the organisation which is known as TAFMIS (the Training and Financial Management Information System). It is due for completion in 1999 and has been purchased as a PFI project and has, as part of the contract, been subjected to Year 2000 testing throughout its development, testing and introduction. In addition, by taking this approach, the ATRA have transferred the risk and responsibility for Year 2000 compliance to the service provider, EDS Defence Ltd.

There are some small legacy systems existing in the Agency which have been advised on procedures for testing. To date, no problems have been identified.

Other than EDS Defence Ltd, who are involved with the TAFMIS system, there are no other consultants or contractors working specifically on the Year 2000 computer problem within the ATRA. It is not possible to identify the costs of the millennium compliance work for the TAFMIS system.

I hope this is helpful.

Letter from N. Pearson to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Questions to the Secretary of State for Defence about millennium compliancy as this matter falls within my area of responsibility as Chief Executive of the Joint Air Reconnaissance Intelligence Centre Defence Agency.

I have been asked to respond to all three of your questions, and to do so, I would like first to clarify some of the terms I have used. Our programme of *testing* for millennium compliancy has been followed by *rectification*, which has in turn been followed by *validation* of the systems. In some cases this validation has resulted in the need for further testing. While we anticipate that all rectification work should be complete by 31 Dec 98, there will be a need for continued validation work, possibly until the end of 1999. However, our mission-critical IT systems will have been rectified well before 31 December 98.

Testing for Millennium Compliancy. Testing for millennium compliancy has been undertaken in three phases.

a. *Large IT Systems.* All work on the mainframe systems should be complete by 31 Dec 98. However a major new system is due in service in Summer 1998 and there is some question about the compliancy of one of its software programmes. For this reason the manufacturer has undertaken to provide a software upgrade, by Sep 98, which will be compliant.

b. *Personal Computers.* All existing PCs will have been tested by 31 Dec 98. However, since there is a continuous flow of replacement PCs coming into the Agency, it is expected that testing will be continued right up to 31 Dec 99 and possibly beyond.

c. *Embedded Systems and Utilities.* JARIC Defence Agency occupies a building belonging to Royal Air Force Brampton. The Agency is therefore dependent on its landlord to work with the providers of public utilities and services such as air conditioning. The landlord has informed us that he anticipates meeting his obligations of ensuring that testing, rectification and validation will have been completed by 31 Dec 99.

Consultants and Contractors ICL (formerly DESC) are the only contractor employed by the Agency on millennium compliancy tasks.

The costs of millennium computer compliance The cost of millennium compliancy work at JARIC was originally estimated at £60,000. To date we have needed to spend £15,000, in order to provide software corrections to the mainframe systems.

I hope you will find that these answers give you the information you are seeking.

Letter from P. Ewins to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Questions to the Secretary of State for Defence about testing for millennium compliance, and the associated cost and consultancy implications. As Chief Executive of the Meteorological Office, this matter falls within my area of responsibility.

In the Met. Office, it is our aim to ensure that all individual or stand-alone business critical systems, with the exception of those due to be replaced in early 1999, are millennium compliant by December 1998. For those systems which are due to be replaced, tests to minimise the risks from date problems will also be completed by the end of this year. As far as integrated business critical systems are concerned, these will be Year 2000 compliant by September 1999 which means that the end-to-end testing will be complete by that date. A list of the consultants and contractors who have either worked or are working with us on Year 2000 computer problems is attached.

The estimated full cost of millennium compliance for the many business critical systems in the Met. Office is £8M. Much of this expenditure will be related to in-house staff effort which is assessed as 120-man years, at a cost of approximately £5M. The balance will primarily be spent on external consultants and contractors and the procurement of specific tools.

You may also like to know that, as a trading agency, the Met. Office falls outside the Vote structure, and that I have taken the decision to fund the project costs of compliance out of profits, thereby reducing substantially the cost impact on our customers, especially those in the public sector.

Contractors and Consultants engaged by the Met. Office to work on Year 2000 Computer Problems

Admiral Management Services Ltd

Ascent Logic Corp

CMG (UK) Ltd

Datasource

Eurolink Consultants

IBM (UK)

Lorien plc

Millennium UK.

NB. The Met. Office has also engaged the services of two other Government Agencies: CCTA and DGICS.

Letter from P. D. Foxton to Dr. Julian Lewis, dated 13 March 1998:

I am replying to the recent question you tabled to the Secretary of State for Defence for those matters that fall within my area of responsibility as Chief Executive of the Army Base Storage and Distribution Agency (ABSDA). You asked when all testing for millennium compliance will be complete. The testing of all relevant systems has already been completed.

I trust I have answered your question satisfactorily.

Letter from P. D. Foxton to Dr. Julian Lewis, dated 13 March 1998:

I am replying to the recent question you tabled to the Secretary of State for Defence for those matters that fall within my area of responsibility as Chief Executive of the Army Base Storage and Distribution Agency (ABSDA). You asked for a list of the consultants and contractors working on Year 2000 computer problems employed in ABSDA. No consultants or contractors are directly employed. However, coordinated policy, guidance and support are being provided by a Logistic Information Systems Agency project team.

I trust I have answered your question satisfactorily.

Letter from P. D. Foxton to Dr. Julian Lewis, dated 13 March 1998:

I am replying to the recent question you tabled to the Secretary of State for Defence for those matters that fall within my area of responsibility as Chief Executive of the Army Base Storage and Distribution Agency (ABSDA). You asked for a breakdown of the costs of millennium computer compliance. Up to 31 March 1998 the Agency has not incurred any additional expenditure.

I trust I have answered your question satisfactorily.

Letter from T. Ball to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence as to when all testing for millennium compliance will be complete in the Army Technical Support Agency (ATSA), as this matter falls within my area of responsibility as Chief Executive of the ATSA.

The assessment phase in which all current ATSA equipment is being reviewed for millennium computer compliance will be completed by 31 March 1998. All critical systems are assessed as compliant.

Letter from T. Ball to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about the consultants and contractors working on the Year 2000 computer problems employed in the Army Technical Support Agency (ATSA), as this matter falls within my area of responsibility as Chief Executive of the ATSA.

No consultants or contractors are being employed by ATSA on millennium computer compliance problems. Coordinated policy and guidance is being provided to ATSA on behalf of the Quartermaster General by a project team from the Logistic Information Systems Agency.

Letter from T. Ball to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about the breakdown of costs of millennium computer compliance within the Army Technical Support Agency (ATSA), as this matter falls within my area of responsibility as Chief Executive of the ATSA.

Up until 31 March 1998, ATSA will have incurred no additional costs in achieving millennium computer compliance. Compliance has been addressed through ATSA's long term, planned system upgrade and replacement programme.

Letter from I. S. Elrick to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about completion of testing for millennium computer compliance in the Defence Bills Agency. This matter falls within my area of responsibility as the Agency Chief Executive.

Current plans envisage the completion of all critical millennium compliance testing by 31 December 1998.

Letter from I. S. Elrick to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about consultants and contractors working on Year 2000 computer problems in the Defence Bills Agency. This matter falls within my area of responsibility as Agency Chief Executive.

ICL have undertaken consultancy work which assisted in the preparation for compliance testing; no other consultants or contractors have been involved.

Letter from I. S. Elrick to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about the costs of millennium computer compliance for the Defence Bills Agency. This matter falls within my area of responsibility as Agency Chief Executive.

The breakdown of additional costs to ensure millennium compliance is set out below:

	£ (ex VAT)
Consultancy	48,625
Test software	2,646
Total	51,271

The actual testing and rectification work is being carried out by in-house resources diverted from other work at no additional cost.

Letter from John Chisholm to Dr. Julian Lewis, dated 13 March 1998:

I have been asked to reply to your questions on millennium computer compliance on behalf of the Defence Evaluation and Research Agency (DERA) and I will answer all three questions in this letter.

In common with many other large organisations DERA has established a programme under which all systems are being addressed in a controlled priority order. Priority is dictated by safety, security and business criticality. In accordance with the deadline set by the Central IT Unit, DERA plans to have all its 'mission critical' (highest priority) systems assessed for compliance and rectified (if necessary), including associated testing, by December 1998. Medium priority systems and the majority of low priority systems will be assessed and rectified within 1999, with most being completed by the third quarter of 1999.

There are about 38 full and part-time consultants and contractors employed on Year 2000 activities in DERA from six different firms: Admiral, Comax, DARIUS Computing, DEC, Racon and Serco. This situation is subject to change and the information is provided for Tuesday 3 March 1998.

The cost to date of addressing the Year 2000 problem in DERA is approximately £1.1 million.

I hope this information is helpful.

Letter from John Chisholm to Dr. Julian Lewis, dated 13 March 1998:

I have been asked to reply to your questions on millennium computer compliance on behalf of the Defence Evaluation and Research Agency (DERA) and I will answer all three questions in this letter.

In common with many other large organisations DERA has established a programme under which all systems are being addressed in a controlled priority order. Priority is dictated by safety, security and business criticality. In accordance with the deadline set by the Central IT Unit, DERA plans to have all its 'mission critical' (highest priority) systems assessed for compliance and rectified (if necessary), including associated testing, by December 1998. Medium priority systems and the majority of low priority systems will be assessed and rectified within 1999, with most being completed by the third quarter of 1999.

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security and business criticality. In accordance with the deadline set by the Central IT Unit, DERA plans to have all its 'mission critical' (highest priority) systems assessed for compliance and rectified (if necessary), including associated testing, by December 1998. Medium priority systems and the majority of low priority systems will be assessed and rectified within 1999, with most being completed by the third quarter of 1999.

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The cost to date of addressing the Year 2000 problem in DERA is approximately £1.1 million.

I hope this information is helpful.

Letter from C. G. Holtom to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about the completion date for millennium compliance testing as this matter falls within my area of responsibility as the Chief Executive of the Defence Intelligence and Security Centre Agency.

All millennium testing at the DISC will be completed by the end of March 98.

Letter from C. G. Holtom to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about consultants and contractors working on Year 2000 computer problems as this matter falls within my area of responsibility as the Chief Executive of the Defence Intelligence and Security Centre Agency.

No consultants or contractors are working on Year 2000 computer problems at the DISC.

Letter from C. G. Holtom to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about the cost of millennium computer compliance as this matter falls within my area of responsibility as the Chief Executive of the Defence Intelligence and Security Centre Agency.

Although it is not yet possible to give an exact figure for the cost of millennium computer compliance at the DISC, as the testing programme has yet to be completed and evaluated, that cost will be no more than £200K.

Letter from T. McG. Brown to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your question to the Secretary of State for Defence about the date when testing for millennium compliance will be complete as this matter falls within my area of responsibility as Chief Executive of the Defence Postal and Courier Services Agency (DPCSA).

The testing of DPCSA strategic and small systems is complete, the assessment of ancillary systems should be completed by the end of April 1998.

I hope that this is helpful.

Letter from T. McG. Brown to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your question to the Secretary of State for Defence regarding the consultants and contractors working on millennium compliance as this matter falls within my area of responsibility as Chief Executive of the Defence Postal and Courier Services Agency.

No consultants have been used, the contractors used are:

X-Tech (Open Systems) Limited

Druckman Information Technology

EDS

I hope this information is helpful.

Letter from T. McG. Brown to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your question to the Secretary of State for Defence regarding the costs for millennium computer compliance as this matter falls within my area of responsibility as Chief Executive of the Defence Postal and Courier Services Agency.

The estimated cost of contactor support to the end of the current financial year is some £12,500 including VAT. Our in house costs are not separately identified.

I hope this information is helpful.

Letter from R. E. Ratazzi to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence, about testing for millennium compliance, as this matter falls within my area of responsibility as Chief Executive of the Defence Transport and Movements Executive Agency.

The assessment phase, in which all equipment was tested, was completed by 31 January 1998.

Letter from R. E. Ratazzi to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence, which requests a list of consultants and contractors working on Year 2000 computer problems, as this matter falls within my area of responsibility as Chief Executive of the Defence Transport and Movements Executive Agency.

DTMX has employed directly just one firm of consultants, Lorien, to ensure that a specific system was Year 2000 compliant. However, coordinated policy and guidance is provided on behalf of the Quartermaster General (QMG) by a Logistic Information Systems Agency (LISA) team.

Letter from R. E. Rotazzi to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence, which requests a breakdown of the costs of millennium computer compliance, as this matter falls within my area of responsibility as Chief Executive of the Defence Transport and Movements Executive Agency.

Up until 31 March 1998, additional spend on millennium computer compliance has been: hardware £23,106.37; software £386.50; consultancy £9,165.00, giving a total spend of £32,657.87.

Letter from P. A. Tucker to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about when all testing for millennium compliance will be complete in the Defence Vetting Agency, as this falls within the area of responsibility of the Chief Executive of the Agency, who is out of the office on business.

The Defence Vetting Agency formed on 1st April 1997, from four separate vetting units—one in each of the Services, and one in the Ministry of Defence. The main systems used by the Agency are inherited, and there are service level agreements between the DVA (as customer) and the owners of these systems (as suppliers). The Agency does not therefore have prime responsibility for Year 2000 Compliance in respect of these systems, although it has sought confirmation from the respective suppliers that their systems will be made Year 2000 compliant.

In addition to the four major systems which the Agency uses, it owns some 120 assorted Personal Computers, 10 FAX machines, and 11 Photocopiers. A substantial number of these items are elderly and due for routine replacement before 2000. The remaining items will be checked individually for Year 2000 Compliance by September 1998, and replaced if necessary.

I hope this is helpful.

Letter from P. A. Tucker to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence asking for separate lists of consultants and contractors working on Year 2000 computer problems employed in the Defence Vetting Agency, as this falls within the area of responsibility of the Chief Executive of the Agency, who is out of the office on business.

The Defence Vetting Agency formed on 1st April 1997, from four separate vetting units—one in each of the Services, and one in the Ministry of Defence. The main systems used by the Agency are inherited, and there are service level agreements between the DVA (as customer) and the owners of these systems (as suppliers). The Agency does not therefore have prime responsibility for Year 2000 Compliance in respect of these systems, although it has sought confirmation from the respective suppliers that their systems will be made Year 2000 compliant.

In addition to the four major systems which the Agency uses, it owns some 120 assorted Personal Computers, 10 FAX machines, and 11 Photocopiers. A substantial number of these items are elderly and due for routing replacement before 2000. The remaining items will be checked individually for Year 2000 Compliance by September 1998, and replaced if necessary. There are no consultants or contractors working on Year 2000 computer problems with this equipment, and we do not envisage it being necessary to employ them on this matter at any stage in the future.

I hope this is helpful.

Letter from P. A. Tucker to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence asking for a breakdown of the costs of millennium computer compliance in the Defence Vetting Agency, as this falls within the area of responsibility of the Chief Executive of the Agency, who is out of the office on business.

The Defence Vetting Agency formed on 1st April 1997, from four separate vetting units—one in each of the Services, and one in the Ministry of Defence. The main systems used by the Agency are inherited, and there are service level agreements between the DVA (as customer) and the owners of these systems (as suppliers). The Agency does not there fore have prime responsibility for Year 2000 Compliance in respect of these systems, although it has sought confirmation from the respective suppliers that their systems will be made Year 2000 compliant.

In addition to the four major systems which the Agency uses, it owns some 120 assorted Personal Computers, 10 FAX machines, and 11 Photocopiers. A substantial number of these items are elderly and due for routine replacement before 2000. The remaining items will be checked individually for Year 2000 Compliance by September 1998, and replaced if necessary. The replacement costs will emerge during this process. They are expected to be met from within the Agency's budget.

I hope this is helpful.

Letter from A. W. Pollard to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Parliamentary Question to the Secretary of State for Defence regarding testing for millennium compliance, as this matter falls within my area of responsibility as Chief Executive of the Logistic Information Systems Agency.

LISA is responsible for providing Year 2000 in-house and contractor support to the Quartermaster General's Top Level Budget (TLB) in respect of all Army Logistic Information Systems, whether operated by LISA or its customers. All costs are borne by the TLB and LISA bears no additional costs. Year 2000 progress, compliance and funding information is reported by the TLB, through the Ministry of Defence, in respect of all of the TLB Agencies and users.

Letter from A. W. Pollard to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Parliamentary Question to the Secretary of State for Defence regarding consultants and contractors working on the Year 2000 computer problem, as this matter falls within my area of responsibility as Chief Executive of the Logistic Information Systems Agency.

LISA is responsible for providing Year 2000 in-house and contractor support to the Quartermaster General's Top Level Budget (TLB) in respect of all Army Logistic Information Systems, whether operated by LISA or its customers. All costs are borne by the TLB and LISA bears no additional costs. Year 2000 progress, compliance and funding information is reported by the TLB, through the Ministry of Defence, in respect of all of the TLB Agencies and users.

Currently LISA has engaged the consultancy services of Lorien PLC and the contractor services of both Syntegra and EDS Defence Ltd, the latter being the LISA Partner.

Letter from A. W. Pollard to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Parliamentary Question to the Secretary of State for Defence regarding the costs of millennium computer compliance, as this matter falls within my area of responsibility as Chief Executive of the Logistic Information Systems Agency.

LISA is responsible for providing Year 2000 in-house and contractor support to the Quartermaster General's Top Level Budget (TLB) in respect of all Army Logistic Information Systems, whether operated by LISA or its customers. All costs are borne by the TLB and LISA bears no additional costs. Year 2000 progress, compliance and funding information is reported by the TLB, through the Ministry of Defence, in respect of all of the TLB Agencies and users.

Letter from M. J. A. Smallwood to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Questions to the Secretary of State for Defence about the Ministry of Defence Police, on behalf of the Chief Constable/Chief Executive of the Ministry of Defence Police (MDP) Agency, as this falls into his area of responsibility. The Chief Constable/Chief Executive is away from the office at present.

The date of completion of final testing for millennium compliance in the Ministry of Defence Police is dependent on the supply of solutions by manufacturers. MDP plan to complete their work by 31 March 1999, and put in place contingency work for unproven solutions not available by that date.

At the date of your question and this reply there were no consultants nor contractors employed in the Ministry of Defence Police working on Year 2000 computer problems.

There has been no extra cost to date for millennium computer compliance work for the Ministry of Defence Police. The range and cost of these and other computerised and microchip dependent millennium issues, e.g. vehicles, communications, environmental, access and alarm systems, is being addressed.

Letter from J. H. S. McAnally to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State about the date for completion of all Millennium compliance testing within the Naval Recruiting and Training Agency (NRTA) in my capacity as Chief Executive of the NRTA.

Of the 511 NRTA systems, 424 (83%) have been assessed for compliance to date. Completion of compliance testing of the remainder is expected to be achieved by 30 April 1998. The NRTA is working to achieve Year 2000 compliance for all critical systems by 31 December 1998, and for non-critical systems the compliance target date is 31 December 1999. For completeness, I have included NRTA systems owned by the MoD (Procurement Executive and other third-parties), although responsibility for achieving compliance remains with those authorities.

Letter from J. H. S. McAnally to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State about the number of consultants and contractors working on Year 2000 computer problems within the Naval Recruiting and Training Agency (NRTA) in my capacity as Chief Executive of the NRTA.

There are currently no consultants or contractors working on Year 2000 problems associated with NRTA-owned systems.

Letter from J. H. S. McAnally to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State about a breakdown of costs of Millennium computer compliance for the Naval Recruiting and Training Agency (NRTA) in my capacity as Chief Executive of the NRTA.

The estimated costs to rectify NRTA-owned systems known to be non-compliant is £859k. Further estimated costs in the region of £900, are estimated for the systems still to be assessed. This leads to an overall cost estimate of £1.76 million for this Agency.

Letter from M. A. Rowe to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about testing for millennium compliance within the Pay and Personnel Agency as the matter falls within my area of responsibility as Chief Executive of the Pay and Personnel Agency.

Within the plans for the agency, and in line with general MOD requirements, all business areas within the agency are scheduled to have completed their compliance testing by the end of December 1998. Most areas are currently scheduled to complete by the end of September 1998, which allows for up to 3 months extra contingency.

Letter from M. A. Rowe to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about consultants and contractors working on Year 2000 computers problems for the Pay and Personnel Agency as this matter falls within my area of responsibility as Chief Executive of the Pay and Personnel Agency.

At the moment we have no consultants within the Agency working on Year 2000 problems. Similarly we have no contractors specifically employed on Year 2000 matters. However we do have a contract with EASAMS for support of our IT systems at Worcester, and they have been requested to include migrating the software to a millennium compliant environment within that contract.

Letter from M. A. Rowe to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence about the cost of ensuring millennium computer compliance for the Pay and Personnel Agency as this matter falls within my area of responsibility as Chief Executive of the Pay and Personnel Agency. The actual spend to date on Year 2000 issues is approximately £155,000 of which £80,000 is the costs of the staff resources so far expanded in checking the legacy systems. The remaining £75,000 was for PC replacements, including the software, and some mainframe testing tools.

All these costs have been subsumed within the planned operating budget, and no additional cost has yet been allocated.

Letter from G. Jones to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence asking when all testing for millennium compliance will be complete, as these matters fall within my responsibility as Chief Executive of the Royal Air Force Signals Engineering Establishment Defence Agency.

The Agency has a large number of computer-based systems on site, some purchased and maintained by the Agency in support of its own business, others supplied by external sponsors responsible for RAF-wide Information Technology infrastructure. The projects to complete millennium testing for this second category are managed separately by the external sponsors and are not known at individual sites. Testing of all systems for which RAFSEE has direct responsibility will be completed, and an action plan published, by 30 Sep 98.

Letter from G. Jones to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence asking for details of consultants and contractors employed on the Year 2000 computer problems, as these matters fall within my responsibility as Chief Executive of the Royal Air Force Signals Engineering Establishment Defence Agency.

The Agency has a large number of computer-based systems on site, some purchased and maintained by the Agency in support of its own business, others supplied by external sponsors responsible for RAF-wide Information Technology (IT) infrastructure. The numbers of staff employed (elsewhere) addressing Year 2000 problems for this second category are not known at individual sites. Support for the systems for which the Agency has direct responsibility is provided under a Multi Activity Contract, and it is estimated that no more than one contractor (part time) is currently working on Year 2000 issues. There are no consultants currently employed by the Agency on the Year 2000 problem since the Agency has its own IT experts who are addressing the problem as an internal task.

Letter from G. Jones to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Secretary of State for Defence asking for details of the costs of millennium computer compliance, as these matters fall within my responsibility as Chief Executive of the Royal Air Force Signals Engineering Establishment Defence Agency.

The Agency has a large number of computer-based systems on site, some purchased and maintained by the Agency in support of its own business, others supplied by external sponsors responsible for RAF-wide Information Technology infrastructure. The costs associated with achieving Year 2000 compliance for this second category will be managed separately by the external sponsors and are not known at individual sites. The Agency is currently embarking on a comprehensive upgrade programme of its business systems to improve efficiency and reduce ongoing support and licence costs. The new systems will be Year 2000 compliant and will therefore solve the millennium problems so far identified. However, it would not be appropriate to count the cost of this upgrade against the Year 2000 problem since it would have happened anyway. The only costs that could be assigned specifically to addressing the millennium problem are the staff costs of our in-house team, approximately £50,000.

Letter from A. J. Stables to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Parliamentary Under Secretary of State for Defence about when testing for millennium compliance will be complete, as this matter falls within my area of responsibility as Chief Executive of the Royal Air Force Training Group Defence Agency.

This Agency will have completed millennium compliance testing by December 1998.

Letter from A. J. Stables to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Parliamentary Under Secretary of State for Defence about which consultants and contractors are working on Year 2000 computer problems, as this matter falls within my area of responsibility as Chief Executive of the Royal Air Force Training Group Defence Agency.

Oracle UK Ltd and Sequent Computers Systems Ltd are currently supplying consultancy services on Year 2000 issues to this Agency.

Letter from A. J. Stables to Dr. Julian Lewis, dated 13 March 1998:

I am replying to your Question to the Parliamentary Under Secretary of State for Defence about the costs of millennium computer compliance, as this matter falls within my area of responsibility as Chief Executive of the Royal Air Force Training Group Defence Agency.

Up to the end of Fiscal Year 1998, this Agency has contained all millennium testing and associated replacement within existing replacement and resource schedules. Consequently, no expenditure has been incurred which can be uniquely identified as Year 2000 expenditure.

Letter from J. P. Clarke to Dr. Julian Lewis, dated 13 March 1998:

You recently asked the Secretary of State for Defence three Parliamentary Questions relating to specific aspects of millennium compliance at the United Kingdom Hydrographic Office (UKHO). As these matters fall within my area of responsibility as Chief Executive of the UKHO I have been asked to reply to you direct. I hope you will accept this reply as a response to all three Parliamentary Questions.

Turning first to your question about the completion of millennium compliance, there is undoubtedly a considerable amount of work to be completed and it is anticipated that testing will have to continue right up to the end of 1999. That said the later testing will be in relation to systems of low criticality; it is planned that rectification and testing of our critical systems will be completed by the end of March 1999.

The UKHO has entered into a contract with AMTEC Consulting Limited to carry out most of the work on this project. In addition to this a Project Manager with some key staff from existing resources have been allocated to support the AMTEC team. It is envisaged that a further contract will be negotiated with AMTEC to take through to full assessment, rectification and testing. As a consequence it is inevitable that some staff enhancement will be needed.

Finally, as regards your question about a cost breakdown for the millennium programme, I should explain that the programme is broken down into two distinct projects. The first project is the pre-assessment and scoping project, whilst the second project—that relating to full assessment, rectification and testing—is still in the process of being negotiated. As such, it is not yet possible to provide you with a detailed breakdown of the costs likely to be incurred. Apart from the work let to AMTEC it is also relevant that certain internal staff costs will be incurred as some of the work being conducted for millennium compliance would have been undertaken anyway for internal UKHO business reasons.

I am sorry that I cannot be more specific about the costs involved, but it is my judgement, and the one upon which planning assumptions are being made, that the total costs likely to be incurred, covering internal and external services, will be in the region of £2.25M.

I hope this reply has been of some assistance.

Ex-service Men

Mr. Gibb: To ask the Secretary of State for Defence for what reason the Government have refused to allow ex-service men to have access to an independent assessor for their complaints. [32269]

Mr. Spellar *[holding answer 3 March 1998]:* Service personnel, both serving and ex-serving, have the statutory right, under the Army Act 1955, the Air Force Act 1955 and the Naval Discipline Act 1957 and Queen's Regulations, to submit a complaint to the Defence Council about any matter relating to their service. The current provisions stipulate that complaints must be submitted within three months of the date of the action complained of, although there is provision for the discretionary acceptance of late complaints where it is accepted that earlier submission had not been reasonably practical. The time limit for the submission of complaints, and the application of the provisions to ex-Service personnel, were introduced in October 1997. Prior to that, there was no time limit and complaints from ex-Service personnel were accepted for investigation on a discretionary basis.

Chemical Weapons

Mr. Livingstone: To ask the Secretary of State for Defence how many properties which manufactured or stored mustard gas are still owned by the Ministry of Defence; and if he will list them. [33797]

Mr. Spellar: Mustard gas was manufactured at certain Ministry of Supply factories none of which remain on the defence estate. Further research will be required to identify storage sites which are still owned by my Department. I will write to my hon. Friend once these inquiries are complete.

Mr. Livingstone: To ask the Secretary of State for Defence what the conclusions were of the survey carried out in 1986–87 into the extent of contamination and the cost and feasibility of decontamination of six former chemical warfare storage sites in the United Kingdom; for what reason this survey was carried out; who carried out this survey; and if he will place in the Library a copy of the report of this survey. [33795]

Mr. Spellar: My officials are seeking to discover the extent of any survey work carried out and whether the relevant reports are still extant. I will write to my hon. Friend once these inquiries are complete.

Mr. Livingstone: To ask the Secretary of State for Defence how many surveys have been conducted into the contamination of and pollution from the former chemical warfare filling and storage sites at *(a)* Norton Disney/Swinderby in Lincolnshire and *(b)* RAF Risley in Bedfordshire since 1980. [33796]

Mr. Spellar: According to available records, since 1980, five surveys have been carried out at the former Forward Filling Depot at RAF Norton Disney and this site was sold in 1997. There have been six surveys of Risley. The surveys include revalidation of earlier studies, radiological and chemical surveys, and Land Quality Assessments.

Mr. Livingstone: To ask the Secretary of State for Defence what recent work has been carried out to remove mustard gas decontamination from the former chemical warfare filling and storage site at RAF Risley in Bedfordshire; for what reason this work was necessary; when this work is expected to end; who currently owns the site; if compensation has been paid out to local residents in connection with contamination of the site; and if he will place in the Library a copy of the report of Operation Coleman Keg which was conducted in 1988 to remove contamination from the site. [33798]

Mr. Spellar: The major work to remove mustard gas contamination from the MOD-owned Risley site in Bedfordshire was carried out in 1988 under Operation Coleman Keg. I am arranging for a copy of the report to be placed in the Library of the House.

In 1996, independent consultants were engaged to assess the current condition of the land. That work has subsequently been revalidated by the further surveys carried out in 1997. The latest report has recently been

received from the consultants and its contents are currently being evaluated. An executive summary of the consultants' report will be made available to the Bedfordshire County Council.

Separately, the RAF's Explosive Ordnance Disposal team is engaged on clearing ordnance and associated material from the site. This clearance work is expected to complete by the end of the year.

No claims for compensation have been received.

Clearance of Chemical Warfare Sites Committee

Mr. Livingstone: To ask the Secretary of State for Defence when the RAF Clearance of Chemical Warfare Sites Committee was established; what its remit is; what its membership is; and what the current security classification is of its papers and minutes. [33802]

Mr. Spellar: The Committee was established in 1949, but subsequently disestablished, probably in the 1950s. I will write to my hon. Friend once further inquiries are complete.

Under current arrangements, clearance of RAF sites is arranged through consultation between the relevant parties, including Defence Lands, the RAF Infrastructure Organisation and the RAF Explosive Ordnance Disposal team.

Intelligence Gathering

Mr. Alan Johnson: To ask the Secretary of State for Defence, pursuant to his answer of 20 January 1998, *Official Report*, column *480*, if he will de-classify and make available all information concerning the use of trawlers for specific and incidental intelligence gathering throughout the Cold War period. [34130]

Dr. Reid: I am placing in the Library of the House a paper describing the contribution of British trawlers to intelligence gathering during the Cold War period.

Visiting Forces

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 9 March 1998, *Official Report*, column *43*, if he will list those countries other than the United States which at present have visiting forces based in the United Kingdom. [34497]

Dr. Reid: This information is not held centrally. However, from the records available, personnel from the following overseas armed forces, other than the United States, are currently serving in the United Kingdom:

Australia
Bahamas
Bahrain
Bangladesh
Barbados
Belgium
Belize
Botswana
Brazil
Brunei
Bulgaria
Canada
Chile
China
Czech Republic
Denmark
Ecuador
Egypt
Fiji
Finland
France
Germany
Ghana
Greece
Guatemala
Hungary
India
Indonesia
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
South Korea
Kuwait
Malaysia
Morocco
Mozambique
Namibia
Nepal
Netherlands
New Zealand
Norway
Oman
Pakistan
Papua New Guinea
Paraguay
Philippines
Poland
Portugal
Qatar
Romania
Russia
Saudi Arabia
Senegal
Seychelles
Singapore
Slovakia
Slovenia
South Africa
Spain
Sweden
Switzerland
Tanzania
Thailand
Trinidad and Tobago
Turkey

Ukraine
United Arab Emigrates
Uruguay
Zambia
Zimbabwe.

This includes foreign military personnel on training courses in the UK, non-UK personnel in NATO appointments, and personnel on exchange or attachment with our own armed forces. It does not include personnel attached to foreign embassies and high commissions.

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 9 March 1998, *Official Report*, column *45*, at which establishments the presence of United States visiting forces is primarily to pursue *(a)* objectives peculiar to United States policy, *(b)* objectives relating to United Kingdom-United States agreements, *(c)* objectives determined by NATO and *(d)* other objectives. [34498]

Dr. Reid: All US Visiting Forces are based in this country in support of NATO objectives and in furtherance of our mutual defence interests.

Plutonium

Mr. Baker: To ask the Secretary of State for Defence (1) how much plutonium his Department has (i) produced in the United Kingdom and (ii) used in the United Kingdom in each year since 1979; [34474]

(2) how much plutonium his Department has held in each year since 1979. [34472]

Dr. Reid: In April 1995 the then Foreign Secretary announced that the UK no longer manufactured fissile material for explosive purposes. As part of the Strategic Defence Review, this Government are examining all aspects of the nuclear programme, including the management and holdings of fissile materials. I am withholding the detailed information sought under exemption 1 of the Code of Practice on Access to Government Information relating to defence, security and international relations.

Mr. Baker: To ask the Secretary of State for Defence what is the estimated cost of providing security to protect the stocks of plutonium held by his Department for the latest year for which figures are available. [34469]

Dr. Reid: The costs of providing security to protect Ministry of Defence owned plutonium are not held separately from the costs of guarding those establishments where plutonium may be held. It would entail disproportionate cost to attempt to identify the cost of any one element of the overall guarding procedure.

Chatham House Speech

Mr. Keith Simpson: To ask the Secretary of State for Defence if he will place in the Library a copy of his speech at Chatham House on 12 March together with a transcript of answers to questions. [34286]

Mr. George Robertson: A copy of my speech was placed in the Libraries of both Houses yesterday. As this is a public occasion, I will also arrange for a copy of the transcript of the question and answer session to be placed in both Libraries when it is available.

Written Answers to Questions

Monday 16 March 1998

HOUSE OF COMMONS

Office Cost Allowance

Mr. Baker: To ask the President of the Council (1) if she will list the hon. Members who *(a)* retired at the 1997 Dissolution and *(b)* were defeated in the 1997 general election who have claimed a full year's office cost allowance for 1997–98, broken down by party; [34690]

(2) if she will list the hon. Members who *(a)* retired at the 1992 Dissolution and *(b)* were defeated in the 1992 general election who claimed a full year's office cost allowance for 1992–93, broken down by party. [34689]

Mrs. Ann Taylor: No.

LORD CHANCELLOR'S DEPARTMENT

Legal Aid Board

Mr. Andy King: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on the Legal Aid Board's responsibilities when a franchised solicitor is responsible for delays in the proceedings of a case beyond the three-year time limit. [33600]

Mr. Hoon: The Legal Aid Board has no power to investigate allegations of professional negligence in the legal sense. A client can seek redress for loss caused by his/her solicitor's alleged negligence through the courts. The Office for the Supervision of Solicitors (OSS) does not have the power to investigate allegations of negligence. It can, however, refer the client to a solicitor who is a member of the Negligence Panel Scheme for further assistance if the OSS believe there may have been negligence in the client's case.

The Legal Aid Board undertakes audits of a sample of franchisees' files to ensure that the solicitors continue to comply with the requirements of the Franchising Specification. It also investigates any complaints made by clients about the quality of service given by a franchised solicitor.

One of the requirements under the Franchising Specification is a system to maintain a back-up record of key dates relevant to a case. If, during an audit, it was evident that no back up system was in place, the Board would categorise that as a major non compliance.

However, a single incident of a missed time limit would not necessarily lead the Board to conclude that a back-up system was not in place. The Board would investigate all the circumstances before deciding if action was appropriate under the franchise. If appropriate, the Board would require corrective action to be taken within twenty one days. A follow-up audit would be made to ensure that action had been taken. Failure to do so could lead to the Board either suspending the contract or terminating it, if necessary, to protect both the client's interests and those of the Legal Aid Fund.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Radioactive Discharges

Mr. Llew Smith: To ask the Secretary of State for the Environment, Transport and the Regions what recent correspondence his Department's ministers have had with Swedish authorities acting on behalf of the Nordic Council of Environment Ministers concerning radioactive discharges from Sellafield and Dounreay; and what response has been received. [33026]

Mr. Meacher: Mrs. Anna Lindh, Swedish Minister for the Environment, wrote to me on 27 February in her capacity as Chairperson of the Nordic Council of Environment Ministers, regarding discharges of technetium-99 from Sellafield. She enclosed a copy of a report from the Norwegian Radiation Protection Authority, entitled "Technetium-99 contamination in the North Sea and in Norwegian coastal areas, 1996 and 1997". I am placing copies of Mrs. Lindh's letter, my reply and the Norwegian Radiation Protection Authority's report in the Library.

Household Projections

Mr. Tom King: To ask the Secretary of State for the Environment, Transport and the Regions what timetable he proposes for the revision of planning guidance and the publication of the discussion papers, advice and research referred to in paragraph 93 of "Planning for the Communities of the Future" (Cm 3885). [33825]

Mr. Raynsford: The Government hope to issue a consultation draft of a revised PPG3 by the summer recess. We hope to publish the discussion paper on regional targets before we consult on the draft revised PPG3. The Department intends to issue a discussion paper on monitoring indicators during the Spring, with a view to incorporating the results in a draft PPG3 which we hope to issue for consultation by the summer recess.

With regard to research, the following timetable applies:

mixed uses and housing in town centres—we hope to let this imminently and to publish by Spring 1999;

density—publication should be by April 1998;

economic instruments—research seminars on planning obligations are to be held shortly and the results will be reported to Ministers thereafter;

land assembly—this issue will be examined as part of two projects—the mixed use one mentioned above and a project on land pooling which we hope to commission in April;

land use database—the first stage of this, incorporating a national assessment of previously developed land and buildings available for housing, will be available by January 1999. A timetable for the remaining stages, extending the database to other land uses, will be clarified over the course of the coming year.

Tourism

Mr. Hoyle: To ask the Secretary of State for the Environment, Transport and the Regions what grants will be available to regional development agencies to assist the tourism industry; and what assessment he has made of the level of grants available to Scotland and Wales. [33908]

Angela Eagle: Government financial support for the tourism industry in England is currently being considered as part of the comprehensive spending review process. Arrangements in Scotland and Wales are matters for my right hon. Friend the Secretary of State for Scotland and my right hon. Friend the Secretary of State for Wales.

Royal Ordnance Site, Chorley

Mr. Hoyle: To ask the Secretary of State for the Environment, Transport and the Regions if he will visit the Royal Ordnance site in Euxton, Chorley, to assess its potential for development. [33910]

Mr. Raynsford: The future of the Royal Ordnance Site is an important matter for Chorley and the North West. However, because of the potential quasi-judicial role of the Secretary of State should any proposal come before him for determination, it would be inappropriate for Ministers to visit at this stage.

Research and Development

Mr. Hoyle: To ask the Secretary of State for the Environment, Transport and the Regions if he will set up regional banks to support research and development in industry. [33909]

Angela Eagle: The Government have no proposals to set up regional banks. However, Regional Development Agencies will be responsible for promoting competitiveness and exchange of best practice, including technology transfer, from innovative companies and higher education to the wider business community.

Aviation Industry

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions if the Integrated Transport White Paper will include specific targets for improving the environment around airports, with particular reference to the impact of noise and congestion; and if he will make a statement. [34115]

Ms Glenda Jackson: The Integrated Transport White Paper will set the framework within which detailed policies will be developed and implemented in due course.

Heathrow Airport

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what factors underlie the number of emergency take-offs and landings at Heathrow during the past three years; and what assessment he has made of the public safety implications of trends in these figures. [34111]

Ms Glenda Jackson: The number and type of emergency situations declared by pilots of aircraft landing at or taking off from Heathrow Airport in the last three years are listed in the following table. The majority of these emergencies were declared as a precautionary measure and involved no immediate danger to the aircraft.

Reason for emergency	*1995*	*1996*	*1997*
Low fuel	1	1	3
Medical (Passengers and crew)	2	5	3
Engine problems	2	2	3
Suspected fires	—	3	—
Mechanical etc. problems	4	6	8
Burst tyres	—	1	—
Wake vortex encounters	—	1	—
Birdstrikes	—	—	2
Lightening strike	—	—	1
Total	9	19	20

Sites of Special Scientific Interest

Mr. Todd: To ask the Secretary of State for the Environment, Transport and the Regions what measures he plans to take to strengthen the protection of sites of special scientific interest. [34118]

Angela Eagle: The Government are currently considering how best to improve the protection and management of Sites of Special Scientific Interest. Officials are preparing a consultation paper seeking views.

Public Transport

Mr. Ieuan Wyn Jones: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to improve the flow of public transport on roads in urban areas in England. [34490]

Ms Glenda Jackson: The Government will announce their policies on all aspects of transport in the Integrated Transport White Paper due to be published this Spring. In the meantime, my Department is already supporting packages of integrated transport measures in the great majority of urban areas in England. £85 million have been allocated to transport packages in 1998–99 under the Transport Policies and Programme system. Improved facilities for public transport, including bus priority routes, feature in virtually all urban packages. We are also funding the development of a comprehensive bus priority network in London. £11 million are going to that project in 1998–99 alone.

Regional Development Agencies

Mr. Garnier: To ask the Secretary of State for the Environment, Transport and the Regions what is the last date on which applications for consideration for membership of boards of regional development agencies may be made. [34680]

Angela Eagle: Applications for membership of regional development agency boards should be received in the relevant Government Office by Friday 27 March 1998.

Planning Applications

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will extend the right of appeal against decisions by local planning authorities to include objectors to planning applications. [34761]

Mr. Raynsford: I refer my hon. Friend to the reply I gave to the hon. Member for Wakefield (Mr. Hinchliffe) on 1 December 1997, *Official Report*, column *36*.

Domestic Refuse (Recycling)

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions what volume of domestic refuse was recycled by each London borough in each of the last three years; and what his estimate is for 1998–99. [34301]

Angela Eagle: The table shows the total tonnage of domestic refuse collected for recycling by each London borough during the financial year 1995–96. Figures exclude quantities diverted to home composting.

Where no figure is given, either the local authority has not responded to the Department's survey or the authority was unable to provide weight data.

Figures for 1996–97 are being processed and will be published as soon as they are available. No estimates are made for future years.

Domestic refuse collected for recycling in 1995–96	*Tonnes*
Corporation of London	2,120
London Borough of Barking and Dagenham	—
London Borough of Barnet	9,269
London Borough of Bexley	1,792
London Borough of Bromley	16,071
London Borough of Camden	5,567
London Borough of Croydon	1,341
London Borough of Ealing	4,884
London Borough of Enfield	3,918
London Borough of Greenwich	2,766
London Borough of Hackney	936
London Borough of Hammersmith & Fulham	3,215
London Borough of Haringey	2,265
London Borough of Harrow	3,363
London Borough of Havering	—
London Borough of Hillingdon	—
London Borough of Hounslow	4,040
London Borough of Islington	1,710
London Borough of Kensington & Chelsea	6,232
London Borough of Kingston Upon Thames	10,238
London Borough of Lambeth	2,880
London Borough of Lewisham	2,736
London Borough of Merton	2,903
London Borough of Newham	961
London Borough of Redbridge	6,597
London Borough of Richmond Upon Thames	7,917
London Borough of Southwark	1,785
London Borough of Sutton	3,163
London Borough of Tower Hamlets	802
London Borough of Waltham Forest	2,759
London Borough of Wandsworth	4,214
Westminster City Council	522
Total, all reporting London boroughs	121,583

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions what the proportion of waste *(a)* paper, *(b)* glass and *(c)* metal nationally has been recycled from domestic waste in each of the past three years; and what his estimate is for 1998–99. [34302]

Angela Eagle: The table shows the total reported tonnage of paper and card, glass and metal cans/scrap metal which was collected for recycling by local authorities in England and Wales during the financial year 1995/96. The data are based on information provided by local authorities representing 95 per cent. of the households in England and Wales.

It is not possible to provide the proportions as requested as there is insufficient national data on waste composition to express the tonnage of each material collected for recycling as a proportion of the total of each material in the domestic waste stream.

Figures for 1996/97 are being processed and will be published as soon as they are available. No estimates are made for future years.

Amounts collected for recycling by local authorities in England and Wales

	Tonnes
Glass	278,800
Paper	262,700
Card	16,900
Mixed paper and card	152,000
Total paper and card	431,600
Steel cans	4,400
Aluminium cans	1,900
Mixed cans	10,200
Scrap metal/white goods	153,000
Total metal cans/scrap metal	169,500

Traffic Congestion

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to alleviate severe traffic congestion in urban areas. [34041]

Ms Glenda Jackson: This is a subject that the Government will address in their forthcoming White Paper on integrated transport policy.

Rail Timetables

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions if he will place copies in the Library of the current notional railway timetables for Summer 2002 and 2005. [34314]

Ms Glenda Jackson: Railtrack is responsible for producing the biannual Great Britain Passenger Timetable, in consultation with the train operating companies. The timetables do not cover notional services that may be under consideration for future editions.

Water Companies

Mr. Bill Michie: To ask the Secretary of State for the Environment, Transport and the Regions if the Office of Water Services has the power to specify that water companies should consult with other organisations regarding their joint response to an emergency or a potential emergency; and if he will make a statement. [34178]

Angela Eagle: No. The Office of Water Services has no such powers. Under section 208 of the Water Industry Act 1991, the Secretary of State has the power to direct water companies to do whatever is deemed necessary to mitigate the effects of an emergency which includes consulting other organisations as necessary. Water companies already work closely with other organisations on emergency planning matters.

Rail Safety

Mr. Bill Michie: To ask the Secretary of State for the Environment, Transport and the Regions (1) if the Office of the Passenger Rail Franchising has the power to specify that rail franchisees should consult with other organisations regarding their joint response to an emergency or a potential emergency; and if he will make a statement; [34179]

(2) if the Office of the Rail Regulator has the power to specify that rail companies should consult with other organisations regarding their joint response to an emergency or a potential emergency; and if he will make a statement. [34180]

Ms Glenda Jackson: All railway operators are required by the Railways (Safety Case) Regulations 1994 to prepare and have accepted a Railway Safety Case (RSC) which includes amongst other things, particulars of their arrangements for dealing with accidents and emergencies. The guidance which accompanies these Regulations makes it clear that these arrangements should make adequate provision for liaison with emergency services, and for co-operation and co-ordination with other railway operators.

The Director of Passenger Rail Franchising and the Rail Regulator have wide powers to specify the content of franchise agreements and of licences respectively. I understand that provisions relating to consultation on emergency responses have not been specified because of the wider requirements relating to safety cases and Railway Group Standards.

Mobile Phones (Drivers)

Mr. Reed: To ask the Secretary of State for the Environment, Transport and the Regions what action his Department is taking to ensure that motorists are made aware of the dangers of using a hand-held mobile phone while driving; and if he will make a statement. [34859]

Ms Glenda Jackson: My noble Friend the Minister for Roads is today launching a publicity campaign to make clear to motorists the dangers of using hand-held phones while driving. The campaign includes advertisements in national newspapers and an advisory leaflet reminding motorists of the dangers of using hand-held phones and offering advice on hands-free phone use. Copies of the leaflet have been placed in the Library.

I am pleased to say that the campaign is supported by the mobile phone industry and four major mobile phone network operators who are producing complementary leaflets for their customers. This will help ensure that the message reaches the relevant audience.

Local Plans

Mr. Singh: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he is putting in place to improve the delivery of local plans and unitary development plans; and if he will make a statement. [34937]

Mr. Caborn: The statement "Modernising Planning", published on 15 January, set out our policies to improve the operation of the planning system. In accordance with those policies, my Department has today published a consultation paper on proposals for changes to the arrangements for the preparation and adoption by local authorities of Local Plans and Unitary Development Plans. Copies of the consultation paper have been placed in the Library.

The Government are committed to the plan-led system of development. This provides the essential framework for rational and consistent planning decisions, and plays a vital role in promoting development and growth which respects the environment. But if the plan-led system is to work there must be plans which cover all parts of the country and an effective system to keep those plans up to date.

The previous Government agreed a target date with local authorities for substantial coverage of local plans by the end of 1996. Only 43 per cent. coverage was achieved by that date. The figure is expected to be about 70 per cent. by the end of 1998. We therefore propose to introduce changes to national policy guidance and to procedures aimed at:

- promoting shorter, clearer plans;
- securing better targeted consultation;
- encouraging authorities to announce and be accountable for a target timetable;
- promoting negotiation on objections in order to reduce the number of issues requiring discussion at the inquiry;
- making the Inspector's report publicly available within a set time period; and
- encouraging the prompt adoption of plans.

Improvements in the quality and content of plans have a crucial role in speeding up the development plans' system. The revised guidance draws attention to the scope for authorities to learn from the best practice of others. However, ensuring that efficient procedures are in place is only part of the answer. Much of the success of these proposals depends on the approach adopted by the local authorities in taking them forward. These proposals will improve the system only if used constructively by planning authorities and there is real commitment from them to making the plan led system work.

Departmental Buildings

Mr. Swinney: To ask the Secretary of State for the Environment, Transport and the Regions what was the total expenditure by his Department on (i) building maintenance and (ii) office running costs, on the last year for which figures are available, *(a)* in total and *(b)* broken down by offices and buildings in (i) London and (ii) Scotland. [34226]

Angela Eagle: I refer the hon. Member to the answer given by my right hon. Friend the Minister for Transport in London, on 2 March 1998, *Official Report*, column *421*. Maintenance costs are included in the running costs quoted for each building. A further breakdown of these costs is not available.

TREASURY

Taxation (Professional Businesses)

Sir Nicholas Lyell: To ask the Chancellor of the Exchequer what estimate he has made of the likely effect on the availability of High Street solicitors of the Government's proposals for the withdrawal of the cash basis practice for the taxation of professional businesses. [33317]

Dawn Primarolo: The overall effect of the proposals on any professionals will of course depend on the final details to be announced in my right hon. Friend's Budget.

Parliamentary Questions

Mr. Tyrie: To ask the Chancellor of the Exchequer what factors governed the length of time taken to answer the question from the hon. Member for Chichester (ref. 28925) of 8 February, relating to Mr. C. Whelan. [34419]

Mrs. Liddell *[holding answer 13 March 1998]:* It has always been the case that the length of time to answer parliamentary questions varies.

Art Market

Miss McIntosh: To ask the Chancellor of the Exchequer what representations he has received on the implications of VAT harmonisation in the EU on the United Kingdom art market. [32907]

Dawn Primarolo: I have received representations from the British Art Market Federation and from members of the art trade, and am aware of concerns about the effects on the UK art market of harmonisation of VAT on imports of works of art.

Economic Stability

Mr. Timms: To ask the Chancellor of the Exchequer what proposals he has to strengthen economic stability. [35081]

Mr. Gordon Brown: I propose to implement a Code for Fiscal Stability. The Code, which will be underpinned by legislation in the Finance Bill, will enhance economic stability by ensuring that fiscal and debt management policy operate in accordance with the principles of transparency, stability, responsibility, efficiency and fairness. Copies of the paper which sets out and explains the Code for Fiscal Stability have been placed in the Vote Office and in the Library of the House.

Insurance Premium Tax

Mr. Pendry: To ask the Chancellor of the Exchequer what assessment he has made of the benefits to organisations with both travel and insurance interests of the different rates of insurance premium tax levied on travel insurance. [29537]

Dawn Primarolo: Organisations with both travel and insurance interests, the most typical examples being travel agents, will usually be paying the higher rate of insurance premium tax. However, travel agents often offer free insurance to assist their marketing of holidays, and in such cases they benefit from the standard rate of IPT on premiums paid to their insurance companies.

National Insurance

Mr. Lilley: To ask the Chancellor of the Exchequer in respect of how many employees the employers' marginal rate of contribution would be *(a)* higher and *(b)* lower than at present if the three steps increases in employers NICs were eliminated and this was financed by raising the rate of NIC to 12.2 per cent. [33511]

Mr. Denham *[holding answer 9 March 1998]:* I have been asked to reply.

If the steps for employers' contributions at £110, £155 and £210 were eliminated and the employers' contribution rate increased to 12.2 per cent., the marginal rate for employers would be lower in respect of employees earning immediately below £110, £155 and £210. The marginal rate for employers would be higher in respect of all other employees whose earnings attract employers' contributions.

DEFENCE

Exports

Mr. Menzies Campbell: To ask the Secretary of State for Defence, pursuant to his answer of 16 February 1998, *Official Report*, column *486*, if he will place a copy of the Defence Export Services Organisation five-year Strategic Plan in the Library. [31319]

Mr. Spellar *[holding answer 27 February 1998]:* The Defence Export Services Organisation's, DESO, Five-Year Strategic Plan is the Ministry of Defence's detailed assessment of future market prospects and the UK's marketing objectives. It is built up on the basis of sensitive information provided by companies and other Governments on the understanding that it would not be made public. It is normal practice for companies to withhold detailed information on their forward marketing plans because these provide information which could be an advantage to commercial competitors.

Publication of the DESO Strategic Plan would harm the UK's commercial and national interests. I am therefore withholding the document under the provisions of Exemptions 1, 13 and 14 of the Code of Practice on Access to Government Information.

Millennium Compliance

Mr. David Atkinson: To ask the Secretary of State for Defence (1) what plans he has for the international testing of computer systems for their millennium compliance with NATO allies; and if he will make a statement; [33383]

(2) what discussions are taking place in (i) the NATO Forum (ii) NATO Partnership for Peace and (iii) the OSCE on the millennium compliance of computer systems; and if he will make a statement. [33381]

Mr. Spellar: The UK is active in generating awareness of the millennium problem within NATO. The MOD has provided briefings to NATO Allies, with Partnership For Peace members in attendance, on its experience and progress in addressing the problem nationally. We have highlighted the need for a corporate commitment to address the problem in both NATO and national systems, and the need for a collaborative approach to checking and testing to ensure that critical systems and vital inter-operation are not jeopardised by the problem. In the context of the OSCE, Organisation for Security and Co-operation in Europe, the issue of 'millennium compliance' of the OSCE national consultation network is being raised at a meeting in Vienna later this month.

Mr. David Atkinson: To ask the Secretary of State for Defence if he will make a statement on progress in ensuring the millennium compliance of computer systems in the Royal Navy, and on plans to undertake the action necessary on ships on operational duty at sea. [33382]

Mr. Spellar: All computer systems currently in service with the Navy are being assessed for millennium compliance as part of the wider MOD activity currently being conducted. Any action required to make systems compliant will, as far as possible, be carried out as part of routine maintenance schedules, taking account of the high priority we attach to this issue.

We are liaising with suppliers to ensure that all future systems, including Naval computer systems, are designed and built with millennium compliance.

Nerve Agent Pre-treatment

Mr. Livingstone: To ask the Secretary of State for Defence if his Department is planning to seek a full product licence from the Medicine Control Agency for its proposed nerve agent pre-treatment using a combination of physostigmine and hyoscine. [33801]

Dr. Reid: The research currently being carried out by the Chemical and Biological Defence sector of the Defence Evaluation and Research Agency into a proposed nerve agent pre-treatment using a combination of physostigmine and hyoscine is due to be completed in June 1999.

If the pre-treatment proves effective against nerve agent poisoning, it is likely to undergo a full safety evaluation prior to submission for approval for a full product licence from the Medicines Control Agency.

Atomic Weapons Establishment, Aldermaston

Mr. Matthew Taylor: To ask the Secretary of State for Defence when the Weapon Engineering Division at the Atomic Weapons Establishment, Aldermaston, was set up; what is the purpose of this division; how many series of technical papers or reports are currently being produced by this division; and what are the names of each series. [33859]

Mr. Spellar: The "Weapon" Engineering Division at the Atomic Weapons Establishment, which is more properly known as the Warhead Engineering Division, was set up in 1954. The Division is now part of the Systems Engineering area. Its purpose is to undertake scientific warhead design through to an engineered system. This work enables AWE to underwrite the performance and safety of the warhead.

One untitled series of reports is currently being issued. There are also a number of general engineering technology studies.

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 29 January 1998, *Official Report*, column *345*, on the Atomic Weapons Establishment, Aldermaston, how many unclassified papers were produced in each of the two series of reports produced by the chemical technology division of the Atomic Weapons Establishment between 1968 and 1991. [33855]

Mr. Spellar: Not all of the information sought is available. The Technical Memoranda series contains some 95 unclassified reports. The other series contained a large number of informal reports and documents and there was no requirement to record how many of these were unclassified. To obtain the information now, a very large number of files not in current use would have to be retrieved and examined and this could be done only at disproportionate cost.

Warhead Hydrodynamics Division

Mr. Matthew Taylor: To ask the Secretary of State for Defence, pursuant to his answer of 25 February 1998, *Official Report*, column *261*, on the Warhead Hydrodynamics Division, how many unclassified papers were produced in the series known as Hydrodynamics Department-Technical Reports, R Series; and of which directorate the Hydrodynamics Department is now a part. [33856]

Mr. Spellar: There are 99 unclassified papers in the Hydrodynamics Department Technical Reports R Series. Hydrodynamics is part of the Physics Research Directorate.

Staff Newsletters

Mr. Matthew Taylor: To ask the Secretary of State for Defence what are the current security classifications of the newsletters produced for the staff of *(a)* the Specialist Procurement Services Agency of his Department *(b)* the Naval Bases and Supply Agency and *(c)* the RAF Maintenance Group; how often each newsletter is produced; and when each newsletter was first produced. [33858]

Mr. Spellar: This is a matter for the Chief Executives of the Agencies concerned. I have asked them to write to the hon. Member.

Letter from Ken Procter to Mr. Matthew Taylor, dated 16 March 1998:

I am replying to your question to the Secretary of State for Defence about the current security classifications of newsletters produced for the staff of the Royal Air Force Maintenance Group Defence Agency, because this matter falls within my area of responsibility as the Acting Chief Executive of the Royal Air Force Maintenance Group Defence Agency.

There are no Agency newsletters produced for staff within the Maintenance Group Defence Agency as a whole.

Letter from N. J. Bennett to Mr. Matthew Taylor, dated 16 March 1998:

I am replying to your Question to the Secretary of State for Defence about the current security classifications of the newsletters produced for the staff of Specialist Procurement Services (SPS), as this matter falls within my area of responsibility as Chief Executive of that Agency.

SPS produces a newsletter in the form of an "in-house" magazine called "The Specialist". The magazine, which is unclassified, is published 6 times a year and the first issue was produced in April 1997. Copies of the newsletter are sent to all SPS staff and our MOD customers.

I hope this information is helpful, but please contact me if you require further clarification.

Letter from John Trewby to Mr. Matthew Taylor, dated 16 March 1998:

The Secretary of State for Defence has asked me to reply to your Question about the newsletter for the Naval Bases and Supply Agency (NBSA) as this falls within my area of responsibility.

The current newsletter of the NBSA is entitled "First Issue" and is unclassified. It was first published in October 1995 following the formation of the Director General Naval Bases and Supply organisation. This corporate magazine has remained in circulation since the launch of the NBSA in December 1996 and continues to be published on a quarterly basis.

Intelligence Gathering

Mr. Alan Johnson: To ask the Secretary of State for Defence, pursuant to his answer of 20 January 1998, *Official Report*, column 480, whether Hull trawlermen were at any time required to sign the Official Secrets Act. [34131]

Dr. Reid: No information is available to indicate that trawlermen were required to sign the Official Secrets Act, nor is it considered likely that they would have been so required.

York Headquarters

Mr. Bayley: To ask the Secretary of State for Defence what is the annual cost of maintaining *(a)* Land Command 2nd Divisional Headquarters and *(b)* Headquarters 15th Brigade in York. [34503]

Dr. Reid: The estimated cost of maintaining these headquarters next financial year will be:

	£
(i) HQ 2nd Division, York	7,629,000
(ii) HQ 15 Brigade, York	2,017,000

These figures include pay and running costs of the headquarters and maintenance of the buildings.

Defence Personnel and Employees

Mr. Bayley: To ask the Secretary of State for Defence if he will list by economic planning region the number of Ministry of Defence *(a)* service personnel and *(b)* civilian employees based in the United Kingdom in (i) 1995, (ii) 1996 and (iii) 1997. [34504]

Dr. Reid: The information requested has been published in the UK Defence Statistics 1997 on page 28, a copy of which is available in the Library of the House.

Civilian Staff

Mr. Bayley: To ask the Secretary of State for Defence what is the *(a)* number and *(b)* annual cost of surplus civilian staff retained on the payroll in each of the United Kingdom Land Command divisional areas. [34505]

Dr. Reid: As at 31 December 1997, which is the most recent date for which verified figures are available, Land Command employed no surplus civilian staff.

Mr. Bayley: To ask the Secretary of State for Defence what is the *(a)* number and *(b)* annual cost of surplus civilian staff being retained on the payroll in each of the MoD top level budget areas. [34506]

Dr. Reid: As at 31 December 1997, the most recent date for which verified figures are available, the number of surplus non-industrial civilian staff retained on the payroll in each Top Level Budget area were as follows:

	Number
CINCFLEET	3
CFS	33
2SL	3
HQ LAND	0
QMG	4
AG	21
HQNI	0
RAF STC	0
RAF LOGISTICS COMMAND	16
RAF P&T COMMAND	1
CDP	12
2nd PUS (incl VCDS)	38
Total	131

Surplus staff are defined as non-industrial civilian staff with a full mobility obligation whose posts have either been abolished or will be abolished within 6 months. The number of staff who are temporarily surplus varies from month to month, as some are found permanent posts and others are declared newly surplus. Accordingly, it is not possible to estimate the annual cost of those staff who may be temporarily surplus.

Al-Yamamah Project

Mr. Burstow: To ask the Secretary of State for Defence if he will list the *(a)* outside agencies, *(b)* middlemen and *(c)* trading organisations that have been used in arms or equipment purchases connected with the Al-Yamamah project (i) prior to and (ii) after the awarding of the contract. [34033]

Mr. Spellar *[holding answer 12 March 1998]:* The British Government have not employed business agents, nor individuals, or organisations of the type described in the Question either prior to, or after, the award of the Al-Yamamah contract. Negotiations concerning the role of the British Government in the Al-Yamamah programme have been conducted by diplomats and civil servants in the normal way. Any use of agents by companies associated with Al-Yamamah is a matter for those companies, but the prime contractor, British Aerospace, has assured us that it operates in accordance with the laws and regulations of Saudi Arabia.

Training (Kenya)

Mr. Corbett: To ask the Secretary of State for Defence what training has been *(a)* requested from and *(b)* given by his Department to members of the Kenyan Ministry of Special Protection in each of the last three years. [34240]

Dr. Reid: I am not aware of a Kenyan Ministry of Special Protection. I can, however, confirm that no training in riot control or internal security techniques has been requested from, or provided to, the Kenyan authorities by members of the Ministry of Defence or the UK Armed Forces in any of the last three years.

War Memorials

Mr. Ottaway: To ask the Secretary of State for Defence if he will establish a register of all war memorials in the United Kingdom erected since the First World War, for conflicts other than World Wars One and Two. [34272]

Mr. Spellar: No. These war memorials are already included in the National Inventory of War Memorials, which is jointly managed by the Imperial War Museum and the Royal Commission on the Historical Monuments of England.

Nuclear Weapons

Mr. Llew Smith: To ask the Secretary of State for Defence which recent independent studies on links between military nuclear weapons production sites and childhood leukaemias have been evaluated by his Department; and what assessment was made of each. [34453]

Mr. Spellar: The most recent independent study, published in the *British Medical Journal* on 8 November 1997, concerned the incidence of leukaemia among children whose fathers have been exposed to radiation at work. Data on Atomic Weapons Establishment staff were included in the study. My Department accepts and agrees with the study's conclusions.

RAF Leeming

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 10 March 1998, *Official Report*, column *149*, concerning RAF Leeming, if he will list the bodies for which money was raised. [34764]

Mr. Spellar: Since 1 May 1997, RAF Leeming has donated tours of the Station as "prizes" in fund-raising draws to the following bodies: Dales Special School, Moreton-on-Swale, Starbright Childrens Cancer Fund, Broomfield Primary School, Northallerton, 'Dreamflight' (underprivileged children), East Cowton School, the Variety Club of Great Britain, British Field Sports Society, Allertonshire School, Northallerton and Friarage Hospital, Northallerton.

Iraq (Turkish Forces)

Mr. Corbyn: To ask the Secretary of State for Defence what monitoring of the activities of the Turkish armed forces in Iraq is undertaken by British troops; and if he will make a statement. [34309]

Dr. Reid: None. The RAF contributes to coalition patrols of the northern no-fly-zone over Iraq. This was established in 1991 to monitor Iraqi compliance with UN Security Council Resolution 688, which requires Iraq to cease repression of the civilian population of Iraq. These patrols do no monitor the activities of Turkish armed forces.

Scots Guards

Mr. Dalyell: To ask the Secretary of State for Defence if he will make a statement on the procedure relating to the issuing of a challenge current in the 1 Battalion Scots Guards in September 1992; on how many occasions since 1 September 1992 such procedures have not been complied with; and what revision to procedures has taken place since that date. [34312]

Dr. Reid: I will write to my hon. Friend and a copy of my letter will be placed in the Library of the House.

Holy Loch

Mr. Hoyle: To ask the Secretary of State for Defence, pursuant to his answer of 3 March 1998, *Official Report*, column *538*, what action he is taking to press the American Government to contribute to the cost of clearing up Holy Loch. [34295]

Mr. Spellar: None.

Procurement Contracts

Mr. Swinney: To ask the Secretary of State for Defence if he will list the defence procurement contracts with value of greater than £5 million for each year since 1987; and what were the companies involved in each of these contracts. [34183]

Mr. Spellar: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Naval Aircraft Repair Organisation

Ms Roseanna Cunningham: To ask the Secretary of State for Defence (1) what was the original projected cost of the implementation of the MRPII Scheduling System at *(a)* NARO Almondbank and *(b)* NARO Fleetlands; and what has been the actual cost of implementation; [34592]

(2) what was the original projected timescale for the implementation of the MRPII Scheduling System in (i) NARO Almondbank and (ii) NARO Fleetlands; and what has been the actual timescale for implementation; [34594]

(3) what were the original projected cost savings to be gained from the implementation of the MRP II Scheduling System at *(a)* NARO Almondbank and *(b)* NARO Fleetlands; and what have been the actual cost savings of its implementation. [34591]

Dr. Reid: This is a matter for the Chief Executive of the Naval Aircraft Repair Organisation (NARO). I have asked the Chief Executive to write to the hon. Member.

Letter from S. R. Hill to Ms Roseanna Cunningham, dated 16 March 1998:

1. I am replying to your 3 Questions to the Secretary of State for Defence that sought timescales, cost savings and implementation costs in connection with the MRPII scheduling system in NARO Almondbank and NARO Fleetlands as this falls within my area of responsibility as Chief Executive.

2. *Timescales.* The case approved in January 1992 projected implementation of the MRPII system in NARO Almondbank in July 1993 and in NARO Fleetlands in December 1993 but with the caveat that expenditure could not be committed until an ongoing Efficiency Study of the NARO had been completed. As a direct result of this delay the contract was not let until May 93. Taking this into account MRPII completion would not have been achieved to plan until May 96. At this time the project suffered delays due to data take on (the time for which had been under estimated) and performance and technical shortfalls identified during user pilots. These problems were rectified in time for the system to go live in NARO Almondbank in May 1997 and in NARO Fleetlands in July 1997.

3. *Cost Savings.* The case approved in January 1992 projected cost savings to be gained from the MRPII system of £53.6 million in NARO Almondbank and £35.4 million in NARO Fleetlands. The bulk of the perceived savings to the Ministry of Defence were attributable to reduced repair times, improved asset (spares etc.) visibility, and a consequent reduction in the number of assets procured. These savings fall very largely outside the NARO budget. Cost savings were forecast to be realised progressively over a period of 7 years following implementation. The actual savings to date within the NARO are estimated at £37K in NARO Almondbank and £1.0 million in NARO Fleetlands, these savings are deemed from the MRPII system subsuming pre-existing system functions and the decommissioning of the older legacy systems. It is too early yet for us to be able to carry out a post project evaluation of the overall effectiveness of the MRPII system in generating savings for the MoD.

4. *Implementation Costs.* The case approved in January 1992 projected a 10 year cost of implementation of the MRPII system in the NARO of £16.2 million (ex VAT at financial year 91/92 prices). The project costs were for the complete MRPII system and were not broken down between the NARO Divisions. The actual cost of implementation on the same price base has been £14.13 million and the current projected 10 year costs include some further costs associated with additional NARO Finance, Personnel, Training and Publications systems.

5. It should be noted that the MRPII Scheduling System forms part of an integrated business solution, the NARO Business System, which embraces commercial accounting, personnel, attendance and payroll.

Yorkshire and Lancashire Regiment Museum

Mr. MacShane: To ask the Secretary of State for Defence if he will provide finance to keep open the Yorkshire and Lancashire Regiment Museum in Rotherham. [31436]

Mr. Spellar: I refer my hon. Friend to the reply I gave him on 1 December 1997, *Official Report*, column *24*.

PRIME MINISTER

Publications

Mr. Flight: To ask the Prime Minister if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Office subscribes. [33656]

The Prime Minister: My office makes use of a wide range of publications held within 10 Downing Street and other Government Departments.

Public Assets Sales

Dr. Lynne Jones: To ask the Prime Minister if he will introduce measures to make Ministers liable for losses to the taxpayer if public assets are sold at less than their market value. [33610]

The Prime Minister: No. Such a proposal would be impractical. In selling public assets Ministers are accountable to Parliament in the normal way. The Government see no reason to change these arrangements.

This Government's approach to public-private partnerships is designed to ensure that the taxpayer's interests are fully safeguarded.

Yemen and Oman

Mr. Vaz: To ask the Prime Minister what meetings he has held since 1 May 1997 at which *(a)* Yemen and *(b)* Oman were discussed; and how many meetings he has had with representatives of the *(a)* Yemeni and *(b)* Omani Government. [34560]

The Prime Minister: I received President Ali Abdullah Saleh in November 1997 and Dr. Omar Zawawi, the Sultan of Oman's special emissary, earlier this month. The Omani and Yemeni Ambassadors were also present at a meeting of Arab Ambassadors at Downing Street in February.

Mr. Vaz: To ask the Prime Minister what plans he has to visit *(a)* Yemen and *(b)* Oman. [34559]

The Prime Minister: At present, I have no plans to visit either Yemen or Oman.

Mr. Vaz: To ask the Prime Minister how many ministerial visits there have been to *(a)* Yemen and *(b)* Oman in the last three years. [34558]

The Prime Minister: There have been 4 ministerial visits to Yemen and 14 ministerial visits to Oman over the last three years.

Iraq

Mr. Dalyell: To ask the Prime Minister, pursuant to the oral answer of the Secretary of State for Foreign and Commonwealth Affairs of 10 March 1998, *Official Report*, columns 307–8, what criteria he will use to determine the extent of Iraq's compliance with the recent agreement between Iraq and the UN to allow inspections to take place; and if he will submit these criteria to the scrutiny of the French, Russian and Chinese authorities as members of the Security Council. [34770]

The Prime Minister: Security Council Resolution 1154 was adopted unanimously by the Security Council. All members agreed that further violations of Iraq's obligations under relevant Security Council Resolutions and the Memorandum of Understanding signed in Baghdad would be followed by the severest consequences.

The question of Iraqi compliance will be dealt with in reports to the Security Council from the United Nations Special Commission and the International Atomic Energy Agency.

Official Hospitality

Mr. Malcolm Bruce: To ask the Prime Minister what is his current estimate of the expenditure of his Department, its agencies and non-departmental public bodies on hospitality since 1 May 1997. [27810]

The Prime Minister *[holding answer 5 February 1998]:* I refer the hon. Member to the answer I gave to the hon. Member for East Worthing and Shoreham (Mr. Loughton) on 26 February 1998, *Official Report*, column *311*.

SCOTLAND

Publications

Mr. Flight: To ask the Secretary of State for Scotland if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33651]

Mr. MacDonald: The Scottish Office subscribes to the following European Commission publications:

Com Documents of the commission of the European Communities;

Directory of Community legislation in force and other Acts of the community institutions;

Official Journal of the European Communities, Series C, Series L, Series S;

Index to the Official Journal of the European Communities;

Debates of the European Parliament

Cairngorm Funicular Railway

Mr. Randall: To ask the Secretary of State for Scotland what conditions the planning agreement for the proposed funicular railway on Cairngorm place on Highlands and Island Enterprise; and how expenditure to be incurred in fulfilling these conditions is to be approved. [33601]

Mr. MacDonald: There are a number of references to Highland and Islands Enterprise in the Agreement relative to the funicular railway on Cairngorm entered into under section 50 of the Town and Country Planning (Scotland) Act 1972 and section 49A of the Countryside (Scotland) Act 1967. The majority of the references concern the need for HIE to be consulted or notified in certain circumstances, or for that body to have discussions with the other parties to the Agreement in certain circumstances. The Agreement also provides for HIE to be given a period in which to seek an alternative operator for the funicular railway in the event of the Cairngorm Chairlift Company Limited discontinuing its operation. If an alternative operator cannot be found, there is a duty placed on that Company to dismantle the railway and reinstate the site. Should the Company fail to fulfil that obligation, the Agreement requires HIE to fulfil it.

Any future expenditure on the funicular railway incurred by Highland and Islands Enterprise as a result of the application of these conditions would be subject to the usual approval arrangements which apply to the annual grant in aid to that body and to any specific approval arrangements which apply to projects involving expenditure beyond the budgetary limits delegated to that body.

Dounreay

Mr. Maclennan: To ask the Secretary of State for Scotland, pursuant to his answer of 6 March 1998, *Official Report*, columns *778–79*, on Dounreay, if it is the responsibility of the Health and Safety Executive to monitor the stability of the contents of the storage shaft and other radioactive waste repositories at Dounreay. [34165]

Mr. MacDonald: Responsibility for safety at the Dounreay site, including monitoring the stability of radioactive waste, lies with the site operator, the United Kingdom Atomic Energy Authority.

School Bus Services

Sir Robert Smith: To ask the Secretary of State for Scotland what measures he proposes to improve safety on school bus services in Scotland. [34029]

Mr. McLeish: The Government recognise the importance of high safety standards on school transport. Regulations, which are already in place, cover issues such as bus and coach construction, operator licensing and conduct and these apply equally across the board to all Public Service Vehicles. Construction regulations have recently been amended to require seat belts for children on minibuses and coaches when used on specific journeys. Decisions about the provision of supervision on school transport are for education authorities, as part of their overall responsibilities to provide a school transport service. Guidance on the provision of school transport, including safety matters, was issued by The Scottish Office to local authorities in April 1996.

Scottish Parliament

Mr. Ancram: To ask the Secretary of State for Scotland what estimate he has made of the size of the membership of the Scottish Parliament following the next report of the Boundary Commission, pursuant to Clause 81 of the Scotland Bill. [34276]

Mr. Dewar *[holding answer 13 March 1998]:* None. I cannot anticipate the recommendations of the Parliamentary Boundary Commission for Scotland.

Council of Ministers

Mr. Ancram: To ask the Secretary of State for Scotland when he next plans to attend a meeting of the Council of Ministers of the European Union in relation to agriculture. [34278]

Mr. MacDonald *[holding answer 13 March 1998]:* My noble Friend the Minister with responsibility for agriculture, the environment and fisheries in Scotland attended two Agriculture Councils last year and will attend future meetings as appropriate.

Work-related Injuries

Mr. William Ross: To ask the Secretary of State for Scotland if he will list the number of *(a)* claims brought and *(b)* occasions when compensation was paid, by Scottish courts in respect of injuries received at work for each of the last five years indicating the number of injuries recorded per 100,000 persons at work in Scotland in each year or as much information as is readily available to him. [34572]

Mr. McLeish: This information is not held centrally.

Tuition Fees

Mr. Ancram: To ask the Secretary of State for Scotland what representations he has received from student representatives at Scottish universities about *(a)* the introduction of tuition fees in higher education and *(b)* the different treatment of students from Scotland and Europe as against those from England, Wales and Northern Ireland in relation to tuition fees for the fourth year of a Scottish degree course. [34586]

Mr. Wilson: I have received representations on both matters from the National Union of Students (Scotland), the Students' Associations of Dundee, Edinburgh, and St. Andrews Universities; and the Students' Representative Councils of Aberdeen and Glasgow Universities. Napier University Students' Association made representations on the introduction of tuition fees in higher education; Heriot Watt University Students' Association made representations on the different treatment of English, Welsh and Northern Irish students compared to those from Scotland.

Fisheries

Mr. Ancram: To ask the Secretary of State for Scotland what steps he is taking in respect of the representation of Scottish fishing interests in the European Council of Ministers after the setting up of the Scottish Parliament. [34589]

Mr. MacDonald: The Government remain committed to involving Scottish Ministers in relevant Council meetings, which could include Scottish Ministers speaking for the UK in appropriate cases. Whoever speaks will do so on behalf of the UK as a whole and to an agreed UK position. Scottish fishing interests will therefore continue to be properly represented.

INTERNATIONAL DEVELOPMENT

Middle East

Mr. Faber: To ask the Secretary of State for International Development what plans she has to further the Middle East peace process through the targeting of *(a)* the UK's and *(b)* the EU's aid to the region. [34727]

Mr. Foulkes: The Department for International Development plans to continue a programme of high quality development projects in the West Bank and Gaza, which are designed to be supportive of the Middle East Peace Process. Our projects are targeted at reducing poverty, strengthening the private sector and building up the Palestinian Authority's (PA) administrative capacity. We will do what we can to help give a new impetus to the peace process.

The EC aid programme to the PA, which is due to expire in 1998, has helped the Peace Process survive under very difficult circumstances. The UK will support its renewal which would demonstrate the EU's continuing commitment to the process. The programme is currently being evaluated by the European Commission and we will be seeking to ensure that lessons learned about quality and effectiveness are fully taken into account in the future.

Sanctions

Mr. Dalyell: To ask the Secretary of State for International Development what progress has been made in her plans to develop sanctions which hit elites rather than the mass of the people. [34769]

Mr. Foulkes: I refer my hon. Friend to the reply given to him by my hon. Friend, the Secretary of State for International Development on 28 January 1998, *Official Report*, column *288*.

WALES

National Assembly

Mr. Evans: To ask the Secretary of State for Wales what estimate he has made of the cost to each council which put forward a bid for the site of the National Assembly for Wales of that bid. [33279]

Mr. Ron Davies: This is a matter for each individual Council, who will have determined the level of expenditure appropriate to the submission of their proposal.

Mr. Ancram: To ask the Secretary of State for Wales what steps he is taking in respect of the representation of Welsh farming interests in the European Council of Ministers after the setting up of the National Assembly for Wales. [34587]

Mr. Ron Davies: Assembly Secretaries will be able to play a part in relevant meetings of the Council of Ministers as part of the UK team. As the UK lead Minister, the Minister of Agriculture, Fisheries and Food will have overall responsibility for the UK's line in agricultural negotiations. Assembly Secretaries will be able to speak, with the Minister's agreement, to advance the UK line in Brussels.

The arrangements will be spelled out in concordats which will be agreed in due course between the Assembly and the Government.

Civil Servants

Mr. Evans: To ask the Secretary of State for Wales how many non-career civil servants were appointed to his Department between 1 May 1996 and 30 April 1997. [33275]

Mr. Ron Davies: Between 1 May 1996 and 30 April 1997, my Department appointed 293 non-career civil servants on short term, temporary appointments.

Tuberculosis

Mr. Barry Jones: To ask the Secretary of State for Wales how many TB cases there were in Wales in each year since 1990; and if he will make a statement. [33536]

Mr. Win Griffiths: The information is given in the following table.

Notifications of TB in Wales

	1990	1991	1992	1993	1994	1995	1996	1997
Respiratory system	163	136	173	145	151	142	123	151
Meninges & Central	—	—	—	—	—	—	—	—
Nervous System	4	3	3	2	1	—	3	1
Other forms	27	27	25	52	29	38	35	51
Total	194	166	201	199	181	180	161	203

Source:
Communicable Disease Surveillance Centre

Gwent Tertiary College

Mr. Llew Smith: To ask the Secretary of State for Wales (1) if, in respect of the projects for which Gwent Tertiary College successfully requested EU funding in the past three years, he will list the projects which *(a)* have and *(b)* have not received that funding and in each case the amounts received by (i) the college and (ii) the project; [34532]

(2) if he will list the projects for which Gwent Tertiary College received European Union funding in each of the last three years; [33904]

(3) if he will list the projects submitted by the Gwent Tertiary College for European funding in the past three years; which were successful; and what sums they involved. [33457]

Mr. Hain: A list of the projects has been placed in the Library of the House. ERDF Payments are made in arrears on receipt of claims submitted quarterly for the actual expenditure incurred by the college on a project. ESF payments are made to the successful applicant and not directly to projects. The applicant organisation is then responsible for delivering the project in line with the approved project specification.

Welsh Tourist Board

Mr. Spring: To ask the Secretary of State for Wales if he will make a statement on the grant-in-aid to the Welsh Tourist Board in *(a)* 1996–97, *(b)* 1997–98 and *(c)* 1998–99. [33503]

Mr. Hain: Welsh Office grant-in-aid for the Wales Tourist Board in the period 1996 to 1999 is as follows:

£ million

	1996–97 Outturn	1997–98 Forecast outturn	1998–99 Plans
Net provision	14.7	15.0	14.4

Farmers Subsidies

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will make a statement on the total sum paid to farmers in Wales under the *(a)* sheep annual premium, *(b)* suckler cow premium, *(c)* hill livestock compensation allowance, *(d)* arable area payment, *(e)* Tir Cymen and *(f)* environmentally sensitive area payment schemes in the last full year for which figures are available. [34510]

Mr. Win Griffiths: Total expenditure in Wales during 1996–97 was as follows:

	£000
(a) Sheep Annual Premium Scheme	131,481
(b) Suckler Cow Premium Scheme	38,320
(c) Hill Livestock Compensatory Allowances Scheme	27,852
(d) Arable Crops Area Payments	11,983
(e) Tir Cymen	4,900
(f) Environmentally Sensitive Areas	3,456

Road Maintenance

Mr. Llwyd: To ask the Secretary of State for Wales if he will make a statement on the amount spent by each unitary authority on road maintenance in each of the last five years. [34350]

Mr. Hain: The available information is given in the following table. Information for unitary authorities is not available prior to 1996–97.

Local authority expenditure on road maintenance[1]

£000

Net current aexpenditure	1993–94	1994–95	1995–96	[2]1996–97	[3]1997–98
Blaenau Gwent	—	—	—	3,704	3,525
Bridgend	—	—	—	6,398	6,283
Caerphilly	—	—	—	7,919	7,922
Cardiff	—	—	—	12,694	13,308
Carmarthenshire	—	—	—	13,192	12,945
Ceredigion	—	—	—	7,178	6,945
Conwy	—	—	—	5,732	5,409
Denbighshire	—	—	—	5,327	5,055
Flintshire	—	—	—	6,805	7,064
Gwynedd	—	—	—	9,007	9,562
Isle of Anglesey	—	—	—	4,214	4,572
Merthyr Tydfil	—	—	—	2,464	2,335
Monmouthshire	—	—	—	4,728	4,259
Neath Port Talbot	—	—	—	7,362	7,379
Newport	—	—	—	4,059	4,212
Pembrokeshire	—	—	—	7,965	8,043
Powys	—	—	—	12,999	12,337
Rhondda Cynon Taff	—	—	—	7,012	7,483
Swansea	—	—	—	8,487	8,430
The Vale of Glamorgan	—	—	—	5,261	4,766
Torfaen	—	—	—	3,265	3,149
Wrexham	—	—	—	5,269	5,373
Total Wales current expenditure	146,090	149,550	157,134	151,041	150,356

Local authority expenditure on road maintenance[1]

£000

Net current aexpenditure	*1993–94*	*1994–95*	*1995–96*	*[2]1996–97*	*[3]1997–98*
Total Wales capital expenditure[4]	116,568	132,477	151,119	—	—

[1] Includes structural maintenance of roads, bridges and other structures, and other highways maintenance expenditure including lighting and street cleaning.
[2] Revised estimates.
[3] Budget.
[4] Detailed capital expenditure information is not yet available for 1996–97 or 1997–98.

District Health Authorities

Dr. Tonge: To ask the Secretary of State for Wales if he will provide a comparative list of Welsh district health authorities, or combinations of district health authorities, as constituted before and after 1 April 1996. [34355]

Mr. Win Griffiths: Prior to 1 April 1995, there were 9 district health authorities (DHAs) in Wales: Gwynedd, Clwyd, Powys, East Dyfed, Pembrokeshire, West Glamorgan, Mid Glamorgan, South Glamorgan and Gwent. On 1 April 1995, the East Dyfed and Pembrokeshire DHAs merged to form Dyfed DHA. There were thus 8 DHAs, matching the 8 family health service authorities (FHSAs) and 8 former counties.

On 1 April 1996, health authorities and local government in Wales were reorganised. The 8 DHAs and 8 FHSAs were reformed into 5 unified health authorities, as follows.

A new North Wales Health Authority was created covering the former Gwynedd and Clwyd (with a minor change to the boundary between the former Clwyd and Powys, to reflect new local authority boundaries). A new Dyfed Powys Health Authority was formed covering the former Dyfed and Powys. The new Morgannwg Health Authority covered former West Glamorgan plus that part of the former Mid Glamorgan DHA area that fell within the new county borough of Bridgend. The new Gwent Health Authority included the former Gwent DHA area plus that part of the former Mid Glamorgan DHA area falling within the new county borough of Caerphilly. The new Bro Taf Health Authority covered former South Glamorgan plus the remaining parts of the former Mid Glamorgan DHA area.

Exchange Rates

Mr. Ancram: To ask the Secretary of State for Wales if he will provide additional assistance to companies in Wales to relieve the effects of *(a)* changes in the exchange rate since 1 May 1997 and *(b)* changes to the ACT rules in July 1997. [33618]

Mr. Hain: No. The Government recognise the difficulties for exporters and manufacturers affected by the strong pound and the effect on exchange rates and exports is a factor that the Bank of England takes into account in determining interest rates. The Government are committed to delivering a stable macro-economic framework in which businesses will be better able to plan for the long term.

The abolition of payable tax credits in July 1997 removed a significant distortion from the tax system which encouraged companies to pay out profits as dividends rather than to retain them for investment. It was accompanied by 2 per cent. cuts in the main and the small companies' rates of corporation tax, backdated to 1 April 1997. These changes are for the long-term benefit of the UK economy, as so for companies in Wales.

Publications

Mr. Flight: To ask the Secretary of State for Wales if he will list those European Commission *(a)* newsletters, *(b)* magazines and *(c)* occasional publications to which his Department subscribes. [33654]

Mr. Hain: The Welsh Office subscribes to the following European Commission publications:

COM and SEC series papers

Eurobarometer

European Economy

European File

Eurostat Quarterly National Accounts

The Week in Europe.

Regional Selective Assistance

Dr. Ladyman: To ask the Secretary of State for Wales if he will list, for each offer of regional selective assistance made during 1997, the percentage of the project's capital cost represented by the grant offered; and if he will indicate, for each offer, if it related to an area of full or intermediate assisted area status. [33706]

Mr. Hain: In 1997, companies in Wales accepted 161 offers of Regional Selective Assistance. Information about the capital costs of individual projects is treated as "commercial in confidence". The relationship between offer levels and capital costs varies widely according to the type of project and reflects the selective nature of RSA whereby projects are secured for the minimum necessary cost.

In development areas offer values ranged from 8.5% to 29.4% of capital costs and in intermediate areas from 1.97% to 18.7%.

Farm Incomes

Sir Raymond Powell: To ask the Secretary of State for Wales what steps he is taking to protect Welsh farmers from further falls in their income. [33713]

Mr. Win Griffiths: The Government have announced an agrimonetary aid package for the livestock industry of £85 million, of which just over £12 million will go to farmers in Wales. A further £70 million was announced in February to meet the costs of the Specified Risk Material Controls on cattle, sheep and goats and the entire start-up costs of the Cattle Traceability System.

In addition, my right hon. Friend is engaged in constructive dialogue with farmers' leaders about how a viable long-term future for Welsh agriculture can be created.

Farm Payments

Mr. Gareth Thomas: To ask the Secretary of State for Wales what plans he has to improve the administration of payments to farmers in Wales. [35065]

Mr. Ron Davies: Staff in the Welsh Office are working extremely hard to make payments to farmers, within the constraints of the current administrative arrangements. I am very conscious, however, that those arrangements need to be improved. As part of the Government's Comprehensive Spending Review process, the Welsh Office is, therefore, inviting consultants to tender for a study to assess the options for securing an improved service. I am writing to all hon. Members for Welsh constituencies with more information on the study, sending a copy of my letter to the right hon. Member for Devizes (Mr. Ancram) for information, and placing a copy in the Library of the House.

Rights of Entry

Mr. Ancram: To ask the Secretary of State for Wales how many *(a)* powers of entry or *(b)* rights he has created or is currently creating in legislation since 1 May 1997. [34588]

Mr. Ron Davies: There are none.

Welsh Health Common Services Authority

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what cost-sharing arrangements apply with respect to the void office areas in the leasing arrangements between his Department and the Welsh Health Common Services authority. [34767]

Mr. Ron Davies: All of the lease costs of Crickhowell House are paid direct by WHCSA to the landlord, Grovenor Waterside; no payments are made to the Department. The costs of vacant space have been covered from WHCSA reserves whilst the lease of Crickhowell House has been put on the market by WHCSA to obtain alternative tenants.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales if he will list the remaining units of the Welsh Health Common Services Authority which have *(a)* been successfully market-tested and *(b)* remain in Crickhowell House; and if he will list the square footage occupied, and the rental or equivalent paid to his Department as head-lessees per square foot per annum. [34766]

Mr. Ron Davies: The units of WHCSA which have been market tested and retained within the Authority and remain in Crickhowell House are:

Prescription Pricing Service

Health Solutions Wales

Welsh Health Supplies.

These three units occupy 27,945 sq ft of space. Other units of WHCSA occupy a further 71,051 sq ft of space.

All rental costs of Crickhowell House are paid directly by WHCSA to the landlord Grovenor Waterside. No payments are made to the Department.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales if he will give details of the rental and service charge arrangements currently applying as between *(a)* Associated British Ports and his Department and *(b)* his Department and the Welsh Health Common Services Authority. [34768]

Mr. Ron Davies: The details of arrangements with the landlord, Grovenor Waterside, are commercially confidential, under Sections 7 and 13 of the Code of Practice on Access to Government Information. All moneys due to Grovenor Waterside are paid through WHCSA from the resources available to them.

NORTHERN IRELAND

Central Services Agency

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what consultation there was with health boards and trusts about the required post-qualification experience of applicants for the post of Chief Legal Adviser in the Central Services Agency prior to the most recent advertising of the post. [33588]

Mr. Worthington: It is most unusual for Health and Social Services bodies to consult with each other on the contents of Personnel Specifications for such posts. There was no consultation in 1995 or for the current vacancy.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how many years post-qualification experience was required when the post of Director of Legal Services and Chief Legal Adviser in the Central Services Agency was advertised in *(a)* 1973, *(b)* 1984, *(c)* 1987 and *(d)* 1995. [33586]

Mr. Worthington: 10 years post-qualification experience was required in 1987 and 1995. The job files relating to 1978 and 1984 have been destroyed and thus the information is not available for these years.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland how long the current Chief Executive of the Central Services Agency has been in post; and how many directorates appointed during this period have been filled by *(a)* Roman Catholics, *(b)* Protestants and *(c)* others. [33590]

Mr. Worthington: The current Chief Executive was appointed to the position in April 1997. Since then, no Director posts have been filled.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what salary was offered for the post of Chief Legal Adviser to the Central Services Agency when the post was advertised most recently; and how many other legal posts in the public sector in Northern Ireland offer a comparable salary with the same requirement of post-qualification experience. [33589]

Mr. Worthington: The salary offered was £44,616-£53,539 per annum, inclusive of performance related pay up to a maximum of 20%.

No proper comparisons can be made across the full range of legal posts existing within the public sector in Northern Ireland as the experience and qualifications are matters for each employing authority and will depend on the particular needs and requirements of the post in question. For example, the Department of Finance and Personnel has 8 legal posts which offer a comparable salary, all of which require post-qualification experience

of at least 3 years. There are also 3 legal grades in the Department of the Environment which would offer some comparable, or at least an overlapping salary to that offered to the Director of Legal Services in the Agency. These grades are:

Grade	Salary range
Senior Legal Assistant	£26,743–47,248
Deputy Registrar—Land Registers NI	£39,711–50,360
Chief Executive and Registrar of Title	£39,050–61,340

In these 3 legal grades, post qualification experience is part of the promotion requirement.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland when the post of Chief Legal Adviser in the Central Services Agency was last advertised; and how many years post-qualification experience was then required of applicants; and what were the reasons for changes in this requirement since the previous occasion. [33587]

Mr. Worthington: The title "Chief Legal Adviser" was replaced by "Director of Legal Services" in 1990/91. It is assumed that the reference to Chief Legal Adviser includes Director of Legal Services.

The position of Director of Legal Services (DLS) was last advertised on 13 February 1998. Five years post-qualification experience was required of applicants. The DLS provides not only a professional legal service, but is responsible for the management of the Directorate of Legal Services and for making a management contribution to the corporate and strategic management of the CSA.

The Specification was amended following the normal procedure when a post becomes vacant. It is now considered that the requirement for 10 years experience as a solicitor may preclude competent individuals from applying. Given the importance of this post, the Agency would wish to have as large a pool of applicants as possible. Selection will be on the basis of merit as measured against the professional and managerial competencies required for the post.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland who is the Acting Chief Legal Adviser to the Central Services Agency; what is his salary; and how many years he has of post-qualification experience. [33591]

Mr. Worthington: The Acting Director of Legal Services is Mr. Alphonsus Maginness. Mr. Maginness's salary is £44,146 and he has 6.5 years of post-qualification experience.

Irish Medium Education

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what plans she has to give *(a)* recognition and *(b)* legal status to Gaeloiliuint. [33594]

Mr. Worthington: The Department recognises Gaeloiliuint as an organisation which represents Irish-medium education interests. There are no plans to give legal status to Gaeloiliuint.

Mr. John D. Taylor: To ask the Secretary of State for Northern Ireland what assessment she has made of the extent to which Gaeloiliuint represents all Irish-medium schools in Northern Ireland. [33595]

Mr. Worthington: No formal assessment has been made of the extent to which Gaeloiliuint represents all Irish-medium schools in Northern Ireland.

Police Overtime

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for each month for each of the last three years and the current year to the latest available date, the sums expended on overtime payments to the RUC and the RUCR. [34003]

Mr. Ingram: The table gives the information requested. It should be noted that overtime is paid in the month after it is actually worked.

RUC overtime figures

£000

Month	1994–95	1995–96	1996–97	1997–98
April	6,956	3,991	4,287	5,402
May	6,404	3,321	4,122	5,036
June	7,990	4,957	5,596	7,189
July	7,145	3,677	4,587	5,703
August	7,507	6,538	11,435	10,643
September	7,410	5,253	6,490	6,039
October	5,542	4,051	4,694	4,296
November	5,162	4,147	5,705	4,325
December	4,590	4,107	5,142	3,609
January	6,011	4,293	5,679	4,500
February	6,018	3,170	6,051	4,473
March	4,922	3,588	4,843	3,330

Industrial Investment

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland if she will list the *(a)* level of financial investment by and *(b)* number of jobs created by the Industrial Development Board for Northern Ireland within Northern Ireland for the years 1987 to 1997. [34237]

Mr. Ingram: A list of the jobs promoted and safeguarded by the Industrial Development Board together with assistance offered and total project costs is set out in the table.

Jobs promoted and jobs safeguarded by the Industrial Development Board together with assistance offered and total investment

Year	Jobs promoted	Jobs safeguarded	Assistance offered (£ million)	Total investment (£ million)
1987–88	5,283	5,073	97	302
1988–89	5,653	2,430	107	400
1989–90	5,131	4,184	93	440
1990–91	4,402	4,054	82	315
1991–92	2,341	2,689	64	240
1992–93	4,104	1,877	95	344
1993–94	5,554	3,590	127	505
1994–95	4,994	3,802	102	394
1995–96	5,678	2,484	151	507
1996–97	6,005	5,577	158	638

CULTURE, MEDIA AND SPORT

Tourism

14. **Mr. Waterson:** To ask the Secretary of State for Culture, Media and Sport what proposals he has to encourage domestic tourism; and if he will make a statement. [32911]

Mr. Tom Clarke: Domestic tourism is indeed, of such importance that one of the Forum Working Groups helping with the development of the Government's tourism strategy is specifically looking at issues which affect it.

28. **Mr. Chope:** To ask the Secretary of State for Culture, Media and Sport when he next intends to meet the chairman of the English Tourist Board to discuss projections for the future growth in tourism. [32924]

Mr. Tom Clarke: My right. hon Friend the Secretary of State will next meet the Chairman of the English Tourist Board on 19 March.

World Cup 2006

15. **Mr. Gareth R. Thomas:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the prospects for England hosting the 2006 soccer World Cup. [32912]

Mr. Banks: I believe that the FA's bid to stage the 2006 World Cup is an excellent one and stands a very good chance of success.

22. **Mr. Alan Keen:** To ask the Secretary of State for Culture, Media and Sport what support he plans to give to the campaign to host the 2006 World Cup. [32919]

23. **Mr. Wyatt:** To ask the Secretary of State for Culture, Media and Sport what support he plans to give to the campaign to host the 2006 World Cup. [32920]

Mr. Banks: The Government are providing the fullest diplomatic and promotional support for the bid. I hold regular meetings with the FA Campaign Team. I have personally discussed the bid with several members of the FIFA Executive Committee, either here in London or in their home countries. I will continue to accompany FA delegations to promote the bid, as Parliamentary business allows.

Tourism (Yorkshire)

16. **Mr. Quinn:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on how the New Deal can help the tourist industry in Yorkshire. [32913]

Mr. Tom Clarke: The New Deal will help the tourism industry in Yorkshire, and in the UK as a whole, by providing recruits who can become the well trained workforce which the industry needs to meet its full competitive potential.

Music

17. **Mr. Bayley:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the contribution of music to the UK economy. [32914]

Mr. Chris Smith: Music makes an enormous contribution to the UK economy: the value added is over £2.5 billion, the surplus on overseas trade is over £500 million, and there are over 115,000 people employed full-time in the music business.

Tourism (South-East)

18. **Laura Moffatt:** To ask the Secretary of State for Culture, Media and Sport in what ways the new tourism forum will assist the tourist industry in the south-east outside London. [32915]

Mr. Tom Clarke: I am working closely with the Tourism Forum and its Working Groups to develop an effective, comprehensive strategy for tourism which will benefit all regions, including the South-East outside London, into the next century.

Public Libraries (IT)

19. **Mrs. Anne Campbell:** To ask the Secretary of State for Culture, Media and Sport what progress he has made in encouraging the use of information technology in public libraries. [32917]

Mr. Chris Smith: I am currently considering a report from my Library and Information Commission which recommends the development of information technology applications by public libraries. We will be responding to the report's recommendations shortly.

Art Market (London)

20. **Mr. Loughton:** To ask the Secretary of State for Culture, Media and Sport what representations he has received concerning London's art market. [32918]

Mr. Chris Smith: I have received representations from the British Art Market Federation and from individuals. I am aware of the concerns about any measures which may have an effect on the operation of the UK art trade.

The art trade makes an important contribution to the economy of this country; and the Government wish to ensure that the UK art market maintains its pre-eminent international position.

London Film Commission

21. **Dr. Julian Lewis:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the future of the London Film Commission. [32939]

Mr. Tom Clarke: The London Film Commission (LFC) carries out very valuable work. We are currently considering with the LFC and others how to ensure that this work has a secure future.

European Convention on Human Rights

24. **Mr. Grieve:** To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the impact that incorporation of the European convention on human rights would have on press regulation and privacy. [32921]

Mr. Chris Smith: The Human Rights Bill will require the Courts to take account of Strasbourg caselaw in determining conflicts between Convention rights, including privacy and freedom of expression. In practice,

the Convention has been used in Strasbourg to uphold the freedom of the press. So, in requiring the Courts to take account of Strasbourg caselaw in determining conflicts between Convention rights, the Bill can be expected to strengthen press freedoms. The need for effective press self-regulation, under the Press Complaints Commission, will be as great as it is now.

Cornish Language

25. **Mr. Flynn:** To ask the Secretary of State for Culture, Media and Sport what proposals he has to support the Cornish language. [32894]

Mr. Banks: Cornish is of Celtic origin and has not been spoken as a living language since the 18th century and we have no current plans to promote it. However, I recognise my hon. Friend's close interest in such matters and trust he will use his customary zeal and imagination to draw wider attention to the plight of Cornish.

Theatre

26. **Mr. Simon Hughes:** To ask the Secretary of State for Culture, Media and Sport when he will next review Her Majesty's Government's policy for funding theatres and theatre companies in England; and if he will make a statement. [32922]

Mr. Chris Smith: It is for the Arts Council of England and the regional arts boards, in conjunction with local authorities and other funding partners, to formulate policy for theatres within the overall levels of funding available.

Social Exclusion

27. **Ms Blears:** To ask the Secretary of State for Culture, Media and Sport what assessment he has made of the role of his Department in contributing to the Government's policies to combat social exclusion. [32923]

Mr. Chris Smith: All the sectors represented by my Department—including sport, the arts and broadcasting—offer opportunities to tackle the problems of social exclusion. We are working with the Social Exclusion Unit to ensure that we fully exploit those opportunities.

Local Authority Services

Mr. Stott: To ask the Secretary of State for Culture, Media and Sport what plans he has to assist local authorities in applying the principles of best value to the provision of cultural and leisure services. [32903]

Mr. Chris Smith: My Department will work closely with local government to determine how the principles of best value can best be applied to cultural and leisure services. We shall encourage local authorities to produce cultural strategies which will lead them to challenge the purpose of services, compare their performance with others, consult their communities, and introduce competition where appropriate.

PE (National Curriculum)

Mr. Pendry: To ask the Secretary of State for Culture, Media and Sport what assurances he has sought from the Secretary of State for Education and Employment concerning the role of the PE profession in developing sport for young people through National Curriculum PE following recent decisions affecting the National Curriculum. [30440]

Mr. Banks: I have regular discussions with colleagues in the Department for Education and Employment to discuss a whole range of matters of mutual interest. We are well aware of the important role the PE profession plays in developing sport for young people and will continue to work with them to ensure that the PE and sporting opportunities children get are of the highest standard possible, whether they are delivered through the curriculum or by out-of-school activities.

CHURCH COMMISSIONERS

Right to Roam

42. **Mr. Bayley:** To ask the hon. Member for Middlesbrough, representing the Church Commissioners, if he will make a statement about the Church Commissioners' policy towards the right to roam on land which they own. [32938]

Mr. Stuart Bell: The Commissioners are committed to protecting public rights of way over their land. Where it would not adversely affect their tenants, they are also in favour of the creation of voluntary access opportunities.

MINISTER WITHOUT PORTFOLIO

Site Decontamination

30. **Mr. Cash:** To ask the Minister without Portfolio what representations he has received on decontamination of the Millennium Dome site. [32927]

Mr. Mandelson: The decontamination of this site is the responsibility of the Department of the Environment, Transport and the Regions and its agency, English Partnerships. The remediation works for the Millennium Experience site have been completed within the agreed timetable and within the original budget.

Cost

31. **Mr. Bercow:** To ask the Minister without Portfolio what is his Department's latest estimate of the cost of the Millennium Experience at Greenwich. [32928]

Mr. Mandelson: The budget for the Millennium Experience comprises a grant of £399 million from the Millennium Commission and income totalling £395 million from private sector sponsorship and commercial revenue. The project remains within this budget.

Spirit Zone

33. **Mr. Boswell:** To ask the Minister without Portfolio if he will make a statement on progress in attracting sponsorship for the Spirit Level zone in the Millennium Dome. [32930]

Mr. Mandelson: In addition to the sponsorship commitments announced on 24 February, the New Millennium Experience Company is currently in negotiation with 40 potential sponsor companies for zones in the Dome. I understand that efforts are being made

through the Second Church Estates Commissioner to establish a fund-raising committee, and I warmly welcome this.

Millennium Dome Content

34. **Dr. Julian Lewis:** To ask the Minister without Portfolio what plans he has to include material of significant historical interest in the Millennium Dome. [32931]

Mr. Mandelson: In looking forward to how we can all make a difference in the Third Millennium, we shall try to ensure that the Dome's content will reflect many aspects of our rich heritage.

Additionally the associated national programme of projects and activities will include an oral history programme which will provide an extraordinary archive of memories recorded by individuals; and a Millennium Treasures project which will identify and celebrate the nation's favourite sites and objects.

Regional Benefits

35. **Mr. Blizzard:** To ask the Minister without Portfolio what plans he has to ensure that all parts of the United Kingdom benefit from the Millennium Experience at Greenwich. [32932]

Mr. Mandelson: Everyone in the UK will get a chance to take an active part in the Millennium Experience through the associated national programme of events and activities around the country. The programme's aim is to inspire and engage people under the theme *Time to make a Difference*. It will bring people and communities together in projects which will reflect and contribute to the themes of the Dome. The New Millennium Experience Company (NMEC) is also working with the Millennium Commission and the other National Lottery distributors to deliver a Millennium Festival. This programme was launched on 27 February in Bristol and a £100 million fund has been created from which it will support millennial celebrations throughout the UK in the year 2000.

Christian Content

36. **Mrs. Virginia Bottomley:** To ask the Minister without Portfolio how he intends to emphasise the Christian character of the millennium celebrations at Greenwich. [32933]

Mr. Mandelson: The New Millennium Experience Company (NMEC) is working closely with the Lambeth Consultation Group to ensure that the contents of the Millennium Experience reflects the significance of the Millennium as a Christian anniversary whilst remaining accessible and relevant to those of other faiths and beliefs. The Archbishops' Officer for the Millennium, a member of the Lambeth group, is working with the Company on a part-time basis to advise on how best this can be achieved.

Visitors

37. **Mr. Evans:** To ask the Minister without Portfolio if he will estimate the number of people from the north-west who will visit the Dome. [32934]

Mr. Mandelson: The New Millennium Experience Company (NMEC) estimate that 12 million visits will be made to the Millennium Experience. About eight million of those will be from the UK, and I hope that many of those will come from the North West. I also hope that as many people as possible from the North West and across the country participate in the associated Challenge and the Millennium Festival programmes.

Millennium Experience

Mr. Mitchell: To ask the Minister without Portfolio what consultations he has had with *(a)* the Women's Institutes and *(b)* the Mothers' Union about his plans for the Millennium Experience. [33809]

Mr. Mandelson: The New Millennium Experience Company has not held formal consultations with either body. The company is, however, working with a number of expert panels and groups—including the Advisory Group on accessibility, the Lambeth Group, and the Creative Review Group—to ensure that as broad a range of interests as possible are reflected in developing the content of the Experience, both at the Dome and in the national Challenge programme.

FOREIGN AND COMMONWEALTH AFFAIRS

Treaty of Amsterdam (Tapes)

Mr. Bercow: To ask the Secretary of State for Foreign and Commonwealth Affairs if the General Secretariat have informed the Government as President of the Council of Ministers that the tapes of the Treaty of Amsterdam negotiations contain material on opt-in procedures by opt-out Schengen states. [34083]

Mr. Doug Henderson: No.

Immigration

Mr. Hunter: To ask the Secretary of State for Foreign and Commonwealth Affairs if it is his policy that entry clearance officers should refuse entry to the United Kingdom because an applicant has legally extended a previous visit beyond six months; and if he will make a statement. [34162]

Mr. Fatchett: Entry Clearance Officers are required by the Immigration Rules to be satisfied that an applicant qualifies for admission in the capacity sought.

The fact that a person has legally extended a previous visit to the UK beyond six months is not, of itself, a reason for refusal. But an applicant's record of adherence to undertakings made in connection with previous entry clearance applications is a relevant factor when considering future applications.

Nepal

Ms Drown: To ask the Secretary of State for Foreign and Commonwealth Affairs what action *(a)* the United Kingdom and *(b)* its EU partners are taking to resolve the problem of the Bhutanese refugees currently living in camps in Nepal. [34512]

Mr. Fatchett: We shall continue to use every opportunity to encourage the governments of Nepal and Bhutan in their dialogue on this issue. The EU raised the refugee problem in its statement to the Third Committee at the UN General Assembly in November 1997. As Presidency, we are working with EU partners to ensure that our concerns are raised during the forthcoming UN Commission on Human Rights.

Ms Drown: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the Government's policy towards an internationally monitored verification process to determine which of the refugee population in Nepal have a right to return to Bhutan. [34513]

Mr. Fatchett: We shall continue our support for UNHCR, who have made it clear that they stand ready to help with any repatriation project agreed between the governments of Bhutan and Nepal.

GCHQ

Mr. Nigel Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the procedure and timescale he will follow in making a decision on the future location of GCHQ in Cheltenham, indicating progress to date. [34511]

Mr. Robin Cook: Tenders for GCHQ's New Accommodation PFI were returned as scheduled on 16 February by all four private sector consortia. GCHQ and its professional advisers are now engaged in the post-tender process. An announcement on the future location of GCHQ is expected during the second half of the year.

Arms Exports (Iraq)

Mr. Levitt: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment his Department has made of the quantity of arms exported to Iraq since the Gulf War originating *(a)* in the United Kingdom and *(b)* elsewhere. [34344]

Mr. Tony Lloyd: The UK has complied with the UN arms embargo since it was imposed on Iraq in 1990 under United Nations Security Council Resolution 661. While we would expect other countries to abide by the embargo, we cannot comment on any supplies that may have reached Iraq from elsewhere.

Arms Trade

Mr. Singh: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps the Government are taking during their presidency of the EU to facilitate the development and implementation of an EU code of conduct on the arms trade. [34241]

Mr. Tony Lloyd: I refer my hon. Friend to the answer I gave to the hon. Member for Westbury (Mr. Faber) on 2 February 1998, *Official Report*, columns *542–43*. Since 2 February, we have had one round of discussions with our EU partners and a revised draft will be circulated to them shortly.

Geneva Conference on Disarmament

Mr. Todd: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to ensure that the Geneva Conference on Disarmament includes multilateral disarmament on its agenda. [34514]

Mr. Tony Lloyd: The Conference on Disarmament adopted an agenda for the 1998 session on 20 January. This includes a number of items relevant to multilateral disarmament. We are pressing for the establishment of Ad Hoc Committees to work on a ban on anti-personnel landmines and on a Fissile Material Cut-off Treaty.

Chemical and Biological Weapons

Mr. Levitt: To ask the Secretary of State for Foreign and Commonwealth Affairs which countries are currently the subject of international inspections of their chemical and biological weapon capability. [34345]

Mr. Tony Lloyd: One hundred and seven (107) countries are Parties to the Chemical Weapons Convention, and hence subject to the inspections provided for under that Treaty. The Biological and Toxin Weapons Convention does not currently have an inspection regime; but the UK is pressing for the early conclusion of the negotiations on a Protocol which will fill this serious gap. Separate arrangements apply to Iraq, under the relevant UN Security Council resolutions.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what contribution in *(a)* cash terms and *(b)* as a percentage of the total the UK will make to the running costs of the Organisation for the Prohibition of Chemical Weapons over the next five years. [33940]

Mr. Tony Lloyd: The UK's assessed contribution for the 1998 budget (calendar) year is:

UK Dfl 6,755,779 5.32%

(Dfl 3.376 = £1 on 12/3/98)

The UK's percentage contribution will decrease slightly as more signatories accede to the Convention over the next few years, for which assessed contributions have yet to be determined.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of recent allegations by Ken Alibekov that Russia has continued to develop biological weapons in contravention of the 1972 Biological Weapons Convention; and if he will make a statement. [33942]

Mr. Tony Lloyd: In 1992, the Russian government admitted that the Soviet Union had conducted an offensive biological weapons programme, in violation of the Biological and Toxin Weapons Convention, and President Yeltsin issued a decree requiring that any non-compliant activity be terminated. Mr. Alibekov's allegations refer to the earlier programme. We continue to urge the Russian Federation to provide assurance of its full compliance with the Biological and Toxin Weapons Convention.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment his Department has made of the *(a)* chemical and biological weapons research programmes being undertaken and *(b)* stocks of such weapons held by (i) Iran, (ii) Syria, (iii) Libya, (iv) China, (v) North Korea and (vi) Sudan; and if he will make a statement. [33944]

Mr. Tony Lloyd: Assessments of this type are based on intelligence material on which it has been the practice of successive governments not to comment.

In the case of Iraq, the information we have supplied about chemical and biological weapons is based on material published by UNSCOM. Nothing comparable exists for these other countries.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps his Department is taking to encourage Egypt to sign and ratify the Chemical Weapons Convention. [33946]

Mr. Tony Lloyd: We are committed to making the Chemical Weapons Convention universal. We particularly regret that a number of countries in the Middle East—including Egypt—have not become parties to the Convention. We shall take every suitable opportunity to urge them to do so. As Presidency, we also plan to make EU demarches to that end.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the countries in arrears in their payments to the Organisation for the Prohibition of Chemical Weapons; and what is the amount of arrears concerned. [33938]

Mr. Tony Lloyd: Most of the 107 State Parties to the Chemical Weapons Convention are currently in arrears with their payments, although the amounts involved are in many cases quite small in either percentage or absolute terms. It may therefore be easier to name those countries which were fully paid up for the 1998 budget year by the eighth session of the OPCW Executive Council from 27–30 January 1998:

Australia

Bahrain

Canada

Netherlands

New Zealand

Slovak Republic

Sweden

United Kingdom.

At that point, some 85.3 per cent. of the 1997 budget contributions and 96.1 per cent. of the 1993–97 Preparatory Commission contributions had been paid. The total arrears until that point amounted to Dfl 16.937,000.

(Dfl 3.376 = £1 on 12/3/98)

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what contribution *(a)* in cash terms and *(b)* as a percentage of the total (i) France, (ii) Germany, (iii) the USA and (iv) Japan will be making to the running costs of the Organisation for the Prohibition of Chemical Weapons over the next five years. [33939]

Mr. Tony Lloyd: The assessed contributions for these countries for the 1998 budget (calendar) year are:

Country	*Dfl*	*Percentage*
France	8,152,650	6.5
Germany	11,505,141	9.06
USA	30,611,125	25.00
Japan	19,873,671	15.65

Note:
Dfl 3.376 = £1 on 12 March 1998

These percentage contributions will decrease slightly as more signatories accede to the Convention over the next few years, for which assessed contributions have yet to be determined.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the cost of disposing of Russian chemical weapons stocks; and how much of that cost in *(a)* cash terms and *(b)* as a percentage of the total will be covered by (i) the UK, (ii) France, (iii) Germany, (iv) the USA and (v) Japan. [33941]

Mr. Tony Lloyd: The Chemical Weapons Convention makes clear that the responsibility for chemical weapons destruction rests with the possessor state. Without prejudice to this principle, the EU has pledged up to 15 million ECU of TACIS (Technical Assistance to the Commonwealth of Independent States) funding for projects in chemical weapon destruction-related areas. A number of countries have also offered bilateral assistance, including the United States, Germany, the Netherlands, Finland and Sweden. We do not have precise or detailed figures for those countries' offers of assistance, but the total amount of foreign (non-Russian) assistance so far represents only a small proportion of the overall costs—estimated by Russia at more than US$4 billion.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with the Director-General of the Organisation for the Prohibition of Chemical Weapons; and if he will make a statement. [33943]

Mr. Tony Lloyd: Neither my right hon. Friend the Foreign Secretary nor I have met the Director-General of the Organisation for the Prohibition of Chemical Weapons (OPCW), Dr. Bustani. But we maintain regular contact with him and his staff through our Embassy in The Hague.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on negotiations on a compliance and verification regime for the Biological Weapons Convention. [33945]

Mr. Tony Lloyd: The most recent session of the Ad Hoc Group of States Parties, which is negotiating verification and compliance Protocol to strengthen the Biological Weapons Convention, took place in Geneva from 9–13 March. The UK is playing a leading role in these negotiations. At our initiative, the European Union agreed on 5 March a Common Position which makes clear our determination to promote decisive progress in the negotiations in the course of this year. We believe—not least in the light of the revelations of Iraq's extensive biological weapons programme—that strengthening the Biological Weapons Convention is both urgent and achievable.

Policy Formulation

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the methods by which policy formulation is conducted within his Department. [33934]

Mr. Fatchett: Ministers take policy decisions on the basis of advice from officials. Such advice draws on many sources of information including diplomatic posts, other Governments, and organisations and individuals outside government.

Foreign Policy Centre

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if his Department will make any financial contribution to the Foreign Policy Centre. [33935]

Mr. Fatchett: We have no plans to do so.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what arrangements he has established for liaison between his Department and the Foreign Policy Centre. [33937]

Mr. Fatchett: The Foreign Policy Centre will present papers to Ministers and FCO officials on its own initiative and invite Ministers and officials to its seminars.

Antarctic Environmental Protocol

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what expenditure is undertaken by the British Government or agencies on its behalf of the monitoring of tourism and fishing within the area covered by the Antarctic Environmental Protocol. [34304]

Mr. Tony Lloyd: Details of tourist and fishing vessels within the Antarctic Treaty Area are recorded by the British Antarctic Survey and the Royal Navy, as appropriate whilst undertaking their other tasks. No separately identifiable expenditure relates to this activity.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what evaluation of reports by the British Antarctic Survey is undertaken by his Department; and how these reports are made available to signatory countries to the Antarctic Environmental Protocol. [34305]

Mr. Tony Lloyd: Comprehensive reports on the operations of the British Antarctic Survey (BAS) are submitted and evaluated as required by the permitting provisions of the Antarctic Act 1994. In addition, the annual Report of BAS and the UK's annual Exchange of Information required by the Antarctic Treaty are provided to all Antarctic Treaty Consultative Parties, and made publicly available.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the Secretariat proposed in the Antarctic Environmental Protocol to be established; and where it will be sited. [34303]

Mr. Tony Lloyd: I refer the hon. Member to the answers I gave him on 26 November 1997, *Official Report*, column *547*, and on 21 January 1998, *Official Report*, column *541*. There have been no new developments.

Although not formally on the agenda, it is likely that the Secretariat will be discussed in the margins of the forthcoming Antarctic Treaty Consultative Meeting in Tromso, Norway, in May.

UN Security Council Resolution 425

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the implementation of UN Security Council Resolution 425. [34726]

Mr. Fatchett: We have consistently supported UNSCR 425 and the territorial integrity of Lebanon. We welcome Israel's willingness to address this issue. UNSCR 425 does not however provide for any conditions to be set. We believe progress on all tracks of the peace process would help create the conditions for successful implementation of SCR 425.

Export Initiative

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when he proposes to implement his Department's new export initiative based on the recommendations of the Export Forum. [34720]

Mr. Fatchett: This Department and the Department of Trade and Industry will shortly make an announcement of a new package of measures to help smaller exporters.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs how he plans to ensure that there is an improved service for potential exporters from his Department. [34721]

Mr. Fatchett: Meeting the needs of potential exporters effectively is key to our commercial work. Together with the Department of Trade and Industry, we are introducing a new Sales Lead Service, to better match sales leads gathered by posts with potential British suppliers. We are also improving and increasing the training of both UK-based and locally engaged staff at all levels. Nearly 40 Foreign Office staff are now studying for the Professionalism in Trade qualification, run in conjunction with the Institute of Export.

Algeria

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when he next plans to meet the Minister of Foreign Affairs of Algeria. [34725]

Mr. Fatchett: The Algerian Foreign Minister has accepted in principle an invitation to visit London to continue the EU/Algeria political dialogue. No date has been set. Timing will depend on respective diary commitments.

Ministerial Meetings

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his meeting of 11 March with Wei Jingsheng. [34723]

Mr. Fatchett: My right hon. Friend the Foreign Secretary had a full and friendly meeting with Mr. Wei Jingsheng on 11 March. My right hon. Friend expressed Britain's continuing concerns on human rights in China and briefed Mr. Wei on the EU's agreed position. Mr. Wei recognised that the UK had spoken out strongly about human rights in China.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs at what time his meeting with Wei Jingsheng on 11 March terminated. [34694]

Mr. Robin Cook: Both I and the Foreign Office Press Office expected Wei Jingsheng to arrive at 12 noon. A photocall had been arranged for that time. I regret that, as a result of an error, Wei Jingsheng was invited for 11 am. As soon as I heard that Wei Jingsheng had arrived, I interrupted the meeting I was in so that I could see him. My meeting with Wei Jingsheng started at 11.15 am and finished shortly before midday. I then resumed the meeting I had earlier interrupted.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will made a statement on the Minister of State's visit to Tirana and Skopje on 11 March. [34728]

Mr. Tony Lloyd: I met Foreign Minister Milo and the Minister of State at the Prime Ministry, Islami, in Tirana. I emphasised that Contact Group's support for the Albanian Government's responsible and constructive stand on Kosovo. The Albanians reiterated the Government's commitment to a peaceful solution on Kosovo. In Skopje, I met President Gligorov, Prime Minster Crvenkovski and Foreign Minister Handziski who expressed full support for the Contact Group's position. They warmly welcomed the Contact Group's commitment to maintaining an international military presence on the border of Macedonia.

Departmental Commerciality

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what progress he has made since 1 May 1997 in making his Department more commercial. [34730]

Mr. Fatchett: We are committed to making this Department more business-like. We have introduced a new scheme of short-term attachments of business people to posts. One has already been completed, ten are underway, and two are due to start shortly. Thirty five of our most senior business leaders have agreed to act as Ambassadors for British business, working with our posts when they are overseas.

Human Rights (China)

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had concerning this year's UNCHR resolution to draw attention to China's record on human rights with the UN Human Rights Commissioner; and if he will publish a minute of the meeting. [34724]

Mr. Fatchett: The Minister for State, my hon. Friend the Member for Manchester, Central (Mr. Lloyd) discussed the European Union decision not to support a resolution on China at the UNCHR when he met the UN High Commission on Human Rights on 9 March 1998. We have no plans to publish a minute of that meeting.

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations were made to him by Wei Jingsheng during their meeting of 11 March concerning his decision not to support this year's UNCHR resolution drawing attention to China's record on human rights. [34722]

Mr. Fatchett: At their meeting on 11 March, Mr. Wei said that the EU dialogue with China had not produced positive results and spoke in favour of a CHR resolution. My right hon. Friend the Foreign Secretary assured him that the UK and its EU partners remained totally committed to pressing for improvements in China's human rights record. We believed the dialogue-based approach offered the best prospects.

Human Rights

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what practice is adopted in British embassies for the monitoring of human rights matters. [34308]

Mr. Tony Lloyd: As part of my right hon. Friend the Foreign Secretary's commitment to put human rights at the centre of foreign policy, Foreign Office departments have now begun to formulate country human rights strategies to focus policies and project work in respect of countries where human rights concerns exist. The on-going monitoring by posts and departments of respect for human rights, through contacts with both government and civil society, will contribute to this process.

The first annual human rights report will provide an additional opportunity for the public to comment on the government's human rights activities and to assist us in identifying the way forward.

Internet

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs at what time on 11 March his Department's website was updated to include the FCO Daily Bulletin for that day. [34729]

Mr. Fatchett: The Daily Bulletin was posted on the FCO Website at 13.38 on Tuesday 11 March 1998.

HEALTH

Childhood Cancer

Dr. Gibson: To ask the Secretary of State for Health what assessment he has made of the trends over the last 20 years, in cancer incidence in children, with particular reference to cancers of the CNS and leukaemia *(a)* nationally and *(b)* in the area covered by the East Anglian Regional Health Authority. [33385]

Mr. Boateng: Tables showing the numbers of newly diagnosed cases, and crude and directly age standardised rates per 100,000 population for all leukaemias (ICD8 204–207, ICD9 204–208) and cancers of the central nervous system (ICD 8 and 9, 191–192), for children

(aged under 15) in a) England and Wales, and *(b)* East Anglian Regional Health Authority, in the years 1971–1992, have been placed in the Library.

The trends were examined by fitting regressions to each time series. The results were:

Leukaemias

England and Wales

The directly age standardised rates in males showed a rise of 10 per cent. over the 21 year period; the trend was at borderline significance—p = 0.1.

The directly age standardised rates in females showed a 19 per cent. rise between 1971 and 1992; the trend was significant at the 5 per cent. level—p = 0.01

East Anglian RHA

There was a downward trend in the rates for males, not quite reaching significance at the 5 per cent. level, but visual inspection shows a step at the end of the 1970s (higher in the 1970s and lower in the 1980s) with no obvious trend over the last 14 years.

There was no trend in the rates for females.

Cancers of the central nervous system

There were no significant trends at all in either England and Wales or the East Anglian RHA.

It is difficult to separate true increases in incidence from improvements in case ascertainment by regional cancer registers. The number of cases in England and Wales for leukaemia and cancers of the central nervous system are not large compared with all ages and other cancers, and the numbers for the East Anglian RHA are very small, hence the apparent large fluctuations in numbers and rates from year to year.

The Childhood Cancer Research Group (CCRG), which receives core and project funding from the Department and the Scottish Office, has examined trends in incidence of childhood cancers. They have found little evidence of any increase in incidence of cancers of the central nervous system. There appears to be a small increase in childhood leukaemias but it is not possible to draw any conclusions at this stage about the possible causes of this. The CCRG will continue to investigate trends in incidence and the possible causes of any increase, or decrease, in the incidence of these malignancies.

Renal Services

Mr. Hoyle: To ask the Secretary of State for Health if he will make a statement on the provision of renal services by the South Lancashire NHS Trust. [33953]

Mr. Milburn: It is for the health authority to decide the appropriate services for the local population. The health authority's strategy envisages development of a 'hub and spoke' model of care with the Royal Preston Hospital acting as the 'hub' for most areas of Lancashire and South Cumbria, the exception being the West Lancashire part of the District where it is envisaged that the Royal Liverpool Hospital would continue to act as the 'hub'.

Although implementation of many of the recommendations of the strategy are subject to available resources and competing priorities, the clinical needs of patients will be given priority.

NHS Productivity

Mr. Colman: To ask the Secretary of State for Health what plans he has to measure changes in the productivity of the National Health Service. [34027]

Mr. Milburn: We are committed to a revised approach to measuring National Health Service performance. We are currently consulting on a new national framework for assessing performance, which will be used to demonstrate the progress of the NHS in making best use of its resources to ensure that the quality of local health services and the health of local people are getting better every year. The new approach will include demanding targets on unit costs and productivity throughout the NHS, with NHS trusts required to publish and benchmark their costs on a consistent basis.

Organ Donations

Dr. Gibson: To ask the Secretary of State for Health what research his Department has evaluated into the advantages of introducing a requirement for individuals to indicate their preferences in regard to organ donation. [34015]

Mr. Boateng: The Department is not aware of any research into this possibility. We are currently considering policy options for increasing organ donation. Organ donation is a very sensitive issue and any action taken must command public confidence.

Kidney Transplants

Dr. Gibson: To ask the Secretary of State for Health (1) how many kidney transplants were performed in each year since 1990; [34011]

(2) how many patients were on waiting lists for kidney transplants in each year since 1990. [34010]

Mr. Boateng: This information is not collected centrally. However, I understand from the United Kingdom Transplant Support Services Authority that the figures are:

Cadaveric kidney transplants performed in the United Kingdom

Year	*Number*
1990	1,730
1991	1,621
1992	1,641
1993	1,571
1994	1,610
1995	1,645
1996	1,545
1997	1,535

Patients on waiting lists for kidney transplants

Year	*Number*
1990	3,185
1991	3,504
1992	3,768
1993	3,949
1994	3,957
1995	4,068
1996	4,345
1997	4,460

Dr. Gibson: To ask the Secretary of State for Health what is the estimated survival time for a recipient of a kidney transplant. [34012]

Mr. Boateng: The United Kingdom Transplant Support Services Authority survival estimates for patients who have received a first cadaveric kidney transplant in the United Kingdom or Republic of Ireland are as follows:

Survival

1 Year—92 per cent.

3 Years—86 per cent.

5 Years—80 per cent.

10 Years—63 per cent.

Dr. Gibson: To ask the Secretary of State for Health what are the current estimated costs of *(a)* a kidney transplant and *(b)* one year's kidney dialysis. [34013]

Mr. Boateng: In 1996 (the latest year available) the cost of a renal transplant operation varied between £10,000 and £15,000 with follow-up treatment costing around £3,000 per year.

In 1996 (the latest year available), the cost of hospital haemodialysis varied between £145 to £170 per session averaging £25,000 per patient per year. The cost of minimal care haemodialysis was in the region of £20,000 per year. The cost of home haemodialysis was about £1,200 per patient per month (about £15,000 per year) and the cost of continuous ambulatory peritoneal dialysis was about £1,675 per month (about £20,000 per year).

National Minimum Wage

Mr. Boswell: To ask the Secretary of State for Health when he expects to publish further material on the study into the impact of the national minimum wage on NHS staff costs referred to in Government evidence to the Low Pay Commission. [34300]

Mr. Milburn: I refer the hon. Member to the reply I gave to the hon. Member for Stratford-on-Avon (Mr. Maples) on 2 March 1998, *Official Report*, column *486*.

Continence Products

Mr. Burstow: To ask the Secretary of State for Health, pursuant to his answer of 9 March 1998, *Official Report*, column *65*, concerning the reasons for a fall in the number of items purchased by the NHS National Supply Trust, if he will list those other factors that contributed to the drop in value and volume. [34500]

Mr. Boateng: I have nothing further to add to the answer I gave on 9 March 1998, *Official Report*, column *65*.

Mr. Burstow: To ask the Secretary of State for Health, pursuant to his answer of 9 March 1998, *Official Report*, column *65*, concerning the selling of continence products, if he will ask the Chief Executive of the NHS Management Executive to write again to NHS Trust Chief Executives. [34499]

Mr. Boateng: As this guidance is extant, there are currently no plans to re-issue it.

Whittington Hospital

Mr. Corbyn: To ask the Secretary of State for Health, pursuant to his oral statement in the respect of future expansion of the Whittington Hospital of 3 February 1998, *Official Report*, column 844, when he expects funding to be available. [34311]

Mr. Milburn: The National Health Service Executive has asked the Whittington Hospital NHS Trust to bring forward proposals to improve the building fabric of the hospital. This needs to be handled through the capital planning process under which issues of funding will be addressed. The first stage of this process is the production of a strategic context document which summarises the trust's plans for developing its services and puts this in the context of the health authorities' plans for the local provision of health care. Following this, the trust can start to develop its business case for the redevelopment of the site leading, in due course, to the creation of a suitable environment for the delivery of modern health care in this part of north London. We acknowledge the Turnberg Report's emphasis on the need for swift action, but it will take some time to work through the necessary planning process.

Clinical Returns

Mr. Rhodri Morgan: To ask the Secretary of State for Health if he will give details of progress made in providing statutory clinical returns to ICD-10 specifications using Read Codes Version 3; and if he will make a statement. [34765]

Mr. Milburn: Read Codes Version 3 contains cross-references to the International Classification of Diseases version 10 (ICD-10). This allows users to produce data required for central statistical returns in ICD-10 format.

Pembrokeshire and Derwen National Health Service Trust is using Read Codes Version 3 to produce such data for central statistical returns and has evaluated the cross-references to ICD-10. It concluded in a report that

"Read 3 now adequately supports the business and clinical information requirements of the trust with respect to diagnoses and procedures".

Copies of this report have been placed in the Library.

AGRICULTURE, FISHERIES AND FOOD

Genetically Modified Organisms

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food what plans he has to discuss with the American authorities their intention to redefine organic food, enabling greater use of genetically modified organisms. [34098]

Mr. Rooker: The United States Department of Agriculture has published proposed rules for organic food production and has invited comments. These proposals contain several controversial features and the Government are responding both via the European Community and in the context of the Codex Committee on Food Labelling. We are making plain that we will accept only organic imports to the European Community that are produced and certified under standards equivalent to our own.

Departmental Buildings

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food what was the total expenditure by his Department on (i) building maintenance and (ii) office running costs, in the last year for which figures are available *(a)* in total and *(b)* broken down by offices and buildings in (1) London and (2) Scotland. [34227]

Mr. Morley: The latest complete financial year for which figures are available is 1996/97. In that year, a total of £26,725,000 was spent by the Department on building maintenance; this figure includes maintenance work, repairs and work carried out under facilities management contracts. Of the total, £3,658,000 related to offices and buildings in London while the total for Scotland was £215,000. It should be noted that the Department had only four properties in Scotland in that year.

The total expenditure by the Department in 1996/97 on office running costs (defined here as spending on utilities) was £3,483,000. Of this, a total of £411,000 related to buildings and offices in London and a total of £39,000 to property in Scotland.

Greenland Fishing Waters

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food what payments are made by the EU for access to Greenland fishing waters. [34299]

Mr. Morley: Under its fisheries agreement with Greenland, the EU pays 37,700,000 ECU annually for catch quotas in Greenland waters.

Quota Hopping

Mr. Gill: To ask the Minister of Agriculture, Fisheries and Food which section of his Department prepared the December 1996 supplementary memorandum for the inter-governmental conference on quota hopping. [33668]

Mr. Morley: The supplementary memorandum on quota hopping was tabled at the inter-governmental conference in December 1996 on behalf of the previous UK Government.

Farm Subsidies

Mr. Campbell-Savours: To ask the Minister of Agriculture, Fisheries and Food if he will state his projections for the average level of subsidy per farm holding to be paid to *(a)* hill farmers, *(b)* dairy farmers and *(c)* cereal farmers for 1997–98. [33293]

Mr. Morley: The projections of average level of subsidy per full-time in England in 1997–98 are as follows:

(a) Hill farms £25,000;

(b) dairy farms £4,800 and

(c) cereals farms £39,700.

These amounts include the livestock aid package of £85m which was announced on 3 February.

Consultants

Mr. Malcolm Bruce: To ask the Minister of Agriculture, Fisheries and Food what is his estimate of the expenditure of his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies on external consultants in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year; and if he will also estimate the cost savings resulting from the employment of such consultants for each of the above years. [26586]

Mr. Morley *[holding answer 5 February 1998]:* The sums spent by the Department, and by its Agencies and non-Departmental Public Bodies, on external consultants for the years specified by the hon. Member are as given in the table.

£

	1995–96	*1996–97*	*1997–98 April-December*	*1997–98 Total*
Core MAFF	12,266,550	10,400,134	4,938,835	10,102,677
Agencies	1,513,975	1,611,678	687,330	1,047,442
NDPBS	183,350	766,253	1,221,165	1,532,431
Total	13,963,875	12,778,065	6,847,330	12,682,550

The expenditure has resulted in the development of new and enhanced systems and working methods and from the transfer of the consultants' expertise and skills in certain fields to permanent staff.

EDUCATION AND EMPLOYMENT

Student Maintenance Grants

Mr. Willis: To ask the Secretary of State for Education and Employment if he will estimate the additional cost of maintaining existing levels of maintenance grants to students and not allowing the means testing of tuition fees in the next three years. [33462]

Dr. Howells: A policy of maintaining means-tested maintenance grants at current levels and continuing to meet tuition fees in full for home and EU full-time undergraduates and students of initial teacher training would not impose any costs in 1998–99. It would lead to forgone savings estimated at £100 million in 1999–2000 and £150 million in 2000–01, rising to £1.1 billion by 2015–16. These figures are for the United Kingdom and at 1995–96 prices. They do not reflect our decision to pay out loans on a termly basis, which released money in 1998–99.

Further Education (Funding)

Mr. Chaytor: To ask the Secretary of State for Education and Employment if he will list the total number of applications *(a)* received and *(b)* approved by the Further Education Funding Council restructuring fund for (i) 1993–94, (ii) 1994–95 and (iii) 1995–96 within the categories (1) teaching staff, (2) support staff and (3) management staff. [33605]

Dr. Howells: The number of applications received and approved by the Further Education Funding Council Restructuring Fund is set out in the table.

	1993–94	*1994–95*	*1995–96*
Applications received by the FEFC	1,563	3,042	5,588
Applications approved by the FEFC	1,430	2,841	4,850

Neither colleges nor FEFC have distinguished between teaching, support or management staff in making or processing these applications.

Undergraduate Students (Fees and Grants)

Mr. Alan Williams: To ask the Secretary of State for Education and Employment what estimate he has made of the average cost of tuition fees for undergraduate students; and what is the current maximum maintenance grant available to such students. [33799]

Dr. Howells: The average fee paid on behalf of mandatory award holders by local education authorities in England and Wales in the academic year 1997–98 is estimated to be £1,250.

The current maximum maintenance grant available in 1997–98 (exclusive of any additional allowances to which the student may be entitled) is £2,160.

Sixth Form College Lecturers

Mr. Hancock: To ask the Secretary of State for Education and Employment what guidance his Department has issued to sixth form college lecturers on contractual changes since 1994. [33918]

Dr. Howells: The Department has issued no guidance to sixth form college lecturers on contractual changes since 1994.

Brewing Industry

Mr. Hoyle: To ask the Secretary of State for Education and Employment if he will take measures to safeguard jobs in the brewing industry. [33914]

Mr. Andrew Smith: We shall continue with policies of economic growth and employability, geared to the creation of employment opportunities for all, in the brewing industry as elsewhere.

New Deal (Women)

Mr. Sheerman: To ask the Secretary of State for Education and Employment what steps he is taking through the New Deal to encourage young women to enter a more diverse range of occupations. [34184]

Mr. Andrew Smith: The New Deal for young people aged 18–24 is designed to help improve the job prospects of all young people who have been out of work and claiming Jobseeker's Allowance for six months, or more. It will achieve this by offering a wide range of provision, including specialist careers guidance where necessary, tailored to meet the needs, aptitudes and interest of each young person who joins the initiative, and encouraging them to consider as wide a range of appropriate opportunities as possible.

Bullying

Mr. Sheerman: To ask the Secretary of State for Education and Employment what data he has collated on the level of bullying in *(a)* state-financed and *(b)* privately funded educational institutions. [34186]

Ms Estelle Morris: This information is not collected centrally. However, research undertaken for the Department by Sheffield University between 1991 and 1993 showed that 10 per cent. of primary and 4 per cent. of secondary age pupils in maintained schools were bullied at least once a week; and a further 27 per cent. of primary and 10 per cent. of secondary pupils were bullied at least sometimes.

Tuition Fees

Dr. Kumar: To ask the Secretary of State for Education and Employment what period of time he will use to assess the economic circumstances of parents' contribution to tuition fees for students in higher education. [34119]

Dr. Howells: Under the Mandatory Awards Regulations, Local Education Authorities calculate the parents' contribution on the basis of their gross income for income tax purposes in the financial year preceding the academic year for which the student's award is being calculated.

EU Social and Education Council

Mr. Kirkwood: To ask the Secretary of State for Education and Employment if he will make a statement on the informal EU Social and Education Council of Ministers meeting on 12 and 13 March. [33403]

Mr. Andrew Smith: The Secretary of State chaired a successful joint meeting of EU Education and Social Affairs Ministers in London on 12–13 March on the theme of employability. The meeting was an innovative mix of audio-visual presentations, Ministerial discussion groups and plenary discussion. Ministers from all Member States attended the meeting and were joined by Commissioners Cresson and Flynn and representatives of the European Parliament and of social partner organisations from Europe and the UK.

The Ministerial discussion focused on the future of the European Social Fund after the year 2000 and the new generation of education, training and youth programmes. A short report of the conclusions of the meeting will be prepared by the UK Presidency.

The Ministerial discussion groups provided an interesting exchange of views and good practice, centred around approaches to employability across the EU in four main areas: the transition from school to work; lifelong learning; combating long-term unemployment and social exclusion; and combining labour market adaptability with fair and decent standards at work.

Presentations were given by a range of people with differing perspectives on the theme: a leading business man on the role of the employer; the headteacher of a comprehensive school in south east London on preparing schoolchildren for the world of work and combating social exclusion; and participants on the New Deal and the Modern Apprenticeship Scheme and from the Prince's Trust. In addition to the business at the meeting, the Informal Council also successfully involved a range of young people, including young musicians and apprentice chefs.

Physical Education (Teacher Training)

Mr. Spring: To ask the Secretary of State for Education and Employment (1) what assessment he has made of the OFSTED audit of initial teacher training in physical education; [34202]

(2) what steps his Department has taken to assess the sports coaching skills of in-service teachers; [34203]

(3) what steps he has taken since 1 May 1997 to encourage teachers to obtain recognised sports coaching qualifications; [34204]

(4) what plans the Government have to introduce coaching weeks for teachers; [34205]

(5) what is the sport content of the Initial Teacher Training requirement. [34222]

Ms Estelle Morris: The Government have not yet received OFSTED's report of its audit into the coverage of physical education in primary initial teacher training. However, it is for individual providers of initial teacher training to decide the extent to which physical education is covered in their courses. Our new requirements for initial teacher training, which I announced last June, will allow trainees to specialise across the 7 to 11 age range. From this September, for the first time primary teachers will be able to specialise in physical education as part of their course.

The Government continue to attach importance to ensuring that good teaching raises pupils' standards in all subjects, including physical education. The Teacher Training Agency is supporting relevant developments in in-service training for classroom teachers and those with leadership responsibility for physical education in our schools. Officers from the Agency are advising the subject associations, the British Association of Advisers and Lecturers in Physical Education, and the Physical Education Association of the United Kingdom as they develop subject-specific exemplifications of the National Professional Standards.

School Sports

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken since 1 May 1997 to encourage the inclusion of information on sporting aims, provision and achievements in school annual reports and prospectuses. [34209]

Ms Estelle Morris: The recent position is that all maintained schools must publish in their prospectus a statement of the governing body's aims in respect of sport at their school and the provision made for sport. Their annual report must indicate the extent to which these aims were met and give details of any notable sporting achievements. We shall, however, consult soon on the balance between requiring schools to include specific information in prospectuses and annual reports and leaving them greater discretion.

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken since 1 May 1997 to encourage schools' sports associations' involvement in competitions at district, regional and national levels. [34206]

Ms Estelle Morris: The Department recognises that schools' sports associations have a valuable role to play in extending sporting opportunities for young people and it is important for pupils' development that they have every opportunity to broaden their horizons through participation in sport and other activities. However, decisions about extra-curricular sporting activities are best left to schools themselves.

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken since 1 May 1997 to encourage competitive team sport in schools. [34208]

Ms Estelle Morris: The National Curriculum for physical education already requires schools to teach competitive team games.

Mr. Spring: To ask the Secretary of State for Education and Employment what proportion of schools have achieved the Sportsmark target for sport provision outside school hours. [34221]

Ms Estelle Morris: The Department does not collect this information. The Sportsmark scheme is operated by the English Sports Council.

Mr. Spring: To ask the Secretary of State for Education and Employment if the amount of sport provided by schools inside and outside school hours has increased since 1 May 1997. [34229]

Ms Estelle Morris: This information is not collected by the Department.

Mr. Spring: To ask the Secretary of State for Education and Employment what guidelines he has issued to local education authorities and school governors on pupils' access to (i) grassed playing fields and (ii) other sports facilities. [34201]

Mr. Byers: The Education (School Premises) Regulations 1996 prescribe minimum areas of playing fields to which pupils must have access. Access to other sports facilities is not prescribed but to help local education authorities and school governors in planning their sporting provision, guidance is contained in two Departmental Building Bulletins, *Area Guidelines for Schools and School Grounds: A Guide to Good Practice.*

Physical Education

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken to ensure that schools provide two hours or more per week of time-tabled National Curriculum physical education for their pupils. [34210]

Ms Estelle Morris: It is for schools to decide how much time to allocate to individual subjects.

Sports Facilities

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken to ensure that further education institutions publish details of the sports facilities and opportunities they offer. [34224]

Dr. Howells: The Charter for Further Education advises colleges to publish information about their sporting opportunities and facilities.

Mr. Spring: To ask the Secretary of State for Education and Employment what action has been taken to encourage best practice in the provision of sports facilities in further education institutions following the Further Education Funding Council audit of existing sports provision. [34200]

Dr. Howells: The Further Education Funding Council Inspectorate's Good Practice Report *"Sport in Colleges"*, published in June 1996, was widely disseminated.

TRADE AND INDUSTRY

Defence Exports

Mr. Wigley: To ask the President of the Board of Trade what steps she is taking to impose a more rigorous system of control over armaments exports from the United Kingdom; and if she will make a statement. [30423]

Mrs. Roche: My right hon. Friend the Foreign Secretary announced on 28 July 1997, *Official Report*, columns *26–29* the criteria to be used in considering individual applications for licences to export goods entered in Part III of Schedule 1 to the Export of Goods (Control) Order (the so-called "Military List"), or dual-use goods where there are grounds for believing that the end-user will be the armed forces or the internal security forces of the recipient country.

In addition, the Government's Strategic Export Controls Review is likely to include proposals to extend controls in certain areas. Options currently being considered include controls on the transfer of technology by intangible means and on the trafficking and brokering of certain goods. We expect these proposals to be set out, probably in the form of a White Paper, before the end of the year.

Iraq

Mr. Bruce George: To ask the President of the Board of Trade if she will list the export licences granted to Iraq by Britain since 2 August 1990, separately identifying those for the export of growth medium broken down by (i) size and (ii) value of shipment and by stated end use; what are the current rules controlling the export of growth medium to Iraq; and what changes have been made to them since 2 August 1990. [30919]

Mrs. Roche *[holding answer 23 February 1998]:* The export to Iraq of any goods, unless under authority of an export licence, is prohibited by the Export of Goods (Control)(Iraq and Kuwait Sanctions) Order 1990 [SI 1990/1640], which came into force on 9 August 1990.

The Export Control Organisation's computer databases have been interrogated and a total of 2,973 licences were issued for the export of goods to Iraq between 9 August 1990 and 31 January 1998. Full details of these licences could be provided only at disproportionate cost.

Licences issued for the export of goods to Iraq between 9 August 1990 and 31 January 1998

Year	*Number*
9 August 1990 to 31 December 1990	5
1991	154
1992	418
1993	334
1994	635
1995	467
1996	349
1997	564
1 January 1998 to 31 January 1998	47

Between 1 January 1994 and 31 January 1998, 48 Open Individual Export Licences (OIELs) were issued authorising the export of protective clothing mainly for the protection of aid agency workers and journalists. This information should be considered in light of my answer to my hon. Friend the Member for Don Valley (Caroline Flint) of 30 October 1997, *Official Report*, columns *870–71*. It would entail disproportionate costs to determine whether or not any such OIELs were issued between 9 August 1990 and 31 December 1993.

In addition, there are five Open General Export Licences (OGELs) under which specified goods may be exported to Iraq subject to the conditions of the licence: OGEL (Ships' stores: Aircraft stores); OGEL (Personal effects); OGEL (Documents); OGEL (Specified medical goods to the Red Cross); OGEL (Human remains). Copies of all of these licences are in the Library of the House. Formulated complex growth medium is not covered by OGEL (Specified medical goods to the Red Cross).

Of the licences issued between 9 August 1990 and 30 September 1996, 30 have been identified covering formulated complex growth media, and readily available details of these are as follows:

Date of issue	*Quantity*	*Approx. value of shipment £*	*Stated end-use*
31.05.91	102kg	4,000	World Health Organisation (WHO) cholera control project
31.10.91	130kg	4,600	WHO cholera control project
24.01.92	1,095kg	28,600	Cholera control in hospital laboratories
24.02.92	25kg	1,100	UNICEF
19.06.92	6.2kg	200	Red Cross water and sanitation project
30.06.92	285kg	12,100	WHO
31.07.92	620.5kg	20,000	WHO
30.09.92	40kg	1,300	WHO
28.06.93	30.5kg	1,100	Veterinary work in hospital laboratories
30.07.93	20kg 5 litres	1,100	UNICEF nutrition research project
08.02.94	51kg	2,300	UNICEF
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
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Date of issue	Quantity	Approx. value of shipment/£	Stated end-use
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
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18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
18.04.95	181.5kg	4,200	Cholera control in hospital laboratories
04.12.95	335kg	7,800	WHO
10.01.96	4kg 2 litres	600	WHO

However, as details of all of the goods covered by individual applications are not recorded on the relevant database, it is possible that other licences covering formulated complex growth media might have been issued during this period. Any such other licences could be identified only by examination of the paper records of all licences issued since 9 August 1990, which would entail disproportionate cost.

Since 1 October 1996, the UK has issued nine licences covering the export of formulated complex growth media to Iraq, which is covered by the Import and Export (IMPEX) Mechanism established under UN Security Council resolution 1051, which came into force in October 1996. In each case, in accordance with our obligations under UN Security Council resolution 661, the Government confirmed that the applications were to export supplies strictly for medical purposes. The UN Sanctions Committee was notified, as was the UNSCOM-IAEA Joint Unit. The IMPEX Mechanism covers specified goods with the potential for use in the development and production of weapons of mass destruction and provides for monitoring of their use in Iraq by the UN Special Commission (UNSCOM).

For six of the nine licences referred to in the paragraph above the consignees were UN agencies. For the three other licences, the exports were specifically authorised by the UN Sanctions Committee under the "Oil for Food" programme based on UN Security Council resolution 986 and successor resolutions. The date of each licence, the quantity of formulated complex growth medium covered and the stated end-use are in the table.

Licences issued since 1 October 1996 for the export of formulated complex growth media to Iraq.

Date of issue	Quantity	Approx. value of shipment	Stated end-use
12.02.97	5 litres	£500	World Health Organisation (WHO) poliomyelitis diagnosis project
07.05.97	10kg 0.5 litre	£1,000	WHO tuberculosis control project
21.05.97	10kg	£750	WHO nutrition research project
21.07.97[1]	1,670.7kg	£54,000	Hospital laboratories under the UN "Oil for Food" Programme
09.10.97	27kg	£1,000	UNICEF urban and semi-urban water project
14.10.97	14 litres	$500	Hospital laboratories under the UN "Oil for Food" Programme
11.11.97	3 litres	$50	International Atomic Energy Agency rinderpest surveillance project
28.01.98	40kg	£1,000	WHO primary healthcare project
30.01.98	40kg	$4,000	Hospital laboratories under the UN "Oil for Food" Programme

[1] This licence expired before the goods concerned were exported, and a new licence with the same coverage and for the same end-use was issued on 19.12.97.

Retail Petrol Industry

Mr. Boswell: To ask the President of the Board of Trade how many retail petrol stations closed in *(a)* 1996 and *(b)* 1997 in England, Scotland, Wales and Northern Ireland; and what data she has collated about forecast closures in 1998. [31699]

Mr. Battle *[holding answer 2 March 1998]:* The figures are as follows:

Year	England	Scotland	Wales	Northern Ireland
1996	1,222	151	60	87
1997	434	105	88	128

It is too soon to say what closures there may be in 1998.

Mr. Boswell: To ask the President of the Board of Trade how many retail petrol stations there were in England, Scotland, Wales and Northern Ireland in (i) 1990, (ii) 1995 and (iii) 1996. [31698]

Mr. Battle *[holding answer 2 March 1998]:* The data are not available for 1990. The figures for 1995 and 1996 are as follows:

Year	England	Scotland	Wales	Northern Ireland
1995	12,772	1,544	891	769
1996	11,550	1,393	921	682

Car Parking

Mr. Baker: To ask the President of the Board of Trade what plans she has *(a)* to reduce the number of car parking spaces available for use by staff and *(b)* to introduce charges for staff using workplace car parking spaces. [32466]

Mr. Nigel Griffiths *[holding answer 3 March 1998]:* In line with the Guide to Green Transport Plans circulated last September by my hon. Friend the Parliamentary Under-Secretary of State for the Environment, Transport and the Regions, my Department is actively considering this issue in preparing Green Transport Plans for its key buildings.

Self-employment

Mr. Jim Cunningham: To ask the President of the Board of Trade what plans she has to tighten the definition of self-employed to avoid workers being unfairly described as working for themselves. [32123]

Mr. Ian McCartney *[holding answer 4 March 1998]:* My Department has been reviewing its policy on employment status issues as they affect the coverage of the employment rights legislation and I will be giving this matter further consideration.

Public Appointments

Mrs. Lait: To ask the President of the Board of Trade how many of the appointments to public bodies which she has made since 1 May 1997 have been from the Public Appointments Unit list. [33251]

Mrs. Beckett: My Department consults a wide range of sources in considering candidates for appointments to public bodies, including the PAU Database. Of the appointments made since 1 May 1997, 11 were identified from the PAU list.

Oil and Gas Industry

Dr. Gibson: To ask the President of the Board of Trade what plans he has for statutory regulation of the offshore oil and gas industry's discharges. [32650]

Mr. Battle *[holding answer 5 March 1998]:* Operational discharges of oil are currently regulated under the Prevention of Oil Pollution Act 1971.

The United Kingdom has agreed to implement, in conjunction with other contracting parties to the Oslo and Paris Conventions, a harmonised Mandatory Control System for the use and reduction of the discharge of offshore chemicals. The system is currently in a trial period and will be reviewed and, if necessary, revised in 1999.

Dr. Gibson: To ask the President of the Board of Trade what assessment he has made of the effectiveness of the current voluntary Offshore Chemicals Notification Scheme. [32389]

Mr. Battle *[holding answer 5 March 1998]:* The current voluntary Offshore Chemical Notification Scheme has been very successful. Over 2,600 products are categorised and listed. The rating system used in the scheme is easily understood and has promoted the use of lower hazard chemicals by the offshore industry.

Utilities

Mr. Hoyle: To ask the President of the Board of Trade (1) if she will make a statement on the implications for Norweb customers of the Utility Regulator's review; [33969]

(2) if she will make a statement on the new powers that will be given to regulators as a result of the Utility Regulator's Review; [33971]

(3) if she will make a statement on whether the Utility Regulator's Review will benefit electricity consumers who experience power failure for prolonged periods of time. [33970]

Mrs. Beckett: The review of utility regulation has not yet been completed. Until that time, it would be wrong of me to speculate on issues which fall under its remit. I would, however, encourage my hon. Friend to participate fully in the consultation process which will follow publication of the review's findings.

Mr. Hoyle: To ask the President of the Board of Trade if she will introduce legislation to regulate redundancy payments in the utilities. [33967]

Mrs. Beckett: The utilities are subject to the provisions of the Employment Rights Act 1996 with regard to redundancy payments. I laid an Order on 18 February to increase the weekly earnings limit. I have no other plans to amend this legislation.

Mr. Hoyle: To ask the President of the Board of Trade if she will make a statement on the powers of the utility regulators to intervene in the closure of maintenance facilities. [33966]

Mrs. Beckett: The electricity and gas regulators have duties to exercise their statutory functions in a manner best calculated to protect the interests of consumers in respect of continuity of supply. Where appropriate, electricity and gas licences contain conditions relating to continuity of supply. If the regulators consider that these conditions are not being satisfied, they have the necessary powers to enforce them.

Electricity Interconnector

Dr. Moonie: To ask the President of the Board of Trade when she will announce her decision on the public inquiry into the electricity interconnector from Scotland to England. [33643]

Mr. Battle *[holding answer 10 March 1998]:* There is no outstanding public inquiry on the Anglo-Scottish interconnector. The only overhead line public inquiry reports that my Department is currently considering are the 1992 and 1995 public inquiries into reinforcement of

the English transmission system in Cleveland and North Yorkshire and a 1997 public inquiry into an overhead line at Mardy, Abergavenny. The situation on the 1992 and 1995 public inquiries is as recorded in my right hon. Friend's reply to the right hon. Member for Richmond, Yorks (Mr. Hague) on 16 February 1998, *Official Report*, column *510*.

Adlington Employment Scheme

Mr. Hoyle: To ask the President of the Board of Trade if a Minister from her Department will visit the Adlington employment scheme in Lancashire. [34116]

Mrs. Beckett: I have no immediate plans to visit the North West. I was, however, pleased to hear that the Adlington Employment Centre has been offered £1 million grant from the European Programme.

Coal Industry

Mr. Redwood: To ask the President of the Board of Trade if she will estimate the impact of a 30 million tonnes a year coal industry on *(a)* sulphur and *(b)* carbon dioxide reduction targets. [34091]

Mrs. Beckett *[holding answer 12 March 1998]:* The future role for coal in electricity generation is being studied in the review of Energy Sources for Power Generation. Environmental impacts are among the factors being taken into consideration.

Gas-fired Power Stations

Mr. Llwyd: To ask the President of the Board of Trade what assessment his Department has made of the advantages of gas-fired power stations; and if she will make a statement. [34351]

Mr. Battle: This is a matter which is being considered in my Department's Review of Energy Sources for Power Generation.

Tobacco

Mr. Cotter: To ask the President of the Board of Trade when representatives from the Police, HM Customs & Excise and the National Weights and Measures Laboratory and Ministers from her Department last met to discuss the issue of tobacco imported from Belgium and illegally resold in the United Kingdom. [34703]

Mrs. Beckett: There have been no such meetings.

These are policy matters on which my right hon. Friend the Chancellor leads.

Bus Companies

Mr. Canavan: To ask the President of the Board of Trade when she expects to announce her decision about the Office of Fair Trading report on Strathclyde Buses and Midland Bluebird. [34590]

Mr. Nigel Griffiths: I refer my hon. Friend to the answer I gave my hon. Friend the Member for Glasgow, Shettleston (Mr. Marshall) on 2 March 1998, *Official Report*, column *460*.

Trade Union Recognition

Mr. Jim Cunningham: To ask the President of the Board of Trade what assessment she has made of the advantages and disadvantages of excluding firms with under 50 workers from union recognition legislation. [34297]

Mr. Ian McCartney: The Government have received many representations about trade union recognition, including arguments for and against excluding small firms from the procedure. We are currently considering the options and will set out a balanced package of proposals for consultation in a White Paper in the first part of this year.

Small Firms

Mr. Jenkins: To ask the President of the Board of Trade what response her Department has made to the Bank of England's January 1998 report on finance for small firms. [33405]

Mrs. Roche: The Department has welcomed the Bank of England's fifth annual report on Finance for Small Firms. As with previous reports, it is a valuable contribution to knowledge of small business finance.

The Department will continue to work with the Bank of England and others to ensure that small firms have access to appropriate funding for their needs.

Electricity Companies

Mr. Bill Michie: To ask the President of the Board of Trade if the Electricity Regulator has the power to specify that electricity companies should consult with other organisations regarding their joint response to an emergency or a potential emergency; and if she will make a statement. [34177]

Mr. Battle: The Electricity Regulator has no such power but has a duty to exercise his functions in a way which protects the interests of consumers in respect of the continuity of supply. The electricity companies do consult the emergency services and other relevant organisations, such as the media and telephone companies, regarding their joint response in an emergency.

Gas Companies

Mr. Bill Michie: To ask the President of the Board of Trade if the Office of Gas Supply Regulation has the power to specify that gas supply companies should consult with other organisations regarding their joint response to an emergency or a potential emergency; and if she will make a statement. [34175]

Mr. Battle: Matters of safety regulation are for the Health and Safety Executive rather than Ofgas. HSE's Gas Safety (Management) Regulations require gas supply companies to co-operate with the Network Emergency Co-ordinator (Transco) and any person conveying gas in the Network such as public gas transporters to ensure the

safety of the Network. Ofgas has no specific power to specify that gas supply companies should consult with other organisations regarding their joint response to an emergency, but the Director General of Gas Supply has a duty to consider safety in exercising her statutory functions.

Art Market

Mr. Keith Simpson: To ask the President of the Board of Trade what representations she has received concerning the impact of EU regulations on the London art market; and if she will make a statement. [32916]

Mr. Ian McCartney: I have received representations from the British Art Market Federation and from members of the art trade, and am aware of concerns about the effects of EU legislation on the London art market, in particular the Commission's proposal for an artist's re-sale rights directive, and the operation of import VAT.

The art trade makes a significant contribution to the United Kingdom economy. It is a highly successful industry. The Government are determined to see that its achievements are not undermined. Ministers have met art trade representatives on several occasions. We understand their concerns, and maintain a regular dialogue with them.

DUCHY OF LANCASTER

EU Better Government Conference

Mr. Peter Atkinson: To ask the Chancellor of the Duchy of Lancaster who took the decision to hold the EU Conference on Better Government in Manchester; when the decision was taken; and for what reason Manchester was chosen in preference to Newcastle upon Tyne. [34688]

Dr. David Clark: On assuming office in May 1997, proposals were made to me for the UK Presidency Conference which was sponsored by my Department and took place on 8–10 March.

The conference venue had not been determined at that stage. Various possible venues were contemplated and I added Newcastle upon Tyne to that list. The list was narrowed down to Manchester and Newcastle upon Tyne, and the former selected on 12 August 1997.

The two main reasons for this were that the only hotel capable of accommodating a conference of over 300 ministers and top civil servants from throughout the EU, the Gosforth Park, was unavailable on the required dates, and that Newcastle airport had practically no incoming international flights at the weekend.

Civil Servants

Mr. Swinney: To ask the Chancellor of the Duchy of Lancaster if he will list the number and percentage of civil servants employed at each grade in (i) Scotland, (ii) London and (iii) the South East of England. [34225]

Dr. David Clark: Because there are many different systems in the civil service since the delegation of pay and grading, estimates are provided in the table on the basis of responsibility levels corresponding to the former service-wide grades.

Permanent Civil Servants at 1 April 1997 (full-time equivalents)

Responsibility level	*(i) Scotland*		*(ii) London*		*(iii) South-east*		*All locations*
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*	*Number*
Non-Industrial staff							
SCS level	250	7	1,880	51	130	4	3,700
Level 6	550	11	1,420	30	420	9	4,800
Level 7	810	5	5,430	36	1,470	10	14,940
SEO level	1,420	6	6,030	27	2,900	13	22,660
HEO level	3,770	8	10,730	22	6,450	14	47,750
EO level	11,200	10	20,010	19	14,230	13	107,830
AO level	15,630	9	28,390	17	20,410	12	167,080
AA level	8,410	12	11,040	16	7,950	11	70,540
All non-industrial staff	42,040	10	84,930	19	53,960	12	439,310
Industrial staff	3,750	10	1,710	5	8,200	23	36,030
All staff	45,790	10	86,640	18	62,160	13	475,340

SOCIAL SECURITY

Benefit Integrity Project

Mr. Cousins: To ask the Secretary of State for Social Security (1) for what reasons records on the regional effects of the Benefit Integrity Project are not maintained; and if she will ensure that such effects are measured before proceeding to any changes in benefits covered by the Project; [24353]

(2) pursuant to her answer of 13 January 1998, *Official Report*, column *251*, for what reasons regional figures about the effects of the Benefit Integrity Project are not available; and on what geographical basis they are available. [24729]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member with further details.

Letter from David Riggs to Mr. Jim Cousins, dated 13 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Questions asking for the reasons records on the regional effects of the Benefits Integrity Project (BIP) are not maintained/available. As Mr. Mathison is away from the office on leave, I am replying.

Disability Living Allowance is a national benefit awarded as a result of mobility and care needs arising from disability. The BIP has been introduced to ensure that the correct benefit is in payment on the basis of an up to date statement of those mobility and/or care needs. It is not expected therefore, that there would be significant variations based on geographical location.

The database of casework has not been designed to extract information geographically during the project. To do so would necessitate high cost and disruption to the processing of ongoing casework. However, once the casework has been completed a full evaluation of the data is planned to provide a geographical analysis.

A brief monthly statistical report is produced and a copy of the report for December 1997 and subsequent months can be found in the House of Commons Library.

I hope you find the reply helpful.

Mr. Oaten: To ask the Secretary of State for Social Security (1) how many individuals have been subject to

(a) a reduction and *(b)* an increase in benefit as a result of investigation due to the Benefit Integrity Project; [26949]

(2) how many individual reviews have been carried out to date under the Benefit Integrity Project; [26950]

(3) how many of the reviews carried out to date as part of the Benefit Integrity Project have *(a)* identified errors and *(b)* identified cases of fraud. [26948]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member with further details.

Letter from David Riggs to Mr. Mark Oaten, dated 13 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Questions regarding the Benefit Integrity Project (BIP). As Mr. Mathison is away from the office on leave, I am replying.

The statistical information is given as at 31 January 1998.

The number of awards reduced as part of the BIP is 6,884, the number disallowed is 3,926 and the number increased is 1,299.

The BIP has examined 54,839 cases of which 7,276 have been reviewed. A further 10,811 cases due for renewal have been dealt with under normal Disability Living Allowance (DLA) renewal action by the BIP team. These are cases that meet the criteria for BIP action.

Information on the number of identified errors is not available in the format requested. A total of 12,109 cases, including renewal cases, have had their award changed as a result of the BIP.

The BIP aims to ensure that those people in receipt of Disability Living Allowance are entitled to it and are receiving the correct amount. While the Project has, broadly, sustained the estimated level of incorrectness, it has not sustained the level of fraud estimated by the Benefit Review.

The BIP has identified 157 cases in which fraud was suspected, of which 49 have been referred to the Benefit Fraud Investigation Service for further investigation, which have not yet been completed. In the remaining 108 cases, fraud staff in the Disability Benefits Directorate decided that there was no realistic prospect of determining whether fraud had occurred and the files were closed without further action.

From 9 February, no case likely to result in the reduction or removal of benefit will be passed to an Adjudication Officer (AO) for review without further evidence in addition to that supplied by the customer on the BIP questionnaire. This extra safeguard is to improve confidence in the decisions made by the BIP and to help safeguard the position of severely disabled people.

I hope you find the reply helpful.

Ms Walley: To ask the Secretary of State for Social Security how many fraudulent disability living allowance claims have been uncovered by the Benefit Integrity Project to date. [27664]

Mr. Denham: The Benefit Integrity project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will wright to my hon. Friend with further details.

Letter from David Riggs to Ms Joan Walley, dated 13 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question asking how many fraudulent Disability Living Allowance claims have been uncovered by the Benefits Integrity Project (BIP) to date. As Mr. Mathison is away from the office on leave, I am replying.

The BIP aims to ensure that those people in receipt of Disability Living Allowance are entitled to it and are receiving the correct amount. While the Project has, broadly, sustained the estimated level of incorrectness, it has not sustained the level of fraud estimated by the Benefit Review.

As at 31 January 1998, the BIP had identified 157 cases in which fraud was suspected, of which 49 have been referred to the Benefit Fraud Investigation Service for further investigation. These investigations are still ongoing. In the remaining 108 cases, fraud staff in the Disability Benefits Directorate decided that there was no realistic prospect of determining whether fraud had occurred and the files were closed without further action.

I hope you find the reply helpful.

Mr. Burstow: To ask the Secretary of State for Social Security what assumptions her Department has made concerning the level of disability living allowance fraud in devising the Benefit Integrity Project *(a)* in cash terms and *(b)* in terms of the number of claimants committing fraud. [30223]

Mr. Denham *[holding answer 18 February 1998]:* The Benefit Integrity Project is designed to help ensure the correctness of payments of Disability Living Allowance (DLA) to people receiving the higher rate of the (DLA) mobility component along with either the middle or highest rate of the DLA care component, by collecting up-to-date information about their care and mobility needs through a programme of visits and postal inquiries. It is not a fraud drive. The focus of the activity was dictated by the findings of the DLA Benefit Review. There is no suggestion that people contacted as part of the Project are thought to be claiming DLA fraudulently.

The Benefit Review was initiated by the last Government as a research mechanism to measure the extent of error, including fraud, across all major benefits. The DLA Benefit Review was undertaken in 1996 and published in February 1997; it represents a snap-shot of the benefit at a point in time. Findings are based on a statistically valid sample of cases selected at random.

The DLA Benefit Review, in common with Reviews that preceded it, presented an analysis of what was going on in the benefit by categorising each sample case. Based on that methodology, the DLA Benefit Review reported that nearly

73 per cent. of people receiving DLA were receiving it at the correct rate at the time they were visited. Therefore, some 27 per cent. of people receiving DLA were doing so at an incorrect rate. Reasons for incorrectness ranged from Departmental error (1.1 per cent. of cases) or customer error (9.6 per cent. of cases) through to confirmed fraud (1.5 per cent. of cases) and involved under as well as over payments.

The DLA Benefit Review reported a headline figure for fraud in DLA of 12.2 per cent.: the sum of cases categorised as strong suspicion of fraud (10.7 per cent. of cases) and those categorised as confirmed fraud. These sample findings were extrapolated to provide an estimated annual expenditure loss from overpayments due to fraud of around £499 million.

This Government are not convinced that the analysis of the Benefit Review results enables us properly to identify the reason behind wrongly made benefit payments; these can often be a mixture of misunderstanding and weakness in the benefit design. while the Benefit Integrity Project has, broadly, sustained the estimated level of incorrectness, it has not sustained the level of fraud estimated by the Benefit Review. In view of this, officials have been asked to undertake further work on the methodology and analysis of all current Reviews.

Child Support Agency

Dr. Kumar: To ask the Secretary of State for Social Security (1) what measures she is taking to ensure that the Child Support Agency provides an effective system to deal with complaints and queries in the Teesside area; [29946]

(2) if he will increase the number of staff employed by the Child Support Agency in the Teesside area. [29933]

Mr. Keith Bradley: We expect the Child Support Agency to provide a consistent, fair and efficient service to all its clients. The Agency is committed to reducing the number of complaints about its handling of cases and improvements in customer service are a high priority.

The administration of the Child Support Agency is a matter for the Chief Executive, Mrs. Faith Boardman. She will write to my hon. Friend.

Letter from Faith Boardman to Dr. Ashok Kumar, dated 13 March 1998:

I am replying to your Parliamentary Questions to the Secretary of State for Social Security about Child Support Agency staffing levels and complaints and queries in the Teesside area.

We recently reviewed the organisation of our operations to examine how we could improve the cost effectiveness and efficiency of the Agency. We have concluded that while we need to maintain a geographical presence to provide a direct interface with our public and to present appeals and court cases, the processing desk work which does not involve face to face contact with customers can be done much more efficiently and cost effectively in our large centres, thus releasing resources to deal with backlogs and rising workloads.

There are broad proposals only at this stage—a lot of the detail has yet to be fixed—but the main thrust of the strategy is to focus all available resources on improved service delivery. Although we are still engaged in a detailed analysis, it is clear that the size of the field network will reduce significantly over the next three to four years as we transfer the processing work to the centres. The remaining field resources will then be focused specifically on improved face to face contact with customers, often in conjunction with other Agencies. We expect the availability and amount of local face to face contact to increase as a result. This is originally the area on which field staff were intended to concentrate at the start of the Agency; processing work was undertaken as a short-term measure to help the Agency deal with the number of applications it received in the first two years. Currently, there are no plans to increase staff in Teesside.

The Agency recognises the need to deal effectively with complaints and queries from all parts of Great Britain. The Teesside area is dealt with by the Scotland and North East Business Unit. In November 1997, the Agency introduced into its 6 Business Units, new procedures, guidance, training and new IT system for dealing with complaints. The Agency has also identified the main reasons for complaint and is taking action to improve these areas.

Also the Agency's Business Units adopt a case study approach with cases referred to the Independent Case Examiner whereby the Business Unit Manager and staff involved with the case identify lessons learnt, introduce improvements and good working practices and regularly liaise with the office of the Independent Case Examiner.

In line with the Citizen's Charter Unit standards, the Agency aims to acknowledge all complaints within 2 working days of receipt and to issue a full reply within 10 working days of receipt. The Agency is achieving these standards in 84 per cent. of acknowledgments and 55 per cent. of replies. The Agency is currently in the process of producing quality standards that will be applied to all correspondence by Summer 1998.

In order to improve the telephone enquiry service, the Agency has increased the staffing levels and extended opening hours of its National Enquiry Line and the Client Help Lines in each of its Business Units to 8.30–6.00 p.m. The help lines deal with over 90 per cent. of calls and the balance are referred to the appropriate business sections for more specialist advice and information.

Staff on business sections are also being actively encouraged to deal with customers by telephone in order to deal with more customer business more quickly and effectively and to prevent avoidable enquiries and complaints. By the introduction of more flexible working patterns, the Agency aims to offer its customers a 7 day, 7.00 a.m.-10.00 p.m. service within the next 4 years.

Queries and complaints can also be dealt with by personal interview service at our local Field offices. In practice, very few customers use this service. The average number of interviews held per member of field staff in the whole of 1996/7 was approximately 36. By moving processing work to our centres, staff will be able to increase this average and extend our face to face contact with customers.

I am very conscious that there are still far too many justified complaints about the standards of basic customer contact and the service we provide, and we recognise that doing things right first time is the key to preventing complaints. We are aware that as we further tackle our backlog of cases from the Agency's first two years, there is potential for the volume of complaints to rise in the short term.

In the coming years, I am committed to responding to the needs of our customers by bringing high quality levels of performance to every part of our operation as a matter of routine, thereby reducing the number of complaints received and enhancing the public perception of the Agency.

I hope this is helpful.

Nursery Places (Keighley)

Mrs. Ann Cryer: To ask the Secretary of State for Social Security what assessment she has made of the likely impact on nursery place availability and funding in the Keighley constituency of her Department's measures to get lone parents on benefit into work. [32586]

Mr. Keith Bradley *[holding answer 4 March 1998]:* The Government are committed to the delivery of a National Childcare Strategy that will provide a range of good quality, affordable and accessible childcare in every neighbourhood, meeting the needs of children and offering choice to parents. This will include help to lone parents who choose to take up work. To meet that commitment, we are investing £300 million over the next five years to expand out of school provision, providing additional places for up to 1 million children. In addition, to ensure that work pays for families with children, we propose a working families tax credit, backed up by affordable childcare.

The Government will be working closely with local government and childcare providers in the voluntary, public and private sectors in order to build effective partnerships across the country and to ensure that local provision is matched to local need.

We do not have details of the extent to which existing provision for childcare will meet the additional demand created by the New Deal for Lone Parents in individual areas.

Disability Living Allowance

Mr. Viggers: To ask the Secretary of State for Social Security how many of the people whose entitlement to disability living allowance has been adjusted in the last year have had their entitlement adjusted *(a)* upwards and *(b)* downwards. [33387]

Mr. Denham: The administration of Disability Living Allowance is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from David Riggs to Mr. Peter Viggers, dated 13 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question concerning how many of the people whose entitlement to Disability Living Allowance (DLA) has been adjusted in the last year have had their entitlement adjusted (a) upwards and (b) downwards. As Mr. Mathison is away from the office on leave, I am replying.

As at 30 November 1997, 196,000 DLA claims had been adjusted upwards and 28,000 DLA claims had been adjusted downwards.

I hope you find the reply helpful.

Council Tax

Mr. Corbyn: To ask the Secretary of State for Social Security if she will list, by London borough, her estimate of the number of recipients of council tax benefit who live in property valued above band E; and what is the average extra payment required from them due to the limiting of council tax benefit. [34306]

Mr. Keith Bradley: The information is not available in the format requested due to sample size constraints.

The estimated total number of Council Tax Benefit recipients above band E in Greater London is 25,000. The estimated average extra payment required due to limiting Council Tax Benefit for this group is £3.80 a week.

Pensioners (Income Support)

Mr. Letwin: To ask the Secretary of State for Social Security how the number of pensioners entitled to income support but not claiming income support has been measured. [34708]

Mr. Denham: The estimate is based on an analysis of the Family Resources Survey (FRS), an annual survey of approximately 26,000 households (in 1995–96) in Great Britain.

The FRS asks detailed questions about people's incomes and living circumstances. The information collected makes it possible to estimate people's entitlement to Income Support by simulating the benefit assessment. This indicates which people appear to be entitled to Income Support and, since the FRS shows who is actually receiving the benefit, it is possible to estimate the numbers who are apparently entitled to, but not receiving it.

The FRS is a sample survey, so it is necessary to re-weight the results to get an estimate which is representative of the population as a whole. More information on the methods used to estimate income related benefit take-up can be found in "Income Related Benefits Estimates of Take-up in 1995–96", a copy of which is available in the Library.

Mr. Webb: To ask the Secretary of State for Social Security if she will provide a breakdown of the £15 million pilot scheme for encouraging pensioner take-up of income support by area; and if each area will be applying the same pilot methodology. [34692]

Mr. Denham: The £15 million allocated to these projects includes expenditure on the programme, administration and evaluation. The programme and evaluation expenditure will be controlled centrally, while the allocation of the administrative budget has not yet been finalised. The pilots will have two main objectives: they will test the best ways of finding potential Income Support claimants by matching records held centrally and locally. They will then test the best ways of reaching potential claimants by visiting them at home, ringing them or writing to them. A variety of methodologies will be used in each of the pilot areas.

Pensioners (Home-ownership)

Mr. Letwin: To ask the Secretary of State for Social Security what proportion of pensioners are home-owners. [34709]

Mr. Denham: 60 per cent. of pensioners own or are buying the property in which they live.

Notes:

1. An individual is defined to be a home-owner when he or she lives in a property which is either owned outright or being purchased, and has their name on the relevant deeds.
2. Figures are based on information from the 1995–96 Family Resources Survey. The 1995–96 survey is the latest for which data are available.
3. The estimates are based on sample counts which have been adjusted for non-response using multi-purpose grossing factors which control for region, Council Tax Band and a number of demographic variables. Estimates are subject to sampling error and to variability in non-response.

Occupational Pensions

Mr. Letwin: To ask the Secretary of State for Social Security what was the average lump sum payment received by pensioners with *(a)* occupational pensions and *(b)* personal pensions retiring in 1995. [34706]

Mr. Denham: The information is not available.

Motability

Mr. Burstow: To ask the Secretary of State for Social Security if she will make it her policy to ensure that bridging funding is made available to disabled people who have *(a)* sought a review of a BIP adjudication and *(b)* appealed against the Adjudication Officer's decision to ensure that they do not lose their Motability vehicle pending the outcome of the review or appeal, respectively. [34486]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

Eligibility for the Motability Scheme is dependent on a claimant being entitled to the higher rate of the mobility component of Disability Living Allowance (DLA) for a period of three years or more.

Officials are currently liaising with Motability to see what can be done to protect Motability customers who are dissatisfied with a decision made, as part of the Benefit Integrity Project, to reduce or remove their entitlement to the mobility component of DLA. There is no provision in legislation for bridging funding to be made available in these or any other circumstances. If an adjudication officer decides, whether as a result of the information gathered as part of the Benefit Integrity Project or not, that a person is no longer entitled to the higher rate of the DLA mobility component, there is no legal basis for leaving benefit payments unchanged.

Mr. Burstow: To ask the Secretary of State for Social Security what estimate her Department has made of the number of DLA claimants who will lose their Motability vehicle as a result of decisions taken as part of the Benefit Integrity Project. [34488]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

Eligibility for the Motability Scheme is dependent on a claimant being entitled to the higher rate of the mobility component of Disability Living Allowance (DLA) for a period of three years or more.

Up to the end of February 1998, nearly 1,100 people with Motability agreements, involved in the Benefit Integrity Project, have had their award of the higher rate mobility component reduced or removed. It is not possible to gauge how many individuals will lose their Motability vehicle as a result of this exercise. Claimants have the right to a review of, and appeal against, an Adjudication Officer's decision to disallow or reduce either or both components of DLA, and assumptions cannot be made as to outcomes. Officials are currently liaising with Motability to see what can be done to protect Motability customers who are dissatisfied with a decision made, as part of the Benefit Integrity Project, to reduce or remove their entitlement to the higher rate mobility component of Disability Living Allowance (DLA).

Mr. Burstow: To ask the Secretary of State for Social Security how many DLA claimants who have been subject to BIP to date have had their Motability vehicle repossessed. [34487]

Mr. Denham: Motability is an independent charity and, as such, it is not informed of the reasons why an individual has had their benefit entitlement changed. Motability does, however, record reasons for early terminations of lease hire agreements. The Director of Motability has advised me that, on average, 1,300 people a month seek early termination. This is broken down as follows:

80 per cent. due to death/increasing disability/lack of driver;

15 per cent. due to a different car being required due to worsening disability or a change in the family situation;

5 per cent. due to a reduction in mobility allowance or other financial reason.

HOME DEPARTMENT

Immigration Control

Mr. Goggins: To ask the Secretary of State for the Home Department if he will make a statement on the role of the embarkation control in the immigration control process. [35037]

Mr. Mike O'Brien: We have undertaken a detailed study of the residual embarkation control over persons leaving the United Kingdom. I have concluded, in the light of this, that the present arrangements are an inefficient use of resources and that they contribute little to the integrity of the immigration control. They will be replaced by a targeted, intelligence-led approach creating a more efficient and effective control.

The revised and improved arrangements will be brought into operation as soon as practicable. We will employ appropriate technology and will build upon the existing co-operation between the border agencies, port operators and carriers.

We conducted this study against the background of the decision, in 1994, by the previous administration to scrap the embarkation checks for passengers travelling from ferry ports and small ports to destinations within the European Union; so, for four years, 40 per cent. of departing passengers have not been seen by an immigration officer.

In common with most comparable countries, the United Kingdom has never had a comprehensive check-out system because experience has shown that the use of intelligence and denunciatory information is the most effective tool against illegal immigration. This approach will continue and will be developed.

Although it does not contribute to the overall effectiveness of the immigration control, the residual embarkation control is resource intensive. In 1997, 7 per cent. of the Immigration Service's operational duties were deployed on the embarkation control, compared with 11 per cent. on asylum-related work. Estimated staffing costs were over £3 million.

We inherited an embarkation control which serves little purpose in the tracking down of immigration offenders. Enhanced technology, such as closed circuit television, combined with close liaison between the border agencies, port operators and airlines, will create a stronger deterrent than the current immigration departure checks. We will also ensure that systems will be in place to mount comprehensive embarkation checks when required in the interests of national security. We are committed to the continued operation of the All Ports Warning System for child abduction cases.

Finally, by better use of technology and liaison, we will release Immigration Service resources to be re-deployed on more effective elements of the control. We will keep the revised arrangements under review.

European Elections

Mr. Clappison: To ask the Secretary of State for the Home Department (1) on what date he required NOP's research on Attitudes to Euro Elections and Electoral Reform to be completed; [34142]

(2) what was the cost of the NOP research on Attitudes to Euro Elections and Electoral Reform; [34144]

(3) if he approved the methodology employed by NOP in their research on Attitudes to Euro Elections and Electoral Reform; [34146]

(4) how many members of the public were involved in *(a)* focus group discussions and *(b)* in other ways in the NOP research on Attitudes to Euro Elections and Electoral Reform; [34145]

(5) on what date he commissioned NOP to carry out the research entitled Attitudes to Euro Elections and Electoral Reform. [34143]

Mr. George Howarth: The decision to commission a study into voters' attitudes was taken in December 1997. A number of potential individuals and organisations who might have been interested in carrying out the task were contacted. National Opinion Poll (NOP) were formally commissioned to undertake the study on 13 February. They were asked to report by 27 February.

Their methodology was approved by Home Office officials acting on behalf of my right hon. Friend.

NOP's study involved six groups, each of between six and eight people. A total of 40 members of the public were involved.

The cost of the study was £9,800 plus Value Added Tax.

Mr. Clappison: To ask the Secretary of State for the Home Department what factors underlay his decision to select the Belgium electoral system for examination rather than the Danish electoral system. [34141]

Mr. George Howarth: Representations were made to my right hon. Friend by Charter 88 and the Liberal Democrats inviting him to consider the Belgian electoral system.

The Danish electoral system is considerably more complicated than the Belgian one, involving a two-tier seat allocation process and the use of three different divisors.

Mr. Clappison: To ask the Secretary of State for the Home Department what representations he has received since 25 November 1997 in favour of *(a)* an open list system and *(b)* a closed list system for electing MEPS. [34140]

Mr. George Howarth: Since 25 November 1997, the Home Office has received several hundred letters covering all aspects of electoral reform. It would not be possible, except at disproportionate cost, to identify separately those which expressed a view specifically on open and closed list systems for electing Members of the European Parliament.

Schengen Agreement

Sir Richard Body: To ask the Secretary of State for the Home Department, pursuant to his answer of 18 June 1997, *Official Report*, column *179*, if he will place the documents which his Department has examined relating to the Schengen Agreement in the Library. [33926]

Ms Quin: I refer the hon. Gentleman to the answer I gave to him on 2 March 1998, *Official Report*, column *446*, to the effect that we have received and examined the 1985 Schengen Agreement, the 1990 Schengen Convention and the Accession Protocols. These documents are already in the Library.

Closed Circuit Television

Mr. Cox: To ask the Secretary of State for the Home Department what funding has been provided from his Department to London local authorities for the development and installation of CCTV facilities in their boroughs in each of the last three years. [34741]

Mr. Michael: The number of closed circuit television (CCTV) schemes in London boroughs which were successful in the CCTV Challenge competitions run in 1996–97 and 1997–98 and the total amount awarded is shown in the tables.

CCTV challenge competition round 2: 1996/97

Borough	*Number of winning bids*	*Total amount awarded*
Brent	1	250,000
Camden	1	71,000
Croydon	4	296,500
Ealing	2	253,600
Hackney	2	236,005
Hammersmith & Fulham	1	106,200
Haringey	1	130,300
Harrow	2	156,880
Hillingdon	1	12,703
Hounslow	10	485,299

CCTV challenge competition round 2: 1996/97

Borough	*Number of winning bids*	*Total amount awarded*
Islington	1	71,000
Kensington & Chelsea	1	84,306
Kingston Upon Thames	1	154,500
Lewisham	1	250,000
Merton	2	177,500
Newham	6	553,800
Redbridge	1	200,000
Richmond Upon Thames	1	13,305
Southwark	1	145,000
Sutton	1	63,000
Wandsworth	1	66,500
Westminster	2	133,600
Total	44	3,910,998

CCTV challenge competition round 3: 1997/98

Borough	*Number of winning bids*	*Total award*
Barking & Dagenham	5	519,968
Bexley	1	61,088
Brent	1	135,000
Camden	1	74,250
Ealing	1	109,868
Greenwich	2	202,500
Hackney	3	324,000
Hammersmith & Fulham	2	170,469
Harrow	1	35,000
Hounslow	1	135,000
Kingston Upon Thames	1	135,000
Lambeth	1	103,500
Merton	2	146,633
Newham	2	185,000
Southwark	3	238,725
Tower Hamlets	2	186,008
Uxbridge	1	74,529
Waltham Forest	1	130,793
Wandsworth	2	117,620
Westminster	3	342,063
Total	36	3,427,014

By-elections

Dr. Whitehead: To ask the Secretary of State for the Home Department what representations he has received on the calling of local authority by-elections following the death of the sitting member with particular reference to the sensibilities of those bereaved; and if he will make a statement. [33998]

Mr. George Howarth: None. If the death of a councillor occurs not less than six months before the office concerned would normally have become vacant, a by-election must be held within 35 days of the receipt by the proper officer of the council of a notice of vacancy in writing signed by two electors.

Identity Cards

Mr. Ieuan Wyn Jones: To ask the Secretary of State for the Home Department what representations he has received regarding a national young person's identity card; and if he will make a statement. [34493]

Mr. George Howarth: Hon. Members, members of the public and other interest groups make regular representations to me for and against national identity cards, and with various purposes in mind including reducing under-age sales. However, the issues go wider than that. We are considering the options, but have no current plans to introduce a national identity card scheme.

Millennium Compliance

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department (1) what assessment he has made of whether *(a)* the Fire Service College, *(b)* the Forensic Science Service, *(c)* the UK Passport Agency and *(d)* HM Prison Service will be fully millennium compliant by 1 January 1999; [32303]

(2) what is his estimate of the cost of *(a)* the Fire Service College, *(b)* the Forensic Science Service, *(c)* the UK Passport Agency and *(d)* HM Prison Service achieving millennium compliance; [32301]

(3) when *(a)* the Fire Service College, *(b)* the Forensic Science Service, *(c)* the UK Passport Agency and *(d)* HM Prison Service will each complete their examination of the options available for achieving millennium compliance. [32300]

Mr. Straw *[holding answer 3 March 1998]:* I refer the right hon. Member to the oral statement given by my right hon. Friend the Chancellor of the Duchy of Lancaster on 27 November 1997, *Official Report,* columns 1104–05, and to his answer to a question from the hon. Member for Chesham and Amersham (Mrs. Gillan) on 3 March 1998, *Official Report,* column *622.*

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when he or his Ministers last met the Chancellor of the Duchy of Lancaster to discuss his Department's progress towards millennium compliance. [32313]

Mr. Straw *[holding answer 3 March 1998]:* The Home Office has submitted outline plans to my right hon. Friend the Chancellor of the Duchy of Lancaster and reported to him on them. These plans have been placed in the Library and on the Internet. So far, no meeting has been necessary.

Prisons (Foreign Nationals)

Mr. Beith: To ask the Secretary of State for the Home Department (1) which external bodies received funds from his Department to offer services to foreign nationals in prison in England and Wales in each of the last three years for which figures are available; [33681]

(2) what services his Department funds in respect of foreign nationals in prisons in England and Wales; and what funding they received in the last year for which figures are available. [33670]

Ms Quin: The Home Office does not provide general funding to external bodies for services to foreign nationals in prisons. However, there are a number of services purchased from external bodies by the Prison Service on behalf of foreign nationals. These include translation, interpretation and educational services, the costs of which are not kept centrally.

Additionally, the Prison Service itself provides services to meet the needs of foreign nationals. These include provision to meet religious and dietary requirements, the issue of the foreign national information pack and prisoners' information book in different languages. The Prison Service also ensures access to telephones so that prisoners can maintain contact with family members abroad. The cost of this provision, which is part of the general provision for prisoners, is met from establishment budgets and cannot be identified centrally.

Mr. Beith: To ask the Secretary of State for the Home Department how many foreign nationals received a term of imprisonment for drug importation in each of the last five years for which figures are available. [33669]

Ms Quin: The information requested is given in the table.

Receptions of foreign nationals under sentence into prisons in England and Wales for unlawful import/export of drugs 1993–1997

Year	*Unlawful import/export*
1993	260
1994	260
1995	270
1996	330
1997	380

Mr. Beith: To ask the Secretary of State for the Home Department how many foreign nationals are currently being held in gaols in England and Wales by nationality. [33679]

Ms Quin: Information on the population of foreign nationals in prisons in England and Wales on 31 December 1997 is given in the table.

Population of foreign nationals in prisons in England and Wales on 31 December 1997[1] by nationality

	Number
All foreign nationals	4,664
Total Europe	1,735
Albania	16
Armenia	2
Austria	5
Belgium	46
Bosnia-Herzegovina	7
Bulgaria	8
Croatia	2
Cyprus	83
Czechoslovakia	13
Denmark	10
France	69
Georgia	2
Germany	84
Gibraltar	2
Greece	21
Hungary	6
Irish Republic	673
Italy	89
Lithuania	17
Macedonia	2
Malta	13
Modavia	4
Netherlands	172
Norway	2
Poland	37
Portugal	42
Romania	17
Sweden	3
Slovakia	7
Spain	43
Switzerland	4
Turkey	160
Turkmenistan	3
USSR	23
Yugoslavia	42
Other	6
Total Asia	817
Bangladesh	75
China	30
Hong Kong	9
India	238
Indonesia	4
Korea (South)	2
Malaysia	11
Nepal	3
Pakistan	330
Philippines	10
Singapore	7
Sri Lanka	45
Surinam	3
Thailand	2
Vietnam	43
Other	5
Total Middle East	120
Afghanistan	6
Iran	47
Iraq	22
Israel	10
Jordan	6
Kuwait	4
Lebanon	11
Saudi Arabia	3
Syrian Arab	4
Republic United Arab Emirates	4
Other	3
Total North America	125
Canada	25
United States of America	100
Total Central or South America	165
Argentina	4
Brazil	18
Chile	7
Colombia	100
Guatemala	2
Honduras	2
Nicaragua	4
Peru	3
Uruguay	2
Venezuela	17
Other	6
Total West Indies	816
Antigua	14
Barbados	24
Cuba	2
Dominica	5
Grenada	14
Guyana	32
Haiti	2
Jamaica	644
Monserrat	2
Netherlands	2
Antilles St. Christopher & Nevis	2
St. Kitts and Nevis	6

Population of foreign nationals in prisons in England and Wales on 31 December 1997[1] by nationality

	Number
St. Lucia	25
St. Vincent and the Grenadines	6
Trinidad and Tobago	33
Other	3
Total Africa	839
Algeria	61
Angola	17
Burundi	4
Cameroon, United Republic of	6
Central African Republic	7
Congo	2
Egypt	7
Ethiopia	19
Gambia	10
Ghana	100
Ivory Coast	3
Kenya	41
Liberia	9
Libya	13
Malawi	3
Mauritania	2
Mauritius	8
Morocco	40
Nigeria	222
Senegal	3
Sierre Leone	15
Somalia	68
South Africa	54
Sudan	3
Tanzania	10
Togo	3
Tunisia	7
Uganda	39
Zaire	33
Zambia	12
Zimbabwe	12
Other	6
Total Oceania	41
Australia	24
New Zealand	15
Other	2
Antartica	6
Not recorded	385

[1] Provisional figures.

Mr. Beith: To ask the Secretary of State for the Home Department how many foreign nationals received a prison sentence in England and Wales in the last year for which figures are available; and how many of those receiving a prison sentence had a pre-sentence report relating to their circumstances. [33667]

Ms Quin: Provisional information for 1997 shows that 4,550 foreign nationals were received into Prison Service establishments in England and Wales under sentence. Information regarding the number of foreign nationals who had a pre-sentence report is not collected centrally.

Sex Offenders

Mr. Jim Cunningham: To ask the Secretary of State for the Home Department what plans he has to increase resources for the treatment of sex offenders after they leave prison. [34039]

Ms Quin: The resources needed for the supervision of sex offenders in the community following release from prison will be determined after the comprehensive spending reviews have been completed. I cannot anticipate the outcome, although it is relevant that the provisions in the Crime and Disorder Bill for the extended supervision of sexual and violent offenders following release are estimated to generate long run net additional costs of £20 million a year.

Mr. Jim Cunningham: To ask the Secretary of State for the Home Department what assessment he has made of the advantages of disclosing information about sex offenders who have been released. [34038]

Mr. Michael: When we implemented the Sex Offenders Act 1997, serious consideration was given to how information on sex offenders should be disclosed and in what circumstances. The general presumption that personal information should not be disclosed may be over-ridden, for the protection of children and vulnerable adults. We concluded that this should be judged on a case by case basis based on the risk posed by any individual. Guidance on the Sex Offenders Act issued last summer made clear that a risk assessment should be undertaken by the police, probation service and other child protection agencies. More detailed inter-agency guidance will be issued in due course in the light of experience since we implemented the Act.

Anti-drugs Campaigns

Mr. Flynn: To ask the Secretary of State for the Home Department when he will publish the research undertaken for his Department by Teesside University Criminology Department on the results of anti-drugs campaigns. [34719]

Mr. George Howarth: In 1994/95, Teesside University Criminology Department undertook some work for the then Newcastle Drugs Prevention Team and others, including the Northern Regional Health Authority, as part of the development of local drugs prevention activities. The work included confidential interviews with young people about their attitudes to, and knowledge of, drugs misuse. It was never intended that this work should be published, and we have no plans to do so.

Child Pornography

Ms Beverley Hughes: To ask the Secretary of State for the Home Department how many reports of child pornography made by the Internet Watch Foundation since it was established have led to prosecutions in the UK or abroad. [33333]

Mr. Michael: During the first year of operation, the Internet Watch Foundation has processed 781 reports referring to 4,300 items, of which only 6 per cent. apparently originated in the United Kingdom. 2,000 items were referred to Internet Service Providers as potentially illegal, and to the police via the National Criminal Intelligence Service. Of the small number of notifications relating to material known to have originated in the United Kingdom, I understand that investigations have led to an arrest in one case and in three others information has been helpful to the police. Information about articles originating abroad has facilitated two prosecutions, in Germany and Switzerland, and has been of assistance generally for intelligence purposes.

Ms Beverley Hughes: To ask the Secretary of State for the Home Department (1) what action he is taking to increase the proportion of illegal child pornography present on UK Internet service providers' news servers which is identified and then removed; [33332]

(2) what estimate he has made of the proportion of illegal child pornography present within the newsgroups over the last year which has been voluntarily removed by UK Internet service providers from their news servers following advice from the Internet Watch Foundation or the Metropolitan Police. [33331]

Mr. Michael: All child pornography is illegal and the laws relating to it apply equally on the Internet as elsewhere. United Kingdom Internet Service Providers are responsible in law for their own conscious acts and omissions. When they are notified of potentially illegal material on their news servers, they have a responsibility to remove it, and have been diligent in doing so.

The Internet Watch Foundation (IWF) published its first annual report on 3 March, which covered the year December 1996—December 1997. Figures are not available for the total number of items of child pornography that might exist in news groups but, during the period of the report, the IWF notified United Kingdom Internet Service Providers of 2,000 potentially illegal items, reported via the hotline, almost all relating to child pornography. I understand that all the items notified to Internet Service Providers were voluntarily removed by them.

The IWF announced on 3 March that further action was being taken to increase the effectiveness of its work. This includes: introducing new procedures to enable it to undertake pro-active scanning of problem areas and take prompt action to have potentially illegal material removed, without having first received a report via the hotline; increasing public awareness of the new hotline number, and establishing links with other hotlines which are being set up within the European Union and elsewhere.

Ms Beverley Hughes: To ask the Secretary of State for the Home Department what information he has received from the Metropolitan Police about the number of internet newsgroups, and the number of articles within such newsgroups, which have contained illegal child pornography over the last year. [33330]

Mr. Michael: The Commissioner tells me that the Metropolitan Police's Organised Crime Group Paedophilia Unit does not monitor the Internet as a matter of course. The Paedophilia Unit does investigate allegations reported to them. This unit works closely with the Metropolitan Police's Clubs and Vice Unit, and the National Criminal Intelligence Service, who are the focal point for incidents reported by the Internet Watch Foundation. The recently published Internet Watch Foundation Annual Report stated that 781 reports were received referring to over 4,300 items. 85 per cent. of actioned reports were about child pornography. Only a small proportion of reported items originated from the United Kingdom (6 per cent.); most were from the United States of America (63 per cent.) and Japan (19 per cent.).

Ms Beverley Hughes: To ask the Secretary of State for the Home Department what arrangements exist within his Department to monitor the effectiveness of current arrangements for identifying and removing child pornography which is accessible via the Internet to UK residents and businesses. [33328]

Mr. Michael: On 3 March, the Government announced their intention to review the work of the Internet Watch Foundation (IWF), and to report the results in the Autumn. The review will focus on the effectiveness of the arrangements for dealing with reports of potentially illegal material, the structure and composition of the IWF, extension of its priorities for action and promoting awareness of its work.

More generally, Home Office officials are in regular contact with the IWF on the progress being made in identifying and removing child pornography from the Internet. The statistics produced by the IWF, for its management and policy boards, on reports received and action taken are forwarded to the Home Office and to the Department of Trade and Industry.

Internet Watch Foundation

Ms Beverley Hughes: To ask the Secretary of State for the Home Department if he will list the internet service providers offering internet access to UK residents and businesses which *(a)* are a party to the agreement which established the Internet Watch Foundation and *(b)* are not party to this agreement. [33329]

Mr. Michael: Most Internet Service Providers are members of the industry's trade associations—the Internet Service Providers Association (ISPA) and the London Internet Exchange (LINX)—which supported the establishment of the Internet Watch Foundation (IWF) (details of their membership may be obtained from the relevant association). The issue of non-affiliated service providers will be looked at in the context of the Review of the work of the IWF which the Government announced on 3 March.

Immigration Advisers

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department, pursuant to his oral answers of 2 February 1998, *Official Report*, columns 703–04, on immigration advisers, how his Department assesses the quality of representation in immigration and asylum cases provided by those organisations funded under section 23 of the 1991 Immigration Act. [34581]

Mr. Mike O'Brien: The work of the Refugee Legal Centre and Immigration Advisory Service, the two organisations funded under section 23 of the Immigration Act 1971, is regulated through the framework laid down in the respective Conditions of Grant-in-Aid, under which they are required to agree performance targets and measures with the Home Office and to provide regular reports on the levels of performance achieved.

World Cup

Mr. Spring: To ask the Secretary of State for the Home Department what representations he has received from *(a)* football organisations, *(b)* the emergency services, *(c)* the organisers of the World Cup and *(d)* the French

authorities concerning the prevention of known football hooligans from (i) travelling to France during the World Cup and (ii) obtaining tickets for the World Cup. [34197]

Mr. Michael: These issues have been discussed regularly during the preparations for the World Cup, most recently during the European Union (EU) Presidency seminar at Blackburn on the policing of football. The seminar was successful on a number of counts, not least the attendance of a range of groups and organisations from within the EU and the associated states. These included police, football associations, supporters groups and the French Organising Committee (CFO). The seminar allowed frank and informed discussions at an international level on the measures considered necessary to minimise the ability of football hooligans travelling to matches in other countries at club and international level and the adoption of ticketing policies to maximise effective ground configuration. The seminar provided a number of initiatives which will be taken forward under the aegis of the EU Police Co-operation Working Group.

Mr. Spring: To ask the Secretary of State for the Home Department what steps he has taken to ensure that those guilty of football offences in France during the World Cup are brought to trial in France. [34190]

Mr. Michael: The French authorities have indicated that they will prosecute those suspected of having committed offences. A State Magistrate will be appointed for each World Cup venue and offenders will be brought before a court within 48 hours.

The prosecution of offenders in France is a matter for the French authorities. It has been made clear in discussion with the French Organising Committee (CFO) and the Ministry of the Interior that the United Kingdom Government strongly support the intention of the French authorities to prosecute offenders and support the firm application of the law to those who choose to break it.

Mr. Spring: To ask the Secretary of State for the Home Department what steps he has taken to prevent the large-scale deportation of football fans from France during the World Cup; and what representation he has made to the French authorities on this matter. [34191]

Mr. Michael: The decision on how to deal with those who cause trouble in France during the World Cup is a matter for the French authorities. My right hon. Friend is satisfied that the French authorities will apply the law firmly but fairly. They have indicated that they will look to prosecute those suspected of having committed offences and there is no reason to believe that deportation will be used as an alternative to prosecution.

Football-related Offences

Mr. Spring: To ask the Secretary of State for the Home Department how many people in the UK have been convicted of a football-related offence in the last *(a)* year, *(b)* two years and *(c)* five years; and how many are currently the subject of restriction orders. [34199]

Mr. Michael: There are currently some 30 restriction orders in place, an increase of 20 orders since my right hon. Friend's initiative at Christmas 1997 to encourage police, the courts and prosecutors to seek restriction orders for football-related offences. The figures requested are as follows:

Year	*Number of convictions for football-related offences*[1]
1992–93	4,588
1993–94	4,227
1994–95	3,840
1995–96	3,437
1996–97	3,577

[1] The offences concerned are those set out in Schedule 1 of the Football Spectators Act 1989.

Mr. Spring: To ask the Secretary of State for the Home Department what steps the Government have taken to reach bilateral agreements with other Governments so that domestic courts can impose restriction orders on those convicted of football offences abroad. [34194]

Mr. Michael: Bilateral agreements are presently in place with Italy, Norway, Republic of Ireland, Scotland and Sweden. We are presently in consultation with the French and Danish Governments on reaching such an agreement.

Mr. Spring: To ask the Secretary of State for the Home Department what steps he has taken to encourage additional countries to ratify and to implement the European Convention on Spectator Violence. [34193]

Mr. Michael: This is a matter for the Council of Europe, which places great store in the contribution the United Kingdom makes to the work of the Standing Committee that oversees the Convention. Forty-seven countries have ratified already. The United Kingdom participates fully in the work of the Standing Committee which oversees implementation of the Convention and, through the Standing Committee, encourages the wide adoption and implementation of the Convention.

Mr. Spring: To ask the Secretary of State for the Home Department how many British football fans were arrested during the football World Cup finals held in Italy in 1990. [34198]

Mr. Michael: The information available—which is not comprehensive—indicates that there were 240 arrests of England supporters during Italia '90. Of these, 225 were deported and the remaining 15 convicted of offences and given a term of imprisonment of four months, suspended for two years.

Mr. Spring: To ask the Secretary of State for the Home Department what steps he has taken to promote the use of restriction orders for those convicted of football-related offences. [34196]

Mr. Michael: Home Office officials wrote to all chief police officers in the run-up to the Christmas 1997 football programme reminding them of the powers available under the Football Spectators Act 1989 and encouraging the use of these powers where applicable. The Lord Chancellor's Department and the Crown Prosecution Service wrote in similar terms to courts and prosecutors respectively.

I am pleased to report that, since that initiative, the number of restriction orders in force has increased from 10 to 30 and we anticipate that this number will increase.

Mr. Spring: To ask the Secretary of State for the Home Department what steps he has taken to deny access to football stadiums to those in possession of racist or offensive banners and to prevent their display in stadiums. [34192]

Mr. Michael: Section 23 of the Public Order Act 1986 provides that a person is guilty of an offence if he intends racial hatred to be stirred up or racial hatred is likely to be stirred up by displaying, publishing, distributing or broadcasting written material which is threatening, abusive or insulting. The enforcement of these provisions is an operational matter for the police and the decision to deny access to grounds is a matter for the individual stadium owners and the police.

The Football Task Force is looking into racism in football as a priority and is expected to report shortly.

Restriction Orders

Mr. Spring: To ask the Secretary of State for the Home Department what steps the Government have taken to increase the penalty for failing to comply with the terms of a restriction order. [34195]

Mr. Michael: My right hon. Friend has asked officials to review the existing legislation on football-related offences including provisions relating to the issue and enforcement of restriction orders.

Surplus Property and Land

Mr. Baker: To ask the Secretary of State for the Home Department if he will list the properties and land owned by his Department which he has identified as surplus to requirements, giving in each case their estimated value. [30316]

Mr. Straw *[holding answer 23 February 1998]:* The requested information on non-residential surplus properties and land owned by my Department is in the table.

Records of the residential properties owned by the Home Office are not centralised and a list of those that are surplus could be made only at disproportionate cost. Progress in reducing the number of these is reported annually. The latest was on 20 November 1997, *Official Report*, column *303*.

Priority	*Location*	*Estimated value £*
Branston Store (part surplus)	Burton-on-Trent, Derbyshire	350,000
Steventon Store	Steventon, Oxfordshire	3,250,000
Gringley	Gringley-on-the-Hill, Nottinghamshire	345,000
Poltimore	Broadclyst, Devon	150,000
Day's Lane	Bedford, Bedfordshire	350,000
Crown Buildings	Hope Cove, Devon	35,000

Prostitution

Helen Jones: To ask the Secretary of State for the Home Department how many under-18s were *(a)* cautioned, *(b)* charged and *(c)* convicted following involvement in prostitution for each year since 1992. [34360]

Mr. Michael *[holding answer 13 March 1998]:* Detailed data on the number of people charged are not collected centrally.

Information available on the number of young people cautioned, prosecuted and convicted for prostitution related offences is given in the tables.

Table A: Number of offenders aged 10 to under 18 cautioned for offences[1] relating to prostitution by age and sex, 1992–1996

England and Wales

Offence description/year	*Ages* 10		11		12		13		14	
	m	*f*	*m*	*f*	*m*	*f*	*m*	*f*	*m*	*f*
Soliciting by a man [Sexual Offences Act 1956 S32]										
1992	—	—	—	—	—	—	—	—	2	—
1993	—	—	—	—	—	—	—	—	3	—
1994	—	—	—	—	—	—	—	—	1	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Kerb-crawling [Sexual Offences Act 1985 S1]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Persistent soliciting of women for the purpose of prostitution [Sexual Offences Act 1985 S2]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—

Table A: Number of offenders aged 10 to under 18 cautioned for offences[1] relating to prostitution by age and sex, 1992–1996
England and Wales

Offence description/year	Ages 10		11		12		13		14	
	m	f	m	f	m	f	m	f	m	f
Common prostitute behaving in a riotous and indecent manner in a public place [Vagrancy Act 1824 S3 & S4(pt)]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Common prostitute loitering or soliciting for the purposes of prostitution [Street Offences Act 1959 S1]										
1992	—	1	—	—	—	1	—	1	—	6
1993	—	—	—	—	—	—	—	5	—	32
1994	—	—	—	—	—	1	—	5	—	19
1995	—	—	—	—	—	2	—	4	—	11
1996	—	—	—	1	—	1	—	5	—	16

Table A: Number of offenders aged 10 to under 18 cautioned for offences[1] relating to prostitution by age and sex, 1992–1996
England and Wales

Offence description/year	Ages 15		16		17		Total 10–17	
	m	f	m	f	m	f	m	f
Soliciting by a man [Sexual Offences Act 1956 S32]								
1992	2	—	2	—	4	—	10	—
1993	—	—	1	—	2	—	6	—
1994	1	—	2	—	—	—	4	—
1995	—	—	—	—	1	—	1	—
1996	—	—	1	—	3	—	4	—
Kerb-crawling [Sexual Offences Act 1985 S1]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—
1994	—	—	—	1	3	—	3	1
1995	—	—	—	1	—	1	—	2
1996	1	—	—	—	1	—	2	—
Persistent soliciting of women for the purpose of prostitution [Sexual Offences Act 1985 S2]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	1	—	1	—
1994	—	—	—	—	1	1	1	1
1995	—	—	—	2	—	2	—	4
1996	—	2	—	—	—	1	—	3
Common prostitute behaving in a riotous and indecent manner in a public place [Vagrancy Act 1824 S3 & S4(pt)]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—
1994	—	—	—	4	—	—	—	4
1995	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—
Common prostitute loitering or soliciting for the purposes of prostitution [Street Offences Act 1959 S1]								
1992	1	41	—	62	—	189	1	301
1993	—	32	—	82	—	145	—	296
1994	—	25	—	91	—	156	—	297
1995	1	27	—	63	2	156	3	263
1996	—	31	—	74	—	160	—	288

[1] Generally, attempting, conspiring, inciting, aiding, abetting, causing or permitting a crime is classified under the heading of the crime itself, though in certain cases it can be a separate offence.

Table B: Number of defendants aged 10 to under 18 prosecuted at magistrates' courts for offences[1] relating to prostitution by age and sex, 1992–1996
England and Wales

Offence description/year	Ages 10		11		12		13		14	
	m	f	m	f	m	f	m	f	m	f
Soliciting by a man [Sexual Offences Act 1956 S32]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—

Table B: Number of defendants aged 10 to under 18 prosecuted at magistrates' courts for offences[1] relating to prostitution by age and sex, 1992–1996

England and Wales

Offence description/year	Ages 10 m	10 f	11 m	11 f	12 m	12 f	13 m	13 f	14 m	14 f
Kerb-crawling [Sexual Offences Act 1985 S1]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Persistent soliciting of women for the purpose of prostitution [Sexual Offences Act 1985 S2]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Common prostitute behaving in a riotous and indecent manner in a public place [Vagrancy Act 1824 S3 & S4(pt)]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Common prostitute loitering or soliciting for the purposes of prostitution [Street Offences Act 1959 S1]										
1992	—	—	—	—	—	1	—	—	—	1
1993	—	—	—	—	—	—	—	—	—	1
1994	—	—	—	—	—	1	—	3	—	5
1995	—	—	—	—	—	—	—	—	—	1
1996	—	—	—	—	—	—	—	—	—	—

Table B: Number of defendants aged 10 to under 18 prosecuted at magistrates' courts for offences[1] relating to prostitution be age and sex, 1992–1996

England and Wales

Offence description/year	Ages 15 m	15 f	16 m	16 f	17 m	17 f	Total 10–17 m	Total 10–17 f
Soliciting by a man [Sexual Offences Act 1956 S32]								
1992	—	—	—	—	1	—	1	—
1993	1	—	—	—	—	—	1	—
1994	—	—	—	—	—	—	—	—
1995	—	—	—	—	1	—	1	—
1996	—	—	—	—	—	—	—	—
Kerb-crawling [Sexual Offences Act 1985 S1]								
1992	—	—	—	—	1	—	1	—
1993	—	1	—	—	2	—	2	1
1994	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—
1996	—	—	1	—	1	—	2	—
Persistent soliciting of women for the purpose of prostitution [Sexual Offences Act 1985 S2]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	1	—	1	—
1994	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—
Common prostitute behaving in a riotous and indecent manner in a public place [Vagrancy Act 1824 S3 & S4(pt)]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	1	—	1
1995	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—

Table B: Number of defendants aged 10 to under 18 prosecuted at magistrates' courts for offences[1] relating to prostitution be age and sex, 1992–1996

England and Wales

Offence description/year	Ages 15		16		17		Total 10–17	
	m	f	m	f	m	f	m	f
Common prostitute loitering or soliciting for the purposes of prostitution [Street Offences Act 1959 S1]								
1992	—	10	—	35	3	237	3	284
1993	—	8	—	27	—	123	—	159
1994	—	14	—	44	1	103	1	170
1995	1	8	2	29	4	102	7	140
1996	—	6	—	51	2	153	2	210

[1] Generally, attempting, conspiring, inciting, aiding, abetting, causing or permitting a crime is classified under the heading of the crime itself, though in certain cases it can be a separate offence.

Table C: Number of offenders aged 10 to under 18 convicted at all courts for offences[1] relating to prostitution by age and sex, 1992–1996

England and Wales

Offence description/year	Ages 10		11		12		13		14	
	m	f	m	f	m	f	m	f	m	f
Soliciting by a man [Sexual Offences Act 1956 S32]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Kerb-crawling [Sexual Offences Act 1985 S1]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Persistent soliciting of women for the purpose of prostitution [Sexual Offences Act 1985 S2]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Common prostitute behaving in a riotous and indecent manner in a public place [Vagrancy Act 1824 S3 & S4(pt)]										
1992	—	—	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—
Common prostitute loitering or soliciting for the purposes of prostitution [Street Offences Act 1959 S1]										
1992	—	—	—	—	—	1	—	—	—	—
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	1	—	3
1995	—	—	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—	—	—

Table C: Number of offenders aged 10 to under 18 convicted at all courts for offences[1] relating to prostitution by age and sex, 1992–1996

England and Wales

Offence description/year	Ages 15		16		17		Total 10–17	
	m	f	m	f	m	f	m	f
Soliciting by a man [Sexual Offences Act 1956 S32]								
1992	—	—	—	—	—	—	—	—
1993	1	—	—	—	—	—	1	—
1994	—	—	—	—	—	—	—	—
1995	—	—	—	—	1	—	1	—
1996	—	—	—	—	—	—	—	—

Table C: Number of offenders aged 10 to under 18 convicted at all courts for offences[1] relating to prostitution by age and sex, 1992–1996
England and Wales

Offence description/year	Ages 15 m	15 f	16 m	16 f	17 m	17 f	Total 10–17 m	Total 10–17 f
Kerb-crawling [Sexual Offences Act 1985 S1]								
1992	—	—	—	—	1	—	1	—
1993	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—
1996	—	—	1	—	—	—	1	—
Persistent soliciting of women for the purpose of prostitution [Sexual Offences Act 1985 S2]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	1	—	1	—
1994	—	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—
Common prostitute behaving in a riotous and indecent manner in a public place [Vagrancy Act 1824 S3 & S4(pt)]								
1992	—	—	—	—	—	—	—	—
1993	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	1	—	1
1995	—	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—	—
Common prostitute loitering or soliciting for the purposes of prostitution [Street Offences Act 1959 S1]								
1992	—	7	—	25	3	215	3	248
1993	—	7	—	25	1	73	1	105
1994	—	13	—	35	—	89	—	141
1995	—	4	1	25	3	72	4	101
1996	—	4	—	44	2	129	2	177

[1] Generally, attempting, conspiring, inciting, aiding, abetting, causing or permitting a crime is classified under the heading of the crime itself, though in certain cases it can be a separate offence.

Written Answers to Questions

Tuesday 17 March 1998

PRIME MINISTER

Millennium Compliance

Mr. David Atkinson: To ask the Prime Minister if he will raise the need for computer systems to be millennium compliant at the forthcoming summits of *(a)* the G8, *(b)* the EU and *(c)* the EU and USA; and if he will make a statement. [33865]

The Prime Minister: The century date change will be raised within the G8 either at the Summit or at the meeting of Foreign and Finance Ministers. In addition to raising the issue at the Telecommunications Council we are also exploring with the European Commission at what other events it should be discussed.

World Cup 2006

Dr. Fox: To ask the Prime Minister if he will make a statement on representations he made on the siting of matches in Scotland in the event of England hosting the 2006 World Cup finals, to the President of FIFA, when he met him on 11 March. [34799]

The Prime Minister: This is a matter for the Football Association and FIFA. Details about siting of matches in Scotland were not discussed at the meeting.

Written Answers

Mr. Baker: To ask the Prime Minister what steps he is taking to reduce the number of holding answers issued by his Department in response to written questions. [35028]

The Prime Minister: I seek to meet the deadlines set by Members in every case but it is not always possible to do so.

I am receiving approximately 40% more written Parliamentary Questions, a proportion of which are for named day answer, than was the case under the previous administration.

News International

Mr. Leigh: To ask the Prime Minister when he last met Mr. Rupert Murdoch; where the meeting took place; and what was discussed. [35063]

The Prime Minister: I refer the hon. Member to the reply that I gave the hon. Member for Lewes (Mr. Baker) on 5 March 1998, *Official Report*, column 702.

SOCIAL SECURITY

Social Security Appeals

Helen Jones: To ask the Secretary of State for Social Security what estimate she has made of the average waiting time for a social security appeal to be heard, from the date the appeal is lodged with the ITS. [34598]

Mr. Keith Bradley: The Independent Tribunal Service reports that the current average waiting time for an appeal to be heard by a Social Security Appeal Tribunal is approximately 28 weeks.

However, we are determined to reduce the current delays and complexity in the appeals system. The Social Security Bill, which paves the way for modernising the delivery of Social Security, including the handling of appeals, had its second reading in the House of Lords on 15 January. The Secretary of State will assume responsibility for the administration of the appeals system. She will set and publish demanding targets for the administration of appeals and report on the results.

Public Bodies

Mr. Burns: To ask the Secretary of State for Social Security if she will publish a list of non-departmental public bodies *(a)* she has abolished since 1 May 1997 and *(b)* she has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34826]

Mr. Field: No non-departmental public bodies have been abolished or established since 1 May 1997.

Benefit Integrity Project

Mr. Kirkwood: To ask the Secretary of State for Social Security if she will list the main disabling conditions of people who have been assessed by the Benefit Integrity Project and have had their disability living allowance *(a)* maintained, *(b)* reduced, *(c)* increased and *(d)* withdrawn. [34100]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from David Riggs to Mr. Archy Kirkwood, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question about listing the main disabling conditions of people who have been assessed by the Benefit Integrity Project (BIP) and have had their Disability Living Allowance (DLA) (a) maintained, (b) reduced, (c) increased and (d) withdrawn. As Mr. Mathison is away from the office on leave, I am replying.

The information is not available in the format requested. Of the 54,839 people whose cases have been assessed by the BIP, 20,027 are recorded as having two main disabling conditions. The figures provided relate only to those cases where one main disabling condition applies.

At the time an award of DLA is made, the Adjudication Officer records the main disabling condition on the DLA computer system. However the system allows for different conditions to be recorded in respect of the care and the mobility components. This usually arises when they are awarded at different times. The number of cases for which there are two conditions recorded is identified separately. The BIP database does not allow such cases to be analysed further.

The information available is set out in the table.

I hope you find this reply helpful.

Disability	*Maintained*	*Reduced*	*Increased*	*Withdrawn*	*Total*
Arthritis	7,336	1,445	261	814	9,856
Cerebrovascular disease	2,486	632	88	187	3,393
Disease of muscles/bones/joints	1,860	471	57	332	2,720
Heart disease	1,921	400	67	291	2,679
Spondylosis	1,560	437	55	314	2,366
Chest disease	1,579	185	34	99	1,897
Multiple sclerosis	1,345	106	51	28	1,530
Back pain	890	300	31	302	1,523
Neurological diseases	1,122	175	33	106	1,436
Malignant disease	450	126	22	190	788
Mental subnormality	625	92	21	8	746
Asthma	439	96	20	107	662
Trauma to limbs	353	155	10	110	628
Diabetes mellitus	450	91	15	46	602
Parkinson's disease	384	19	24	6	433
Major trauma	235	104	5	75	419
Epilepsy	235	61	10	38	344
Chronic fatigue syndromes	178	60	10	95	343
Peripheral vascular disease	217	46	9	22	294
Renal disorders	167	50	4	48	269
Bowel and stomach disease	96	31	5	55	187
Blindness	151	24	4	3	182
Psychoneurosis	100	42	7	30	179
Psychosis	79	33	2	18	132
Multi system disorders	96	19	0	14	129
Paraplegia/tetraplegia	83	25	2	7	117
Inflammatory bowel disease	60	15	3	31	109
AIDS	68	5	2	28	103
Blood disorders	60	14	1	25	100
Cystic fibrosis	70	13	3	7	93
Alcohol abuse	58	11	1	8	78
Skin disease	44	17	1	10	72
Dementia	60	4	3	3	70
Motor neurone disease	49	3	0	1	53
Frailty—senility	39	7	1	6	53
Severely mentally impaired	41	5	2	0	48
Metabolic disease	30	4	2	8	44
Deafness	23	5	0	3	31
Behavioural disorder	18	7	1	1	27
Haemophilia	16	2	0	4	22
Personality disorder	8	2	1	3	14
Terminally ill	10	0	2	0	12
Total parental nutrition	5	2	0	3	10
Double amputee	5	2	1	0	8
Deaf/blind	3	0	1	0	4
Multiple allergy syndrome	3	0	0	0	3
Haemodialysis	2	1	0	0	3
Hyperkinetic syndrome	1	0	0	0	1
Sub-total	25,110	5,344	872	3,486	34,812
Cases with two disabling conditions	17,620	1,540	427	440	20,027
Total	42,730	6,884	1,299	3,926	54,839

Notes:
1. Terminally ill cases are not necessarily paid under the Special Rules.
2. All figures are as at 31 January and are subject to change.

Mr. Kirkwood: To ask the Secretary of State for Social Security (1) how many people who have been assessed by the Benefit Integrity Project had their initial claim decided *(a)* on the basis of the claim pack alone, *(b)* with a general practitioner's factual report and *(c)* by medical examination; and how many of those people in each case have had their disability living allowance (i) maintained, (ii) reduced, (iii) increased and (iv) withdrawn; [34102]

(2) how many people who have been assessed by the Benefit Integrity Project have had their disability living

allowance reduced or withdrawn *(a)* as a result of a lessening of the need or b) where the need was unchanged but equipment was or could be used to meet that need. [34103]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible and also that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from David Riggs to Mr. Archy Kirkwood, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Questions concerning the Benefits Integrity Project (BIP). As Mr. Mathison is away from the office on leave, I am replying.

The information requested is not available. The BIP is looking again at some existing awards of DLA. Recipients of the higher rate mobility component combined with the highest or middle rate of the care component are being contacted by post or at a visit to obtain an up to date picture of their circumstances. Cases are selected by a random monthly scan of the DLA computer system.

The DLA computer system does not record the evidence on which the initial award was made. Neither has the BIP extracted this information from clerical records.

Any changes made to a person's benefit reflect the decision of an Adjudication Officer (AO) that the needs arising from that person's disability have changed.

The reasons underlying the change in a person's needs may include an improvement in their condition or their adaptation to the effects of their disability, for example through the use of aids and equipment or through changes to their living accommodation. In some other cases, the award may be changed because the AO has decided that the initial award was incorrect, that is there was a mistake concerning some material fact when the AO made the decision. The BIP database does not maintain a level of detail that enables me to identify cases where the award was changed because of the availability of equipment which was or could be used to meet that need.

Sorry I cannot be more helpful.

Mr. Kirkwood: To ask the Secretary of State for Social Security how many people who have been assessed by the Benefit Integrity Project had made their first claim before 1992; and how many of those people have had their disability living allowance *(a)* maintained, *(b)* reduced, *(c)* increased and *(d)* withdrawn. [34101]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible and also that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon Member.

Letter from David Riggs to Mr. Archy Kirkwood, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question concerning how many people who have been assessed by the Benefit Integrity Project (BIP) has made their first claim before 1992; and how many of those people have had their Disability Living Allowance (DLA) (a) maintained, (b) reduced, (c) increased and (d) withdrawn. As Mr. Mathison is away from the office on leave, I am replying.

The number of cases looked at by the BIP who made their first claim before 6 April 1992, the date of commencement of the DLA, is 24,415. Of these, 21,140 have had their award maintained, 2,079 have had their awards reduced, 575 have had their award increased and 621 have had their award withdrawn.

I hope you find this reply helpful.

Mrs. May: To ask the Secretary of State for Social Security what is her Department's current estimate of funds needed to run the Benefit Integrity Project over the next financial year; what has been the cost of the project since 1 May 1997; how many staff are allocated to the project; and if she will make a statement on the current running costs of the project. [34593]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible and also, that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of the Benefit Integrity Project is a matter for Peter Mathison, the Chief Executive of the Benefits Agency. He will write to the hon. Member.

Letter from David Riggs to Mrs. Theresa May, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter mathison to reply to your recent Parliamentary Question asking about the estimate of funding and staffing for the Benefits Integrity Project (BIP). As Mr. Mathison is away from the office on leave, I am replying.

It is estimated that the BIP will cost £11.954m for the financial year 1998/9. However this is currently under review following the changes announced on 9 February 1998. On that date the Secretary of State announced that no case likely to result in the reduction or removal of benefit will be passed to an Adjudication Officer for review without further evidence being obtained in addition to that supplied by the customer on the BIP questionnaire.

The forecast cost of BIP for the year 1997/8 is £8.189m.

The total number of staff involved in the BIP is 441. This is made up of 280 staff based in Blackpool and 161 Visiting Officers around the country, based in 11 Disability Benefit Centres.

I hope you find this reply helpful.

Mr. Burstow: To ask the Secretary of State for Social Security, pursuant to her answer of 3 March 1998, *Official Report*, columns *609–10*, concerning the adequacy of publicity for the right of disability living allowance claimants to request copies of previous DLA forms, if she will require *(a)* BIP questionnaires and *(b)* letters notifying DLA claimants of a BIP interview to include a clear statement about the right to see previous claim forms. [33355]

Mr. Denham *[holding answer 9 March 1998]:* The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible and also that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member with further details.

Letter from David Riggs to Mr. Paul Burstow, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question, pursuant to her Answer of 3rd March, concerning the adequacy of publicity for the rights of Disability Living Allowance (DLA) claimants to request copies of previous DLA forms, if she will require (a) Benefit Integrity Project (BIP) questionnaires and (b) letters notifying DLA claimants of a BIP interview to include a clear statement about the rights to see previous claim forms. As Mr. Mathison is away from the office on leave, I am replying.

It is normal practice to give customers, on request, copies of previously completed DLA claim packs. This has always been the case and is not specific to the BIP.

A review of all forms including questionnaires and notifications relating, not only to BIP but DLA/Attendance Allowance as a whole, is currently being undertaken and this will form part of that review.

I hope you find this reply helpful.

Mr. Burstow: To ask the Secretary of State for Social Security, pursuant to her answer of 3 March 1998, *Official Report*, column *610*, relating to disability living allowance claimants, if she will supply the equivalent information for claimants who have had their DLA reduced as set out in the letter from Peter Mathison dated 18 February (Ref.31888). [33348]

Mr. Denham *[holding answer 9 March 1998]:* The Benefit Integrity Project aims to ensure that those in receipt of DLA are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible and also that we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member with further details.

Letter from David Riggs to Mr. Paul Burstow, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question, pursuant to her Answer of 3rd March, relating to Disability Living Allowance (DLA) claimants, if she will supply the equivalent information for claimants who have had their DLA reduced as set out in the letter from Peter Mathison dated 18th February (Ref: 31888). As Mr. Mathison is away from the office on leave, I am replying.

The information requested is contained in the attached tables.

I hope you find this reply helpful.

The total number of postal and interview enquiries carried out by the Benefit Integrity Project to date

Postal cases as at 31 December 1997	*Number*
No. of cases reduced	2,346
No. of cases reviewed	502
Review decision maintained	[1]378
Restored to a higher rate on review	11
Restored to a lower rate on review	[2]38
Restored to original award on review	75
Total number of cases restored on review	124
Total number of Postal Cases looked at =	25,638

[1] This figure includes 10 decisions where the level of award has been maintained but the period has been extended on review.

[2] Including 14 completely disallowed.

Note:

These figures include all combinations of awards resulting from a reduction.

Visit cases as at 31 December 1997	*Number*
No. of cases reduced	692
No. of cases reviewed	53
Review decision maintained	40
Restored to a higher rate on review	0
Restored to a lower rate on review	4
Restored to original award on review	9
Total number of cases restored on review	13
Total number of BIP interviews	7,515

Note:

These figures include all combinations of awards resulting from a reduction.

Disability Living Allowance

Mr. Kirkwood: To ask the Secretary of State for Social Security (1) how many new claims for disability living allowance were *(a)* made and *(b)* awarded in each quarter since April 1992; [34104]

(2) how many life awards of disability living allowance in each quarter since April 1992 were made in respect of *(a)* the care component and *(b)* the mobility component; [34105]

(3) how many new awards of disability living allowance, in each year since 1992, *(a)* were made on the basis of the claim pack alone, *(b)* also required a factual report from a GP or consultant, *(c)* required a medical examination and *(d)* required other evidence, broken down by (i) care component and (ii) mobility component; [34106]

(4) how many people receiving disability living allowance were living in non-local authority residential care or nursing homes for more than 28 days, in each year since 1992. [34107]

Mr. Denham: The administration of Disability Living Allowance (DLA) is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to the hon. Member with further details.

Letter from David Riggs to Mr. Archy Kirkwood, dated 16 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Questions regarding claims for Disability Living Allowance (DLA). As Mr. Mathison is away from the office on leave, I am replying.

The information is not available in the format requested. Such information as is available is shown in the attached tables.

The number of people receiving DLA living in non local authority residential care or nursing homes for more than 28 days is not available.

I hope you find this reply helpful.

Disability Living Allowance claims made and awarded since April 1992[1]

Quarter ending	*Claims received*[2]	*Claims decided*[2]	*Claims awarded*[2]
June 1992[3]	173,834	105,844	71,014
September 1992[3]	128,031	179,331	141,897
December 1992[3]	122,402	161,539	105,475
March 1993	133,135	154,812	89,535
June 1993	120,367	129,403	71,743
September 1993	104,777	107,641	51,946
December 1993	99,012	97,528	47,304
March 1994	110,955	102,467	52,354
June 1994	121,572	112,315	55,253
September 1994	129,729	126,240	59,484
December 1994	119,473	120,006	54,653
March 1995	132,816	130,640	63,403
June 1995	117,102	119,087	58,979
September 1995	126,233	122,565	61,499
December 1995	126,273	128,955	64,136
March 1996	141,103	132,563	63,275
June 1996	134,831	129,078	60,229
September 1996	133,922	131,059	61,304
December 1996	124,554	131,112	61,365
March 1997	124,281	124,546	56,771
June 1997	132,092	121,318	54,352
September 1997	121,067	125,333	56,478
December 1997	110,813	115,369	52,627

Disability Living Allowance claims made and awarded since April 1992[1]

Quarter ending	*Claims received*[2]	*Claims decided*[2]	*Claims awarded*[2]
Additional information[4]			
February to June 1992	370,200	250,455	82,589

[1] Source: Analytical Services Division: 100 per cent. data.
[2] Includes top up.
[3] Excludes a small number processed in 1992 for which the exact date of processing was unknown.
[4] Relates to all claims registered and decided up to end of June 1992. Although DLA was payable from the start of April 1992 some claims were before the start of April 1992.

Awards of Disability Living Allowance (DLA)

	Care component		*Mobility component*	
Quarter ending	*All awards*	*Life awards*	*All wards*	*Life awards*
May 1993	44,400	23,200	49,100	27,900
August 1993	38,400	20,200	42,400	23,900
November 1993	33,200	18,500	36,300	21,900
February 1994	33,500	20,100	37,300	25,800
May 1994	39,300	23,400	43,200	29,600
August 1994	42,700	24,100	48,700	30,700
November 1994	41,700	23,700	46,300	29,100
February 1995	41,800	25,200	45,300	31,600
May 1995	45,500	28,100	48,700	33,300
August 1995	44,200	27,800	47,800	33,900
November 1995	51,100	34,700	54,900	40,800
February 1996	43,900	29,300	44,500	32,700
May 1996	48,100	30,100	48,500	33,500
August 1996	46,200	27,600	47,200	31,500
November 1996	49,900	30,500	51,100	33,200
February 1997	42,600	24,000	40,900	24,500
May 1997	40,600	22,300	40,200	24,000
August 1997	44,500	22,700	43,200	24,300
November 1997	41,500	21,200	39,400	22,500

Note:
Figures rounded to the nearest hundred relate to awards made on initial claim.
Source:
Analytical Services Division: 5 per cent. data.

New Awards of Disability Living Allowance by components and evidence type[1]

	Claim pack alone	*Factual Report*	*Medical Examination*	*Other Evidence*	*All types of evidence*
1992–93					
Care component	90,398	45,057	40,075	6,831	182,362
Mobility component	97,133	58,911	48,060	8,672	212,776
1993–94					
Care component	63,406	47,966	32,764	6,246	150,382
Mobility component	68,050	54,794	38,335	6,677	167,855
1994–95					
Care component	67,085	60,841	31,522	9,325	168,773
Mobility component	70,481	68,919	35,793	9,633	184,826
1995–96					
Care component	62,770	70,083	41,425	11,430	185,708
Mobility component	62,176	78,331	45,997	11,075	197,579
1996–97					
Care component	32,694	81,946	63,210	7,641	185,491
Mobility component	22,030	86,922	69,763	5,659	184,375
1997–98[2]					
Care component	25,560	75,288	48,632	7,377	156,857
Mobility component	14,076	74,944	51,538	4,152	144,709

[1] Source: Analytical Services Division: 100 per cent. data.
[2] Figures relate to the 11 months ending 28 February 1998.
Note:
The data includes DLA Normal Rules and DLA Special Rules Claims.

HOUSE OF COMMONS

Members' Smoking Room

Mr. Syms: To ask the Chairman of the Catering Committee what is the estimated cost of proposed changes to the Members' Smoking Room. [34410]

Mr. Dennis Turner: At present there are no firm proposals for any changes in, or to, the Smoking Room. However, the Committee will be seeking the views of all hon. Members shortly.

AGRICULTURE, FISHERIES AND FOOD

Unpasteurised Milk

Mr. Charles Kennedy: To ask the Minister of Agriculture, Fisheries and Food how many responses he has received in respect of his consultation over the future status of unpasteurised milk; how many were *(a)* in favour and *(b)* against a possible ban on (i) unpasteurised milk and (ii) milk products; and if he will make a statement. [31713]

Dr. John Cunningham *[holding answer 4 March 1998]:* We have received about 5,000 representations about the consultation, which was solely about a proposal to ban sales of raw cows' drinking milk in England and Wales. This number includes letters from Members of Parliament, representative organisations, individuals and signatories to petitions. Views range between certain producers and consumers who want sales to continue, to most public health professionals who favour a ban.

A ban on sales of raw cows' drinking milk was introduced in Scotland in 1983.

Fisheries

Mr. Townend: To ask the Minister of Agriculture, Fisheries and Food which was the ruling by the European Court of Justice that overruled the Court's earlier judgment in the Jaderow Case C-246/89 recognising that the fishing quota system, as a system of national quota, was a derogation from the principle of non-discrimination laid down in Article 40(3) of the Treaty. [34569]

Mr. Morley: The Jaderow judgment did not say that the system of national quotas was a derogation from the principle of non-discrimination.

Mr. Townend: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer to the hon. Member for Ludlow (Mr. Gill) of 5 March 1998, *Official Report*, column *728*, whether, if Portugal, Spain, Finland and Sweden do not obtain new derogations for the period after 2002, the principle of equal access will then apply to their fishing grounds. [34570]

Mr. Morley: Unless the Council decides otherwise, access to fishing grounds after 2002 will continue to be limited by the principle of relative stability and the national quota system. There will also continue to be restrictions on access within 6 and 12 mile limits if the Council decides to renew the present derogation, as I expect it will.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food if he will meet *(a)* the National Federation of Fishermen's Organisations and *(b)* the Scottish Fishermen's Federation before the next Council of Ministers meetings. [34862]

Mr. Morley: Yes.

Mackerel Handline Fishery

Ms Atherton: To ask the Minister of Agriculture, Fisheries and Food what extra provision he has made for the Cornish handline mackerel fishery; and if he will make a statement on its future. [34944]

Mr. Morley: It is proposed to amend the underpinning arrangements for the mackerel handline fishery so that it receives a minimum allocation of 1,750 tonnes or 0.33 per cent. of the UK quota, whichever is the greater. As a result, the handline fishery may expect to receive an initial allocation of some 1,750 tonnes for 1998 compared to 1,450 tonnes with the previous arrangements. Additionally, we have, through quota swaps, secured an extra 300 tonnes of mackerel which will be used to offset the overfishing of the 1997 allocation and the repayment of quota swaps to other groups.

"Agriculture in the United Kingdom"

Ms Drown: To ask the Minister of Agriculture, Fisheries and Food when he expects the latest volume of "Agriculture in the United Kingdom" to be published. [35201]

Dr. John Cunningham: "Agriculture in the United Kingdom" 1997 was published today and copies have been placed in the Library of the House.

Public Bodies

Mr. Burns: To ask the Minister of Agriculture, Fisheries and Food if he will list the non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34831]

Mr. Morley: In a News Release on 28 May 1997, my right hon. Friend announced the disbanding of the Department's nine advisory Regional Panels.

The Potato Industry Development Council (known as the British Potato Council) was established on 1 July 1997. The body, which is funded by a levy on the industry, has planned annual running costs of £1.334 million for the year ending 30 June 1998.

Mink Farming

Mr. Baker: To ask the Minister of Agriculture, Fisheries and Food what statutory changes would be required to effect a ban on mink farming. [35025]

Mr. Morley: The Government's position on fur farming is that they remain committed to implementing their pre-election pledge to end fur farming as soon as practicable. Last year, we reviewed the various options available to prohibit the keeping of mink and other species for fur and a public consultation letter seeking comments on the way we proposed to proceed was issued on 5 August 1997. The public consultation period has now ended and we are currently considering how the intention

to prohibit fur farming can best be implemented. An announcement will be made once we have decided how to proceed. There would be public consultation on any proposals for legislation to ban fur farming.

DEFENCE

Biological and Chemical Weapons

Mr. Gordon Prentice: To ask the Secretary of State for Defence if he will list those biological and chemical warfare agents evaluated by DERA to which there is no known antidote. [30554]

Mr. Spellar: The Chemical and Biological Defence Sector at Porton Down carries out research which is directed towards providing the UK Armed Forces with safe and effective protection against the threat posed by biological and chemical warfare agents.

It would not be in the interests of national security to reveal any known biological or chemical warfare agents to which there is no available medical countermeasure, as to do this would provide information to a potential aggressor against the UK.

Under exemption 1 of the Code of Practice on Access to Government Information I will not, therefore, disclose whether or not such agents exist.

Army Training

Mr. Sheerman: To ask the Secretary of State for Defence what steps he is taking to ensure that the quality of training available to army personnel equips them both for their duties in the armed forces and for civilian employment on the completion of service. [34150]

Dr. Reid: The Army training system is primarily designed to ensure that each individual serviceman and woman is equipped effectively to carry out their military duties. It is, however, certainly the case that the specialist, leadership, initiative, communication and team skills which are developed throughout a military career are all transferable to a civilian environment, so that our Army is one of the best work forces in Britain.

In line with the Department's commitment to Investors in People, a great many opportunities exist, and are being developed, for Army personnel to acquire vocational and other civilian qualifications through their military training and experience. This training is quality assured through a combination of partnerships with lead and awarding bodies, and through individual access to accredited schemes. The attainment of recognisable civilian qualifications is a particular benefit to the Service leaver when he or she enters the civilian job market. The Army will be looking to see what more can be done in this area both to reflect our commitment to our Service personnel, in the context of the Strategic Defence Review, and in line with this Government's Life Long Learning initiative.

In their final year of service, eligible Service leavers are encouraged to take advantage of a broad range of sponsored resettlement training. This training, which is predominantly job-focused, is monitored and quality assured by the Tri-Service Resettlement Organisation, and adheres to Industry approved standards where appropriate. Service leavers are also encouraged to attend civilian courses which lead to a nationally recognised qualification.

Departmental Art Collection

Mr. Cohen: To ask the Secretary of State for Defence what steps he has taken to recover missing items of his Department's art collection; and if he will make a statement. [34763]

Mr. Spellar: We continue to make every effort to recover missing works of art. On two occasions, in December 1994 and September 1996, memorandums have been issued to all staff, listing the missing works of art and asking staff to assist in their recovery. In addition, photographs of missing works of art have been published in my Department's staff newspaper. My Department's works of art staff are continuing to seek missing works of art by examination of records, searches of our buildings and inquiries made throughout my Department. The Ministry of Defence Police assist in this task when required and are at present investigating a case which could lead to the recovery of a painting. Since the issue of the first memorandum, seventeen missing works of art have been found and twenty-one works of art have been otherwise accounted for.

Public Bodies

Mr. Burns: To ask the Secretary of State for Defence if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34829]

Mr. Spellar: No non-departmental public bodies have been abolished or established since 1 May 1997.

Aer Lingus Viscount Crash, 1968

Mr. Wigley: To ask the Secretary of State for Defence what was the total cost to the defence budget of operations undertaken by the UK in searching for remains of the Aer Lingus Viscount which crashed on 24 March 1968 in the Irish Sea; and how much of this cost was passed on to the Irish Government. [34811]

Dr. Reid: I will write to the right hon. Member and a copy of my letter will be placed in the Library.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Countryside Management Schemes

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the total cost to public funds of countryside management schemes *(a)* nationally and *(b)* in Shropshire for each year since 1979. [34257]

Angela Eagle: The information is not available in the form requested. Information on grants provided by

Countryside Commission for its countryside management schemes from 1982–83 to date is provided below:

£

Year	National	Shropshire
1982–83	460,061	n/a
1983–84	741,000	n/a
1984–85	681,000	n/a
1985–86	876,000	n/a
1986–87	887,000	n/a
1987–88	1,337,000	n/a
1988–89	1,786,000	n/a
1989–90	2,374,539	106,000
1990–91	3,363,018	185,000
1991–92	3,565,241	343,000
1992–93	4,374,668	187,000
1993–94	4,687,221	93,937
1994–95	5,065,842	258,649
1995–96	3,657,191	200,979
1996–97	2,955,515	130,390
Total	36,811,296	1,504,955

New Housing

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 10 March 1998, *Official Report*, columns *95–96*, what *(a)* research he has commissioned and *(b)* evidence he has evaluated concerning trends in the size of rooms in newly-built houses and flats. [34520]

Ms Armstrong: The Department does not collect information on the size of rooms in newly built houses and flats, and no research has been commissioned on this. Information is collected on the total useable floor area of houses and flats, and trends in the size of common types are set out below.

Average useable floor area of common dwelling types (sq m), by date of construction

Date of construction	1 bed flat	2 bed flat	2 bed house	3 bed house	4 bed house	All dwellings
1991–1996	45.5	55.5	55.9	81.2	112.5	71.6
1986–1991	42.3	59.0	54.4	71.6	125.6	73.1
1981–1986	44.7	52.2	55.0	78.9	110.7	71.7
1976–1981	44.7	60.7	60.2	76.7	118.3	74.9
All dwellings[1]	46.9	63.3	64.2	80.9	125.7	78.2

[1] This is for the whole stock and includes older dwellings which tend to be larger than those built today. All dwellings that have subsequently been extended from their original form have been excluded.

Mr. Webb: To ask the Secretary of State for the Environment, Transport and the Regions what plans he has to ensure that large-scale developments of new housing have enough space set aside to provide for the leisure and recreational needs of prospective residents. [34338]

Mr. Caborn: Our Planning Policy Guidance note 17: "Sports and Recreation", advises local planning authorities to assess their needs for public open space and recreation provision, in order to identify deficiencies and draw up their own standards of provision. It also advises that local planning authorities may seek to enter into a planning obligation, under section 106 of the Town and Country Planning Act 1990 to secure provision of open space, playing fields and other facilities. We will be considering whether to revise this guidance in the light of recent research which we will be publishing in the near future.

Our Planning Policy Guidance Note 3: "Housing", advises that new housing developments should include adequate provision of suitable areas for children's play, including formal play space. We have recently announced our intention to revise this guidance. All aspects of this guidance will be reviewed.

Waste

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions (1) what statistics his Department collates on the trans-national movement of waste; what form the information takes; and what public access there is to this information; [34457]

(2) if he will list the types and quantities of toxic waste imported into the United Kingdom in each year since 1992 for *(a)* recycling and *(b)* other processing. [34456]

Angela Eagle: Information relating to transnational shipments of waste into and out of England and Wales is collected on behalf of my Department and the Welsh Office by the Environment Agency. The Scottish Environmental Protection Agency and the Environment and Heritage Agency of Northern Ireland collect similar information for Scotland and Northern Ireland respectively. Information on each shipment of waste is derived from the consignment notes that must accompany all international movements of waste and includes: date of entry/departure, type of waste, hazardous characteristics of shipment, amount imported/exported, country of origin or destination, the type of disposal or recovery operation to be used.

My Department publishes information on the types and quantities of waste imported into England and Wales for recycling and other processing in the "Digest of Environmental Statistics", which is available from the Stationery Office. The Digest also contain less detailed information on the quantities of waste imported into Scotland and Northern Ireland. A facsimile of the Digest is also placed on the Internet at http:\\www.detr.gov.uk\doe\envir\epsim. The tables show the information requested. Figures for 1994 cover only the period 6 May 1994 to 31 December 1994. Figures for 1995 are provisional. Figures for 1994 onwards are not strictly comparable with those for the earlier years, as replacement of the Transfrontier Shipment of Waste Regulations 1988, with Council Regulation (EEC) No 259/93 on 6 May 1994 led to changes in the operation of the system from which data are derived and to the definitions used.

Imports of waste into England and Wales and other processing in 1992–93 and 1993–94

	1992–93		1993–94	
Type of waste	Recycling	Other processes	Recycling	Other processes
Inorganic and organic acids	0	1,047	0	210
Alkalis	0	120	0	1,362
Toxic metal compounds	0	120	128	64
Non-toxic metal compounds	0	0	0	0
Metals (elemental) and metal oxides	0	122	0	201

Imports of waste into England and Wales and other processing in 1992–93 and 1993–94

Type of waste	1992–93 Recycling	1992–93 Other processes	1993–94 Recycling	1993–94 Other processes
Inorganic compounds	0	459	18	1,918
Other organic materials	323	10,457	0	9,660
Organic compounds (excluding PCBs)	159	4,893	261	1,983
PCBs/PCB contaminated waste	0	4,781	0	3,744
Polymeric materials and precursors	0	843	0	2,450
Fuels, oils and greases	0	4,495	0	18,700
Fine chemicals and biocides	0	3,534	16	3,632
Miscellaneous chemical waste	0	777	32	3,064
Filter materials, sludge and rubbish	0	8,778	0	5,934
Interceptor wastes, paints	0	1,213	0	2,173
Miscellaneous wastes	0	3,230	35	10,881
Hospital and similar wastes	0	439	0	0
Total	482	45,308	490	85,976

Imports of waste into England and Wales for recycling and other processing, 1994 and 1995

Wastes consisting of, or contaminated with	1994 Recycling	1994 Other processes	1995 Recycling	1995 Other processes
Health care wastes	0	227	0	196
Fine chemicals and biocides	1,012	8,688	3,151	6,710
Organic solvents, including halogenated organic solvents	4,689	586	999	1,145
Inorganic and organic cyanides	0	320	0	0
Mineral oils, oil/water and hydrocarbon/water mixtures	755	508	1,957	30
PCBs and PCB contaminated items	90	1,767	0	1,487
Tarry residues from refining, distillation and pyrolitic treatments	0	150	80	21
Inks, paints, dyes and pigments	226	338	46	559
Polymeric materials and precursors	476	255	258	70
Photographic chemicals and materials	615	0	5,503	0
Wastes from the treatment of metals and plastics	160	27	14	81
Residues from industrial waste disposal	13,023	585	4,411	928
Heavy metals and their compounds	5,390	40	1,580	153
Arsenic and antimony and their compounds	40	0	0	0
Inorganic fluorine compounds	0	737	0	0
Acids and bases in solid form or solution	22	793	2,000	66
Phenols, ethers and organohalons not elsewhere specified	23	164	0	41
Wastes collected from households	0	245	0	0

Imports of waste into England and Wales for recycling and other processing, 1994 and 1995

Wastes consisting of, or contaminated with	1994 Recycling	1994 Other processes	1995 Recycling	1995 Other processes
Residues from incineration of household waste	0	1,579	0	3,013
Unclassified	1,109	9,693	8,571	7,379
England and Wales	27,630	26,698	28,570	21,879
Scotland	2,441	0	4,308	6
Northern Ireland	0	60	n/a	n/a
Total	30,070	26,758	32,876	21,885

Bedford Borough Council

Mr. Sayeed: To ask the Secretary of State for the Environment, Transport and the Regions if he will ensure that the interim District Auditors report into financial irregularities in respect of Bedford Borough Council is released immediately. [34341]

Ms Armstrong: My right hon. Friend has no power to instruct an auditor to make a public interest report or to issue any instructions with regard to the publication of such a report. It is a matter for the auditor to consider whether he should use his powers under section 15(3) of the Local Government Finance Act 1982 to make a report to the body concerned. Where an auditor decides to make an immediate report the body concerned must make the report available for inspection and provide copies on request.

Green Ministers

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer to the hon. Member for Worsley (Mr. Lewis) of 31 July 1997, *Official Report*, column *542*, if he will list the occasions since 30 July when Green Ministers have met, indicating what decisions were taken on each occasion. [34991]

Mr. Meacher: Since 30 July 1997 Green Ministers have met once, on 18 December. They endorsed policy guidance on environmental appraisal which has since been formally cleared by the Cabinet Environment Committee and will be issued shortly. They also shared information and best practice on various topics including: the outcome of the Kyoto Conference on climate change; the developing integrated transport policy; systems for policy appraisal; and the greening Departments' operations.

Since October 1997, I have also met individual Green Ministers in a series of 17 bilaterals designed to address matters of particular relevance to their Departments. Only one of these Departmental bilaterals remains to be held.

Allotments

Mr. Corbyn: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the area of allotment land for each London borough *(a)* for each of the past three years and *(b)* for 1998–99; and if he will make a statement. [34307]

Angela Eagle *[holding answer 16 March 1998]:* This information is not held by the Department.

INTERNATIONAL DEVELOPMENT

Public Bodies

Mr. Burns: To ask the Secretary of State for International Development if she will publish a list of non-departmental public bodies *(a)* she has abolished since 1 May 1997 and *(b)* she has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34823]

Mr. Foulkes: My right hon. Friend the Secretary of State for International Development has neither abolished nor established any non-departmental public bodies since 1 May 1997.

WALES

NHS Trusts

Mr. Rogers: To ask the Secretary of State for Wales (1) what is the projected end of year financial position of each NHS trust in Wales; [33294]

(2) what is the current financial position of each NHS trust in Wales. [33295]

Mr. Win Griffiths: The table sets out the projected end of year and current position as reported by trusts for the financial quarter December 1997:

£000

NHS trusts Wales	*Projected year-end surplus/(deficit)*[1]	*Current surplus/(deficit)*[1]
Bridgend	0	(121)
Cardiff Community	259	287
Carmarthen	(1,659)	(887)
Ceredigion	(1,100)	(523)
Clwydian	187	157
East Glamorgan	92	435
Glan Clwyd	127	13
Glan Hafren	330	1,036
Glan Y Mor	0	314
Gwent Community	66	59
Gwynedd Community	97	1,361
Gwynedd Hospital	(92)	209
Llandough	(1,822)	(1,445)
Llanelli	(800)	(592)
Mid Glam Ambulance	49	276
Morriston	(2,691)	(1,764)
Nevill Hall	(82)	16
North Glamorgan	(308)	678
North Wales Ambulance	56	183
Pembs/Derwen	(2,097)	(1,563)
Powys	(1,278)	(871)
Rhondda	116	149
Sewat	0	508
Swansea	60	52
UHW Dental Hospital	(92)	156
UHW	(4,574)	(1,658)
Velindre	87	325
West Wales Ambulance	0	151
Wrexham	(737)	(777)
Total	(15,806)	(3,836)

[1] as at December 1997.

Greenfield Sites

Mr. Evans: To ask the Secretary of State for Wales how many hectares of green field land not classified as Green Belt and available for building there were in Wales on 1 May. [33481]

Mr. Win Griffiths: Information on the amount of Greenfield land available for building on is not available. However, it is up to local planning authorities to ensure that an adequate and continuous supply of suitable land is available for development in a way which is consistent with the principle of sustainable development.

After-school Clubs

Mr. Barry Jones: To ask the Secretary of State for Wales what plans he has to expand *(a)* after school homework clubs and *(b)* literacy and numeracy clubs in Wales. [33539]

Mr. Hain: Funding for out of school activities will be provided by the New Opportunities Fund, which will be established by the National Lottery Bill (Royal Assent is expected July 1998). A great many schools in Wales already offer high-quality out of school learning provision across the country. Lottery funding will therefore be very important not only in allowing schools to initiate projects to support children's learning but to expand and/or enhance existing work.

Council of Ministers

Mr. Ancram: To ask the Secretary of State for Wales what draft concordats he is currently preparing to regulate the participation of Members of the National Assembly for Wales in meetings of the European Council of Ministers; and if he will make copies of such draft concordats available in the Library. [33891]

Mr. Ron Davies: I refer the right hon. Member to the reply I gave him on 10 March 1998, *Official Report*, column *156*. All relevant concordats will where appropriate cover European matters.

Tourism

Mr. Spring: To ask the Secretary of State for Wales if he will make a statement on the percentage of *(a)* domestic holiday makers and *(b)* overseas visitors to the United Kingdom who spend their holiday in Wales. [33816]

Mr. Hain: In 1996, the latest year for which figures are available, 11.1 per cent. of domestic and 3.8 per cent. of overseas holidaymakers visited Wales.

Music Tuition

Mr. Llwyd: To ask the Secretary of State for Wales how much has been spent by each unitary authority on *(a)* music tuition, *(b)* youth choirs, *(c)* orchestras and *(d)* brass bands in each of the last five years. [34349]

Mr. Ron Davies: The information requested is not held centrally.

Mr. Llwyd: To ask the Secretary of State for Wales if he will take steps to increase expenditure on music tuition in Wales; and if he will make a statement. [34354]

Mr. Ron Davies: The provision of music services is a matter for local authorities and it is the responsibility of individual authorities to determine how the resources made available to them are allocated between services, taking into account their statutory responsibilities and perceptions of local needs and priorities.

Historic Properties

Mr. Llwyd: To ask the Secretary of State for Wales what grants are available to help historic properties retain their traditional features; and if he will make a statement. [34353]

Mr. Hain: Grants to assist in the repair or restoration of buildings of outstanding historic or architectural interest and towards works to buildings which will significantly enhance or preserve a conservation area are available from the Welsh Office. I have sent the hon. Member a copy of Cadw's booklet "Historic Buildings Grants and Conservation Area Grants".

In addition, many local authorities work with Cadw in jointly funding Town Schemes which provide assistance for external repairs to properties.

Sports Grants

Mr. Pendry: To ask the Secretary of State for Wales (1) what was the total grant-in-aid made available by the Sports Council of Wales to governing bodies of sport for each of the financial years 1992 to 1998; and what it is projected to be for the next three financial years; [34250]

(2) if he will list, by individual governing body, the grant-in-aid projected to be made available by the Sports Council for Wales to governing bodies of sport for the next three financial years; [34252]

(3) if he will list, by individual governing body, the grant-in-aid made available by the Sports Council for Wales to governing bodies of sport for each of the financial years 1992 to 1998. [34249]

Mr. Ron Davies: These are operational matters for the Sports Council for Wales and I will ask the Chief Executive to write to my hon. Friend with the information he has requested. A copy of his letter will be placed in the Library of the House.

Public Bodies

Mr. Burns: To ask the Secretary of State for Wales if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34824]

Mr. Ron Davies: Since 1 May 1997 the following non-departmental public bodies have been abolished: Agricultural Advisory Panel for Wales; Staff Commission for Wales; and the Welsh Council for Post Graduate Medical and Dental Education. In addition the following non-departmental public bodies have also been identified for abolition: Cardiff Bay Development Corporation; the Development Board for Rural Wales; the Land Authority for Wales; the Residuary Body for Wales; and Tai Cymru. I have not established any new non-departmental public bodies since 1 May 1997.

Tram Scheme, Llandudno

Mr. Evans: To ask the Secretary of State for Wales (1) when Conwy County Borough Council submitted a bid for Government funding for its proposed tram scheme in Llandudno; [34808]

(2) what is the completion date of Conwy County Borough Council's proposed tram scheme for Llandudno; [34885]

(3) if Conwy County Borough Council had planning consent for its proposed tram scheme in Llandudno before it submitted a bid for Government funding; [34888]

(4) what steps he has taken to secure the refund of the Government grant to Conwy County Borough Council for the purpose of a tram scheme in Llandudno, if the tram scheme does not proceed. [34884]

Mr. Hain: Conwy County Borough Council's application for Welsh Capital Challenge funding for the proposed tramway at Llandudno was submitted under cover of a letter from the Chief Executive on 10 October 1996. This application was made in advance of planning consent being sought.

The then Secretary of State approved funding of £1.1 million over 3 years in the 1997–98 Challenge round towards a £2.6 million project cost with the difference being met by a number of private companies. Completion of the project was planned for 1999–2000.

The proposed tramway project is part of a wider planning application currently before the Council. In the event of significant slippage against the project's original timetable and expenditure profile, as with all Welsh Capital Challenge approvals where such slippage occurs, the Secretary of State will want to consider in due course whether it is appropriate to withdraw the offer of funding, or to make funds available for completion of the project in future years.

Walton Hospital, Liverpool

Mr. Wigley: To ask the Secretary of State for Wales if he will make an assessment of the impact on the health of patients needing to see a neurosurgeon of long journeys to Walton Hospital, Liverpool. [34820]

Mr. Win Griffiths: No. It is for clinicians to make such an assessment, based on the likely benefit to each patient of investigation and treatment from the specialist neuro-surgical service at Walton Hospital.

Companies' Costs

Mr. Ancram: To ask the Secretary of State for Wales if he will estimate the change in costs for companies in Wales as a result of changes in taxation since 1 May 1997. [33625]

Dawn Primarolo: I have been asked to reply.

All taxpaying companies will benefit from the 2 per cent. cut in corporation tax rates announced in the last Budget. Details of other tax measures are shown in table 2.2 of the July 1997 Financial Statement and Budget Report. No separate figures are available for companies in Wales.

Company Pension Schemes

Mr. Ancram: To ask the Secretary of State for Wales if he will estimate the impact of the additional taxation on pension schemes on companies in Wales. [33621]

Dawn Primarolo: I have been asked to reply.

An estimate of the effect of the July 1997 tax credit changes on the pension schemes of companies in Wales is not available.

Export Credits Guarantees

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make a statement on the working of the export credits guarantee system as it affects the industries of Wales. [33537]

Mrs. Roche: I have been asked to reply.

Export credit cover for United Kingdom companies is made available by the Export Credits Guarantee Department (primarily for capital goods and project exports) and a number of private sector insurers such as NCM, Trade Indemnity and Coface LBF (for other goods). All of these organisations will be able to offer the full range of their facilities to the industries of Wales.

FOREIGN AND COMMONWEALTH AFFAIRS

European Summit

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the estimated total cost to his Department of holding the European Summit meeting in Cardiff in June 1998. [34495]

Mr. Doug Henderson: The current estimated forecast total cost to this Department of the European Council in Cardiff is £6.5 million (excl. VAT).

Iraq

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs how many inspections have been carried out by UNSCOM in Iraq since 1 March; and at what locations. [34613]

Mr. Doug Henderson: Since 1 March 1998, the Special Commission's resident Monitoring Groups have conducted regular monitoring inspections throughout Iraq. In addition they have provided support to visiting short-term teams. UNSCOM have not released the precise numbers of inspections and names of sites into the public domain.

Harare Declaration

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to amend the Harare Declaration. [34621]

Mr. Doug Henderson: None. The commitments contained in the Harare Commonwealth Declaration are as valid today as they were in 1991 when they were agreed by Commonwealth Heads of Government. At the most recent Commonwealth Heads of Government Meeting, which took place in Edinburgh in October 1997, Heads of Government reaffirmed their commitment to the fundamental values of the Commonwealth, as set out in the Harare Declaration. They agreed that compliance with those values would be one of the conditions for countries applying to join the Commonwealth. And they agreed a wider remit for the Commonwealth Ministerial Action Group, which is tasked to address serious and persistent violations of the Harare principles.

BBC World Service

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the future of the BBC World Service. [34611]

Mr. Fatchett: The BBC World Service is an important national asset and makes a vital contribution to the promotion of Britain abroad. We are committed to the maintenance of its outstanding reputation for objective news and comment and continued pre-eminence among international broadcasters.

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if he will list his meetings with the Chinese Government where the jamming of BBC World Service short wave transmissions to China was on the formal agenda; [34610]

(2) what representations he has made to the Chinese Government concerning the jamming of the BBC World Services short wave transmissions to China. [34612]

Mr. Fatchett: The BBC have not asked us to take up this matter with the Chinese authorities. We raised the issue of media freedom in our dialogues with the Chinese on human rights. We are also pressing for Chinese signature of the International Covenant on Civil and Political Rights, which includes the right to receive and impart information and ideas, of all kinds, regardless of frontiers.

South Africa

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the projects supported by his Department to promote multi-party democracy in South Africa. [34578]

Mr. Doug Henderson: Many of the activities of our High Commission in South Africa are intended to help create the context in which multi-party democracy can flourish. This has included specific projects such as assistance to the Institute for Democracy in South Africa (IDASA) and the Helen Suzman Foundation, as well as support for independent journalism. The Department for International Development also promotes multi-party democracy, for example through its programme of Parliamentary visits, and its contribution to workshops for legislators in the region organised by the Commonwealth Parliamentary Association.

The Westminster Foundation for Democracy, to which this department contributes financially, has approved the following projects in South Africa in Financial Year 1997–98:

Conference on the Role of Political Parties

ANC Follow-up Fundraising Workshop

Support for Parliamentary Monitoring Office

Workshop to Build Policy Skills in National, Provincial and Local Government

Training for Local Government Councillors

Conservative Party visit to South Africa, Namibia and Botswana

Support for KwaZulu Natal Monitoring Publication

Support for IDASA Political Analysis and Monitoring Publication.

EU Directives

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list those EU directives of which it is his Department's policy to seek a repeal, and about which he has approached other EU member states. [34624]

Mr. Doug Henderson: We are committed to simpler and better EU legislation which conforms with the principle of subsidiarity.

This can often be achieved by simplifying existing legislation and ensuring that new legislation does not impose disproportionate burdens rather than by repeal.

We are pursuing during the UK Presidency a number of means to achieve this, for example, through the Simpler Legislation for the Internal Market (SLIM) initiative, which aims to reduce the burden of certain internal market regulations.

Turkey

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs what initiatives are being pursued to improve relations between Turkey and the EU. [34575]

Mr. Doug Henderson: The Luxembourg European Council in December 1997 agreed to draw up a European Strategy for Turkey, designed to prepare Turkey for accession by bringing it closer to the European Union in every field. This should consist of development of the possibilities afforded by the Ankara Agreement; intensification of the Customs Union; implementation of financial cooperation; approximation of laws and adoption of the Union acquis; and participation, on a case by case basis, in certain EU programmes and agencies.

The Commission tabled its initial proposals for this strategy on 4 March. We will be taking these forward as Presidency of the EU.

Belarus

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on *(a)* the strength of democratic institutions and *(b)* the human rights record of the Government in Belarus. [34622]

Mr. Doug Henderson: Democratic institutions in Belarus are weak. We fully support the work of the recently established OSCE Advisory and Monitoring Group (AMG) in Minsk, which aims to assist the Belarussian authorities in promoting democratic institutions and in complying with other OSCE commitments.

Belarus's human rights record is poor. We have particular concerns about freedom of speech and association and media freedom, which we have frequently raised with the Belarussian authorities. In February 1998, the UK Presidency on behalf of the EU protested against heavy sentences imposed on two youths for painting anti-government slogans on public buildings and statues.

Latvia

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent disturbances in Latvia between native Latvians and the ethnic Russian population. [34577]

Mr. Doug Henderson: On 3 March a crowd, mainly from the Russian-speaking community, and mostly pensioners, gathered outside Riga town hall to protest about increased heating charges. As numbers grew, police moved in to force the crowd back on to the pavement. An initial investigation by the Latvian authorities into claims that the police used unnecessary force has concluded that no police officers were guilty of misconduct. There have been no reports of serious injuries. We are encouraging both the Russian and the Latvian governments to ensure that their reactions to the incident are proportionate to the events themselves.

Esperanto

Mr. Gordon Prentice: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will assess the advantages of promoting *(a)* Esperanto and *(b)* another language as the common official language of the European Union following the accession of the candidate member states; and if he will make a statement. [34745]

Mr. Doug Henderson: We do not consider it realistic to expect Member States of an enlarged European Union to agree on a common official language.

Yemen and Oman

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to visit *(a)* Yemen and *(b)* Oman. [34556]

Mr. Fatchett: My right hon. Friend the Foreign Secretary has no current plans to visit either Yemen or Oman.

Mr. Vaz: To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings have taken place since 1 May involving representatives from his Department at which *(a)* Oman and *(b)* Yemen were discussed; and how many meetings he and his ministers have had with representatives of the (i) Oman and (ii) Yemeni Governments. [34557]

Mr. Fatchett: There have been numerous meetings between officials and members of the Yemeni and Omani Embassies since May 1997.

My right hon. Friend the Foreign Secretary met the Yemeni Foreign Minister in London in June last year and called on the President of Yemen during his visit to the UK last November. The Yemeni Foreign Minister also called on me in January.

My right hon. Friend met the Omani Minister responsible for Foreign Affairs last July. I have visited Oman twice since May 1997. During my visits I met representatives of the Omani Government, including His Majesty Sultan Qaboos. Two Omani ministers have called on me during the same period.

EU Common Foreign and Security Policy

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the Common Foreign and Security Policy working groups established by the EU; and if he will make a statement. [33948]

Mr. Doug Henderson *[holding answer 16 March 1998]:* Common Foreign and Security Policy working groups established by the EU are:

Administrative Affairs
Africa
Armaments Policy
Asia
Central Europe
Communications
Consular Affairs
Conventional Arms Exports
Drugs
Eastern Europe and Central Asia
Euro-Mediterranean
Global Disarmament
Human Rights
Latin America
Law of the Sea
Mashreq/Maghreb
Middle East/Gulf
Middle East Peace Process
Nuclear
Non-proliferation
OSCE
Planners
Protocol
Public International Law
Security
South-East Europe
Terrorism
United Nations
Western Balkans Region.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs on how many Common Foreign and Security Policy working groups established by the EU the United Kingdom is represented; and by whom. [33947]

Mr. Doug Henderson *[holding answer 16 March 1998]:* The United Kingdom is represented on all 28 Common Foreign and Security Policy working groups by officials from the Foreign and Commonwealth Office.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the terms of reference of the Common Foreign and Security Policy working groups established by the EU; when they were established; and how often they meet. [33949]

Mr. Doug Henderson *[holding answer 16 March 1998]:* Since the entry into force of the Maastricht Treaty in November 1993, 28 Common Foreign and Security Policy working groups have been created. The groups meet regularly to discuss topical issues and areas of cooperation within their respective remits as follows: Administrative Affairs, Africa, Armaments Policy, Asia, Central Europe, Communications, Consular Affairs, Conventional Arms Exports, Drugs, Eastern Europe and Central Asia, Euro-Mediterranean, Global Disarmament, Human Rights, Latin America, Law of the Sea, Mashreq/Maghreb, Middle East/Gulf, Middle East Peace Process, Nuclear Non-proliferation, OSCE, Planners, Protocol, Public International Law, Security, South-East Europe, Terrorism, United Nations, Western Balkans Region.

Public Bodies

Mr. Burns: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34836]

Mr. Tony Lloyd: My right hon. Friend the Foreign Secretary has neither abolished nor established any non-departmental public bodies since 1 May 1997.

Sierra Leone

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what subjects were discussed when the UK High Commissioner to Sierra Leone met representatives of Sandline in 1997; and who was present; [34315]

(2) if the UK High Commissioner to Sierra Leone was authorised by Ministers to meet representatives of Sandline in 1997. [34316]

Mr. Doug Henderson: I refer the hon. Member to the statement my hon. Friend the Member for Manchester, Central (Mr. Lloyd) made covering this point in the Adjournment Debate of 12 March 1998, *Official Report*, columns 844–45.

Peter Penfold, the British High Commissioner to Sierra Leone, has confirmed that on no occasion did he attend any meetings at which Sandline and President Kabbah were present together. In the course of his duties Mr. Penfold met a wide range of people including representatives of Sandline Services and affiliates. These contacts did not require prior ministerial approval. Mr. Penfold, who moved to Conakry following the May 1997 military coup in Freetown, used them to help obtain information about Sierra Leone, particularly the security situation in relation to British nationals and interests.

HOME DEPARTMENT

Police (Firearms)

Mr. Cawsey: To ask the Secretary of State for the Home Department how many police officers have been authorised to carry firearms; for how many operations firearms have been issued; and how many operations involving armed response vehicles there have been in each of the last three years for which information is available. [35188]

Mr. Michael: The information is as follows:

Annex B: Issue of police firearms
Number of operations in which firearms were issued

	1994–95	1995–96	1996–97
Avon and Somerset	156	326	312
Bedfordshire	36	264	345
Cambridgeshire	73	47	54
Cheshire	93	219	288
Cleveland	107	487	1,026
City of London	8	25	308
Cumbria	44	54	72
Derbyshire	68	72	109
Devon and Cornwall	29	90	160
Dorset	46	36	36
Durham	100	111	131
Essex	267	267	331
Gloucestershire	27	33	41
Greater Manchester	110	142	214
Hampshire	195	190	245
Hertfordshire	69	47	96
Humberside	49	92	291
Kent	95	82	236
Lancashire	57	227	333
Leicestershire	78	138	155
Lincolnshire	50	25	58
Merseyside	116	280	671
Metropolitan	1,804	2,178	2,439
Norfolk	56	96	166
Northamptonshire	40	54	64
Northumbria	593	452	1,360
North Yorkshire	25	52	65
Nottinghamshire	47	57	84
South Yorkshire	172	225	155
Staffordshire	21	80	257
Suffolk	119	150	180
Surrey	60	70	133
Sussex	375	445	235
Thames Valley	65	96	215
Warwickshire	25	55	97
West Mercia	50	59	106
West Midlands	141	226	270
West Yorkshire	181	657	617
Wiltshire	26	26	26
Dyfed Powys	16	11	17
Gwent	20	47	89
North Wales	60	117	233
South Wales	55	69	59
Total	5,824	8,476	12,379

Annex D: Number of authorised firearms officers (AFOs)

	1994–95	1995–96	1996–97
Avon and Somerset	156	157	165
Bedfordshire	67	48	46
Cambridgeshire	87	92	90
Cheshire	122	84	70
Cleveland	55	65	86
City of London	146	120	88
Cumbria	105	100	108
Derbyshire	140	130	110
Devon and Cornwall	116	140	151
Dorset	76	75	74
Durham	108	103	138
Essex	209	203	228
Gloucestershire	71	85	82
Greater Manchester	181	186	209
Hampshire	110	104	106
Hertfordshire	48	43	42
Humberside	110	104	90

Annex D: Number of authorised firearms officers (AFOs)

	1994–95	1995–96	1996–97
Kent	147	144	150
Lancashire	135	138	132
Leicestershire	103	105	104
Lincolnshire	73	81	82
Merseyside	160	119	147
Metropolitan	2,013	1,915	2,035
Norfolk	117	99	98
Northamptonshire	83	95	92
Northumbria	166	160	173
North Yorkshire	142	134	108
Nottinghamshire	125	126	128
South Yorkshire	162	125	110
Staffordshire	84	80	78
Suffolk	65	70	82
Surrey	76	79	76
Sussex	142	149	180
Thames Valley	180	175	185
Warwickshire	56	50	41
West Mercia	160	153	155
West Midlands	87	87	88
West Yorkshire	156	150	131
Wiltshire	165	145	134
Dyfed Powys	58	57	70
Gwent	54	55	70
North Wales	71	70	72
South Wales	150	154	134
Total	6,837	6,554	6,738

Annex E: Number of operations involving armed response vehicles (ARVs)

	1994–95	1995–96	1996–97
Avon and Somerset	90	200	247
Bedfordshire	0	239	309
Cambridgeshire	27	15	23
Cheshire	76	180	240
Cleveland	89	465	1,014
City of London	0	23	25
Cumbria	19	44	64
Derbyshire	58	53	97
Devon and Cornwall	0	21	0
Dorset	25	22	28
Durham	27	38	62
Essex	165	155	218
Gloucestershire	0	10	13
Greater Manchester	69	6	0
Hampshire	156	159	0
Hertfordshire	37	20	35
Humberside	6	35	284
Kent	47	42	208
Lancashire	48	187	320
Leicestershire	50	101	126
Lincolnshire	45	21	0
Merseyside	73	239	0
Metropolitan	n/k	1,025	790
Norfolk	36	80	152
Northamptonshire	21	3	20
Northumbria	310	325	715
North Yorkshire	0	0	13
Nottinghamshire	40	44	66
South Yorkshire	140	171	129
Staffordshire	3	70	235
Suffolk	113	117	120
Surrey	25	47	52
Sussex	304	413	173
Thames Valley	6	73	164
Warwickshire	22	54	91
West Mercia	26	39	77
West Midlands	58	98	103
West Yorkshire	173	587	584

Annex E: Number of operations involving armed response vehicles (ARVs)

	1994–95	*1995–96*	*1996–97*
Wiltshire	13	1	23
Dyfed Powys	9	6	12
Gwent	9	39	58
North Wales	0	14	173
South Wales	8	42	55

Mr. Cawsey: To ask the Secretary of State for the Home Department in how many operations firearms were issued to police officers in England and Wales in each of the last 10 years for which information is available; in how many operations shots were fired by police officers in each year; how many police officers were qualified to carry firearms; and if he will make a statement. [35189]

Mr. Michael: This information is as follows:

Year	*Number of authorised firearms officers*	*Number of operations*	*Number of operations in which shots fired by the police*
1987	7,349	2,185	7
1988	7,194	2,227	2
1989	7,311	2,583	4
1990	7,411	2,874	3
1991	7,717	3,722	5
1992	6,850	4,479	12
1993	6,769	5,625	6
1 April 1994 to 31 March 1995	6,837	5,824	5
1 April 1995 to 31 March 1996	6,554	8,476	5
1 April 1996 to 31 March 1997	6,738	12,379	5

Reasons for the increases in number of policy firearms operations will vary between forces, and they are best placed to answer specific inquiries. Although the number of authorised firearms officers has dropped over the years, police forces are now much better equipped to deal with armed crime, thanks to armed response vehicles and updated practices. Police firearms have only been fired in five operations in each of the last three years. This very low number confirms that police firearms officers generally carry out their duties with professionalism and restraint.

Curfews

Mr. Coaker: To ask the Secretary of State for the Home Department what plans he has to extend to all courts the power to make curfew orders enforced by electronic monitoring. [35238]

Ms Quin: Curfew orders under section 12 of the Criminal Justice Act 1991, enforced by electronic monitoring, are at present available to the courts as a penalty only in restricted pilot areas. It is our intention that these orders should in due course be made available to all courts in England and Wales.

There is a competitive tender for the provision of electronic monitoring services underway throughout England and Wales. The primary purpose of this service, which will be provided, as at present, by the private sector, is to provide electronic monitoring for prisoners under the home detention curfew scheme, under which selected short term prisoners may spend up to the last two months of their sentence under an electronically monitored curfew. I anticipate that the home detention curfew scheme will be operational in early 1999. However, contractors will also be required to provide electronic monitoring for other purposes, including curfew orders, should they be required. Roll out of curfew orders will follow the establishment of the home detention curfew scheme, according to a timetable to be discussed with those concerned and as resources allow.

European Elections

Mr. Clappison: To ask the Secretary of State for the Home Department how many other members of the European Union require voters to vote for a closed list at the regional level in European elections. [34139]

Mr. George Howarth: France, Germany, Greece, Spain and Portugal use closed list systems to elect their Members to the European Parliament. France, Greece, Spain and Portugal use national lists while Germany employs a combination of federal and Land lists.

Public Bodies

Mr. Burns: To ask the Secretary of State for the Home Department if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34834]

Mr. Straw: *(a)* No Home Office Non-Departmental Public Bodies (NDPBs) have been abolished since 1 May 1997. However, the future of six NDPBs will be affected by current developments and I hope to be able to announce in due course that several will be abolished, merged or 'sunsetted'.

(b) No new Home Office NDPBs have been created since 1 May 1997. However, under the provisions of Part IV of the Police Act 1997, the Police Information Technology Organisation (PITO), which is currently part of the Department, will be established as an executive NDPB with effect from 1 April 1998. The Organisation's forward plan for 1997–98, published in April 1997, gave a figure of £50,960k for its total gross expenditure for this year. I am unable to provide a figure for 1998–99. This is because I cannot anticipate the presentation of the Home Office Departmental Report and the main Supply Estimates to Parliament. This will happen shortly after the Budget. I will then write to the hon. Member with the information for the coming financial year.

The Crime and Disorder Bill [*Lords*] contains proposals to establish a National Board for Youth Justice as an NDPB.

Mrs. Poole

Mr. Burns: To ask the Secretary of State for the Home Department (1) if he will make a statement on the factors underlying the delay in establishing a date for a hearing appeal by Mr. and Mrs. Poole against the decision to grant an entry visa for Mrs. Poole's children to the United Kingdom; [34950]

(2) when the hon. Member for West Chelmsford can expect answers to his correspondence with his Department from 6 January onwards, relating to when Mr. and Mrs. Poole's appeal, reference UK16593, on behalf of Mrs. Poole's children to be granted an entry visa to the United Kingdom, will be heard. [34949]

Mr. Mike O'Brien: The case is currently with the Immigration Appellate Authority, which is responsible for hearing immigration appeals. My officials are looking into the matters raised and I will write to the hon. Member as soon as possible.

Correspondence

Mr. Burstow: To ask the Secretary of State for the Home Department when he will reply to the letter of 3 February from the hon. Member for Sutton and Cheam concerning the extradition of a constituent. [34963]

Mr. Michael: The hon. Member's letter was given full consideration on receipt as a representation by a Member of Parliament on behalf of a constituent. I replied to the hon. Member on Monday 16 March following a decision on the case on Friday 13 March.

Firearms (Compensation)

Mr. Page: To ask the Secretary of State for the Home Department when he expects claim ref. HER 12176 to be settled under the Firearms Compensation Scheme. [34325]

Mr. Michael: Claim No. HER 12176 was received in the Firearms Compensation Section on 29 September 1997, and the Option A and B elements of that claim are likely to be processed in around four weeks' time. The Option C elements, which will require individual consideration of the evidence of value provided, will be dealt with at a later date.

Drugs and Criminal Justice Conference

Mr. Allan: To ask the Secretary of State for the Home Department (1) what was the outcome of the Drugs and Criminal Justice Conference held on 28 to 30 January; and if he will place in the Library a summary record of the proceedings; [34687]

(2) if he will list the participants, and their organisational affiliations, who attended the Drugs and Criminal Justice Conference on 28 to 30 January. [34685]

Mr. Michael: The conference was a consultation exercise to inform the development of the Government's new anti-drugs strategy. A copy of the conference report, which includes details of participants, has been placed in the Library.

Convicted Police Officers (Pensions)

Mr. Sayeed: To ask the Secretary of State for the Home Department if he will take steps to reduce the pension entitlement of convicted police officers. [34340]

Mr. Michael: Police Pensions Regulations provide for police authorities to forfeit the pensions of police officers convicted of treason or of offences under the Official Secrets Act. There is also provision for forfeiture of a pension where an officer has been convicted of an offence committed in connection with his service as a member of a police force which has been certified by the Secretary of State to have been either gravely injurious to the interests of the State or liable to lead to serious loss of confidence in the public service. It is the responsibility of police authorities to identify cases which might merit forfeiture and to apply to the Secretary of State for the issue of a certificate. In the Metropolitan Police Service, the Commissioner identifies such cases to the Secretary of State. While such cases are few, it is wrong to provide public money for the pensions of those officers who have abused their position of trust and forfeiture should be a serious consideration in all such cases.

Millennium Compliance

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department if he will estimate the cost to his Department of *(a)* consultants and *(b)* contractors engaged by his Department to address millennium computer compliance problems; and if he will list the consultants and contractors. [32299]

Mr. Straw *[holding answer 3 March 1998]:* I refer the right hon. Member to the answer given by my right hon. Friend the Chancellor of the Duchy of Lancaster to the hon. Member for Chesham and Amersham (Mrs. Gillan) on 3 March 1998, *Official Report,* column 622. Non pay running costs noted in that answer is the estimated cost to my Department of consultants and contractors. The consultants and contractors engaged to address millennium compliance problems are Bull Information Systems Ltd; CCTA; Grosvenor Consulting Ltd; Mentis; Oracle; Praxis; Sema Group; and Software AG.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when all testing on Year 2000 compliance will be completed in his Department. [32312]

Mr. Straw *[holding answer 3 March 1998]:* Year 2000 compliance testing will be completed on all business critical systems within my Department by January 1999. Testing of some non-critical systems will continue after this date, to be completed by mid 1999.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department what contingency plans have been made for *(a)* the Fire Service College, *(b)* the Forensic Science Service, *(c)* the UK Passport Agency and *(d)* HM Prison Service in the event of a failure due to Year 2000 computer problems. [32302]

Mr. Straw *[holding answer 3 March 1998]: (a)* The Fire Service College have recently installed a redeveloped Year 2000 compliant system. Contingency plans are included within their Year 2000 strategy. *(b)* The Forensic Science Service contingency plans will be completed by the end of March 1998. *(c)* The United Kingdom Passport Agency will have a redeveloped Year 2000 compliant computer system in place before the Year 2000. Their current system is being tested for Year 2000 compliance as a contingency measure. *(d)* Her Majesty's Prison Service have plans in place to cover failure of strategic computer systems. These will be reviewed to ensure they cater for failure due to Year 2000 computer problems.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department from which budgetary sub-head the costs of millennium compliance will be met by his Department. [32298]

Mr. Straw *[holding answer 3 March 1998]:* Millennium compliance costs will be met from existing Capital and Non Pay Running Costs budgetary sub-heads.

Asylum Seekers

Mr. Corbyn: To ask the Secretary of State for the Home Department if he will list for the latest available date the total number of Czech and Slovak Roma asylum seekers who *(a)* are in detention awaiting determination of their cases, *(b)* have been released on bail, *(c)* are awaiting deportation following refusal of their application and *(d)* have been granted asylum or leave to remain in the United Kingdom. [34310]

Mr. Mike O'Brien *[holding answer 16 March 1998]:* Czech and Slovak Roma are not separately identifiable in the statistics; the available information relates to all asylum applications lodged in the United Kingdom by nationals of Slovakia and the Czech Republic.

For information regarding initial decisions made during 1996 and 1997 on asylum applications lodged in the United Kingdom by nationals of Slovakia and the Czech Republic, I refer my hon. Friend to the reply I gave to him on 29 January 1998, *Official Report*, columns *336–37*. Equivalent information for years prior to 1996 is not available. For additional information, may I also refer my hon. Friend to the reply I gave to my hon. Friend the Member for Walthamstow (Mr. Gerrard) on 11 February 1998, *Official Report*, columns *207–08*, which provided statistical data regarding those asylum applications lodged at the port of Dover by Czech and Slovak nationals.

One Slovakian and one Czech family (husband, wife and son—each asylum seekers in their own right), have had their appeals allowed and have been granted asylum.

As at 27 February 1998, a total of four nationals of Slovakia and the Czech Republic, who had sought asylum at some stage, were recorded as detained solely under Immigration Act powers. Of these, one person was awaiting an initial decision on their application while the remainder were awaiting the outcome of appeals.

I regret that comprehensive information on the number of Czech and Slovak asylum seekers who have been released on bail, or on the number of those who have currently reached a stage where they could be removed from the United Kingdom (either through the deportation process, removal as an illegal entrant or removal under port procedures), is not available.

Immigration Advisers

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department, (1) pursuant to his oral answers of 2 February 1998, *Official Report*, columns 703–04, on immigration advisers, how many complaints his Department has made to *(a)* the Office for the Supervision of Solicitors and *(b)* the Legal Aid Board in respect of the firms of solicitors whose conduct in immigration cases is of concern to his Department; [34580]

(2) how many complaints his Department has made to *(a)* the Office for the Supervision of Solicitors and *(b)* the Legal Aid Board about the conduct of solicitors acting in immigration cases in the past (i) month, (ii) six months and (iii) year; [34534]

(3) how many occasions in the past 12 months his Department has asked the Legal Services Ombudsman to examine the way in which the Office for the Supervision of Solicitors dealt with a complaint by his Department about the conduct of a solicitor acting in an immigration case; [34533]

(4) pursuant to his oral answer of 2 February 1998, *Official Report*, columns 703–04, on immigration advisers, what information his Department has passed to the Law Society about the identity and practices of those particular firms of solicitors whose conduct in immigration cases is of concern to his Department; and on what dates. [34579]

Mr. Mike O'Brien *[holding answer 16 March 1998]:* The Department contacts the Law Society or the Office for the Supervision of Solicitors from time to time when there is evidence that an immigration adviser who is a solicitor has acted in an unprofessional manner, or to check on credentials. Most recently, on 11 March, the Immigration Service wrote to the Office for the Supervision of Solicitors with a list of approximately 50 advisers who are of interest to them, who either are solicitors or have improperly represented themselves as solicitors. The information provided will vary from case to case and no central record has been kept of all such references. It would be inappropriate to publish any details of companies and individuals who may be the subject of current or future investigation.

We contact the Legal Aid Board for clarification or to provide information where there appears to have been an abuse of the Legal Aid scheme.

There is no central record of formal complaints which have been made by or on behalf of the Department to either the Office for the Supervision of Solicitors or the Legal Aid Board, although it appears the number of such referrals is small. I regret that the specific information requested would only be available at disproportionate cost.

I understand there have been no references to the Legal Services Ombudsman in the past 12 months.

LORD CHANCELLOR'S DEPARTMENT

Legal Aid

39. **Mr. Gibb:** To ask the Parliamentary Secretary, Lord Chancellor's Department how much has been spent by his Department since 1 May 1997 on the employment of consultants to advise on the proposed reforms of the legal aid system. [33193]

44. **Mr. Burns:** To ask the Parliamentary Secretary, Lord Chancellor's Department how much has been spent by his Department since 1 May 1997 on the employment of consultants to advise on the proposed reforms of the legal aid system. [33198]

Mr. Hoon: To answer the hon. Member's question strictly nothing has been paid to consultants since 1 May 1997. We have asked KPMG, who are both accountants and management consultants, to establish whether lawyers can take cases using conditional fees for clients who cannot meet up-front costs and make a profit. The results of their work will be published shortly and the merging

conclusions are that lawyers will be able profitably to take cases without needing funding from the client. No payment has been made to KPMG yet.

Conditional Fees

40. **Mr. Swayne:** To ask the Parliamentary Secretary, Lord Chancellor's Department when he plans to meet representatives of the Bar to discuss his statement to the House regarding conditional fee arrangements and legal aid. [33194]

45. **Mr. Gerald Howarth:** To ask the Parliamentary Secretary, Lord Chancellor's Department when he plans to meet the chairman of the Bar to discuss conditional fee arrangements and legal aid. [33199]

Mr. Hoon: Both my noble and learned Friend the Lord Chancellor and I, and our officials, have had a number of meetings with representatives of the Bar Council to discuss conditional fees. I last met the Chairman of the Bar last Tuesday to discuss the Government's consultation paper on conditional fees and legal aid.

Courts (West Cumbria)

41. **Mr. Campbell-Savours:** To ask the Parliamentary Secretary, Lord Chancellor's Department what proposals he has for the future of courts in West Cumbria. [33195]

Mr. Hoon: I have no current plans for any changes affecting the courts in west Cumbria.

Civil Justice Review

42. **Mr. Dismore:** To ask the Parliamentary Secretary, Lord Chancellor's Department if he will make a statement on progress in implementing the civil justice review. [33196]

Mr. Hoon: The Government plan to introduce fundamental reform to the civil justice system, making it quicker, cheaper and more certain. The reforms will benefit everyone. Procedures and rules will be simplified, and judicial case management will provide tailored procedures and minimise delay. Pre-action provisions will enable many claims to be settled faster.

We have already announced that implementation will take place in April 1999, and work is progressing as planned.

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department when he intends to publish the research on legal aid and civil justice reforms carried out by KPMG and the Institute of Advanced Legal Studies. [33963]

Mr. Hoon: The KPMG analysis of the business case for a solicitors firm undertaking litigation using conditional fees will be published in the next few weeks. It will indicate that conditional fees offer profitable business to lawyers even where they, rather than their clients, meet the up-front costs of insurance and running the case. I anticipate publishing the research, carried out by the Institute of Advanced Legal Studies in due course once we have completed consideration of costs regimes in the fast track.

Mr. Dismore: To ask the Parliamentary Secretary, Lord Chancellor's Department when he intends to publish his proposals on civil justice reform, with particular reference to the costs regime in the fast track. [33964]

Mr. Hoon: I would expect to make an announcement about a costs regime in the fast track after Easter.

Immigration Adjudicators

43. **Mr. Malins:** To ask the Parliamentary Secretary, Lord Chancellor's Department what plans he has to increase the *(a)* training and *(b)* numbers of immigration adjudicators. [33197]

Mr. Hoon: In respect of training, in addition to the usual training, all adjudicators will be trained on the impact of the Human Rights Bill in the next 18 months. In respect of numbers, I can report that 43 new part time adjudicators were recruited in 1997 and we expect to recruit about 30 more this year.

Public Trust Office

Jacqui Smith: To ask the Parliamentary Secretary, Lord Chancellor's Department whether a review of the Public Trust Office's Framework Document has been carried out. [35139]

Mr. Hoon: The Public Trust Office's Framework Document has now been reviewed. As the interval between agency reviews has been extended from three to five years since the Public Trust Office attained agency status, the new Document is designed to cover the interim period until the Public Trust Office's first Quinquennial Review, to be completed by the end of 1999. Copies of the revised Framework Document have been placed in the Library of both Houses of Parliament.

Public Bodies

Mr. Burns: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34835]

Mr. Hoon: No non-departmental public bodies have yet been abolished but two have been established since 1 May. These are the Civil Procedure Rule Committee, which is preparing the new code of civil procedure rules, and the Civil Justice Council, which will monitor the civil justice system to ensure that progress to modernise it continues. Both were created by the Civil Procedure Act 1997. We have budgeted for annual expenditure of £10,000 on the Rule Committee and £80,000 for the Council.

SCOTLAND

Scottish Parliament (European Union)

12. **Ms Squire:** To ask the Secretary of State for Scotland if he will make a statement on relations between the proposed Scottish Parliament and EU institutions. [33166]

Mr. Dewar: The Government's intentions on links between the Scottish Parliament and the institutions of the European Communities are as set out in Chapter 5 of the White Paper, "Scotland's Parliament".

Mr. Ancram: To ask the Secretary of State for Scotland what draft concordats he is currently preparing to regulate the participation of Ministers of the Scottish Executive in meetings of the European Council of Ministers; and if he will make a copy of the draft concordats available in the Library. [33890]

Mr. Dewar: Discussions are in train, at Ministerial and official level, about the non-statutory arrangements which will be needed for policy co-ordination of EU issues after devolution. Work on the draft of an agreement, which cannot be finalised until the Scottish Executive is established, is at an early stage. I shall make copies of the draft agreement available when this work is sufficiently advanced.

"Designed to Care"

13. **Mrs. Ewing:** To ask the Secretary of State for Scotland what meetings he has held with representatives of health boards and NHS trusts to discuss the White Paper, "Designed to Care". [33167]

Mr. Galbraith: Implementation of the White Paper "Designed to Care" is a constant theme in my discussions with Health Boards and NHS Trusts.

Private Finance Initiatives

14. **Mr. Canavan:** To ask the Secretary of State for Scotland how many Private Finance Initiative projects are under consideration by the Scottish Office. [33168]

Mr. Dewar: Tenders have been invited or advertised for 29 Private Finance Initiative projects and a further 24 projects are being investigated.

Police Funding

15. **Mr. Bercow:** To ask the Secretary of State for Scotland what representations he has received from the Scottish Police forces regarding funding levels in 1998–99. [33169]

Mr. McLeish: My right hon. Friend the Secretary of State received representations on funding levels from, and held meetings with, chief constables and police authorities and the Convention of Scottish Local Authorities before the local government finance settlement was announced in December.

Education Provision (Highlands)

16. **Mr. Charles Kennedy:** To ask the Secretary of State for Scotland if he will make a statement on education provision in the Scottish Highlands. [33170]

Mr. Wilson: School education provision in the Scottish Highlands is primarily a matter for the local authorities concerned.

Examination League Tables

17. **Mr. Connarty:** To ask the Secretary of State for Scotland what decisions he has made on the use of league tables for examination results in Scottish schools. [33171]

Mr. Wilson: I wish to improve and extend the information published on school performance and will seek the advice of the Ministerial Action Group on Standards on how that is achieved.

Farm Incomes

18. **Mr. Swinney:** To ask the Secretary of State for Scotland when he last met the Scottish National Farmers Union to discuss farm incomes. [33172]

Mr. Macdonald: Government Ministers meet the National Farmers Union of Scotland on a regular basis. My right hon. Friend the Secretary of State last met Union leaders on 9 February when farm incomes were amongst the topics discussed. My noble Friend Lord Sewel last met the Union on 19 February and addressed their AGM on 6 March.

New Deal Pathfinder Areas

19. **Mr. Ernie Ross:** To ask the Secretary of State for Scotland if he will make a statement on the New Deal Pathfinder Areas. [33173]

Mr. Wilson: I am very pleased with the excellent start made by the New Deal programme in Tayside.

Voluntary Organisations

20. **Mr. Gorrie:** To ask the Secretary of State for Scotland what representations he has received from voluntary organisations on the impact of reductions in (i) Government and (ii) council budgets. [33174]

Mr. McLeish: The few representations which have been received from voluntary organisations have mainly been about individual grant decisions, rather than about government and council budgets.

Social Exclusion Network

21. **Mr. Roy:** To ask the Secretary of State for Scotland what discussions he has had regarding the establishment of the social exclusion network. [33175]

Mr. Macdonald: The Social Exclusion Network consists of senior representatives of the Scottish Office, the Employment Service and the Benefits Agency, to take forward the social exclusion agenda in Scotland. A consultation paper inviting views on the way forward was issued in early February. Responses have been requested by the end of March.

Scottish Parliament (Concordats)

22. **Mr. Grieve:** To ask the Secretary of State for Scotland if he will make a statement on the legal status of concordats to be agreed between the Scottish Parliament and Government Departments. [33176]

Mr. McLeish: Concordats are to be agreed between the UK Government and the Scottish Executive, rather than with the Scottish Parliament. The guidance note which my right hon. Friend the Secretary of State placed in the libraries of both Houses of Parliament on 27 February made clear that the purpose of the proposed concordats would not be to create legal obligations on either party, or to constrain the discretion of the Scottish Executive or that of the UK Government.

Children's Hospital, Aberdeen

23. **Miss Begg:** To ask the Secretary of State for Scotland if he will make a statement on the new children's hospital in Aberdeen. [33177]

Mr. Galbraith: My right hon. Friend announced on 6 January that as a result of co-operation between the Health Board and Trusts in Grampian a new Children's Hospital would be built and operational in Aberdeen by 2003. This will be part of a £22 million development of hospital services in Grampian made possible by the disposal of redundant estate.

Residential Care Homes

24. **Mr. Godman:** To ask the Secretary of State for Scotland if he will list the recommendations contained in the report of the Working Group on Residential Care Home Registration Procedures which *(a)* have been implemented and *(b)* have yet to be adopted by his Department. [33178]

Mr. Galbraith: Guidance to local authorities on 16 of the Report's recommendations is due to be issued in final form later this month. Copies will be placed in the House Library. The recommendations to create a national consultative group and to compile a list of persons refused registration are under active consideration. The remaining recommendations require legislative action when a suitable opportunity presents.

Beef Producers

25. **Mr. Paterson:** To ask the Secretary of State for Scotland what representations he has received from Scottish beef producers on imports from overseas. [33179]

Mr. Macdonald: Importing beef from overseas has been discussed at the various meetings which my right hon. Friend and my noble Friend the Minister for Agriculture, Environment and Fisheries have had recently with representatives of the Scottish beef industry to discuss the difficulties affecting this important sector of Scottish agriculture.

Council Tax Arrears

26. **Mr. Chope:** To ask the Secretary of State for Scotland when he last met the Commissioner for Public Accounts in Scotland to discuss arrears of council tax. [33180]

Mr. Macdonald: I last met Mr. Robert Black, the Controller of Audit at the Accounts Commission for Scotland, on Thursday 29 January when a wide range of issues, including Value for Money studies, were discussed.

Land Reform

27. **Mr. David Stewart:** To ask the Secretary of State for Scotland how many responses he has received to the Land Reform Policy Group's consultative paper on land. [33181]

Mr. Macdonald: Since this consultation paper was published only on 20 February no written responses have so far been received. However, the considerable interest the paper is generating and the welcome it has had from a range of commentators encourage us to anticipate a significant number of responses by the end of the consultation period on 30 April.

Young People

28. **Mr. Donohoe:** To ask the Secretary of State for Scotland what arrangements exist to evaluate the short and long-term success of the New Deal for young people. [33182]

Mr. Wilson: The Government accept that monitoring and evaluation of the New Deal will be crucial to its success, and a number of systems are in place to collect and analyse the relevant data on an ongoing basis. In addition, bids have been invited to undertake independent evaluation of the extent to which the aims and objectives of the programme are met.

Infrastructure Priority Programme (Lothian)

29. **Mr. Eric Clarke:** To ask the Secretary of State for Scotland when he plans to publish the infrastructure priority programme for Lothian. [33183]

Mr. McLeish: I do not publish such a programme. I understand that my hon. Friend is interested in two particular projects, the A68 Dalkeith Northern Bypass and the Esk Valley Sewer.

The A68 Dalkeith Northern Bypass in common with other major roads projects is subject to the ongoing review of the Scottish trunk road programme. Until the review is concluded in mid Summer and its implications considered in the light of the available resources, it will not be possible to specify what priority the scheme will have in any future programme.

The construction of the upgraded Esk Valley Sewer is the responsibility of the East of Scotland Water Authority. The Authority is procuring the contract through the Private Finance Initiative and the current intention is that the contract will be let in October 1998. Construction on site will commence in early 1999. The aim is to have the work completed by the end of the year 2000 in order to comply with the requirements of the Urban Waste Water Treatment Regulations.

Scottish Parliament

30. **Mrs. Fyfe:** To ask the Secretary of State for Scotland what representations he has received on the subject of equal representation of men and women in the Scottish Parliament. [33184]

Mr. McLeish: The Scottish Office has received six letters making representations about equal representation in the Scottish Parliament. The subject has also been raised with me orally on many occasions by different bodies and individuals.

Mrs. Ewing: To ask the Secretary of State for Scotland what estimate he has made of the cost of upgrading *(a)* Calton Hill, Edinburgh, *(b)* the Mound, Edinburgh, and *(c)* the proposed Glasgow sites to the required standard for the Scottish parliament. [33881]

Mr. Dewar: In preparing assessments of options for interim accommodation for the Scottish Parliament, my officials have made outline estimates of the comparative capital and running costs of solutions based on the Church

of Scotland Assembly Hall on the Mound, Edinburgh; the Old Royal High School Building, Edinburgh; and the former Strathclyde Region chambers at Charing Cross, Glasgow. These estimates include capital costs of upgrading the buildings, and rent and rates over a 2-year period. The costs cover office accommodation required by the Parliament.

The overall estimates are:

The Assembly Hall, Edinburgh: £4m

Old Royal High School, Edinburgh: £5m

Charing Cross, Glasgow: £3m.

The Edinburgh options do not take account of space currently occupied by the City of Edinburgh Council.

Mrs. Ewing: To ask the Secretary of State for Scotland if he will list the buildings and their total available floor space under consideration as temporary accommodation for the Scottish Parliament at *(a)* Calton Hill, Edinburgh, *(b)* the Mound, Edinburgh, and *(c)* Glasgow. [33883]

Mr. Dewar: The buildings and their total available floor space currently under consideration as interim accommodation for the Scottish Parliament are as follows:

	sq. ft.
Old Royal High School	22,000
Office accommodation	76,000
Assembly Hall	13,800
Office accommodation	79,500
Glasgow complex	134,000

The figures for office accommodation in Edinburgh are based on known availability of commercial premises. Office accommodation currently occupied by the City of Edinburgh Council has not yet been included in the assessment.

Public Buildings

Mrs. Ewing: To ask the Secretary of State for Scotland if he will list the buildings in public ownership between Old St. Andrew's House and the junction of Princes Street and the North Bridge. [33899]

Mr. Dewar: The Scottish Office owns the Governor's House and the property at 16/22 Waterloo Place. The Scottish Record Office owns HM General Register House at 2 Princes Street.

Mrs. Ewing: To ask the Secretary of State for Scotland if he will list the maintenance costs for each Scottish Office building in Edinburgh. [34447]

Mr. Dewar *[holding answer 13 March 1998]:* The maintenance costs for each Scottish Office building in Edinburgh for the most recent financial year are given in the table.

Building	£ *1996–97*
16 Waterloo Place	26,220
Greenside Lane	29,090
Pentland House	88,630
Saughton House	189,790
St. Andrew's House	153,860
Bute House	38,260
Unit 4A, Bonnington	7,020
Unit 4B, Bonnington	6,850
Victoria Quay	414,500
Governor's House	25,850
17 Waterloo Place	2,950
James Craig Walk	40,140
Bankhead Avenue	23,620
16–22 Picardy Place	4,140
Leith Walk	12,030
Tower Street	2,680

Maintenance costs include all programmed, routine, emergency and one-off internal and external property works. Major refurbishment is not included as a maintenance item.

Mrs. Ewing: To ask the Secretary of State for Scotland if he will list the publicly owned buildings in central Edinburgh which are *(a)* currently empty and *(b)* subject to a temporary lease, indicating the floor space available at each site. [34446]

Mr. Dewar *[holding answer 13 March 1998]:* My Department does not own any buildings in this category. My Department does not hold information about buildings owned by other public bodies.

Mrs. Ewing: To ask the Secretary of State for Scotland if he will provide a breakdown of refurbishment costs for each public building in Edinburgh for each year since 1993. [34448]

Mr. Dewar *[holding answer 13 March 1998]:* My Department does not hold such information about buildings other than those which it owns or occupies. I shall reply as soon as possible about buildings owned or occupied by my Department.

St. Andrew's House

Mrs. Ewing: To ask the Secretary of State for Scotland what is *(a)* the total amount of office floor space currently unused in and *(b)* the forecast running costs for 1997–98 for (i) Old St. Andrew's House and (ii) New St. Andrew's House. [33898]

Mr. Dewar: In St. Andrew's House, 38,396 sq ft of office floor space is currently unused as staff have been decanted elsewhere to allow the building to be refurbished. The total forecast running costs for 1997–98 are £2,952,000. My Department is not responsible for New St. Andrew's House. I have asked the Chief Executive of the Property Advisers to the Civil Estate to write to the hon. Member with the information sought.

Forestry Commission

Mr. Öpik: To ask the Secretary of State for Scotland what plans he has to allow the Forestry Commission to roll over its trading surplus from one financial year to the next. [33885]

Mr. Macdonald: We are considering this as part of the Forestry Commission's Comprehensive Spending Review.

Mr. Öpik: To ask the Secretary of State for Scotland what changes to staff numbers there have been within the Forestry Commission since 1 May 1997. [33886]

Mr. Macdonald: The Forestry Commission employed 3,532 staff on 1 May 1997. It currently employs 3,471 staff. These figures include part-time employees.

Houses in Multiple Occupation

Mr. Sarwar: To ask the Secretary of State for Scotland if he will introduce new measures to improve safety standards in houses in multiple occupation. [34018]

Mr. Macdonald: We are considering possible ways of introducing mandatory licensing of houses in multiple occupation, to provide greater protection for tenants.

Sports Funding

Mr. Pendry: To ask the Secretary of State for Scotland (1) what was the total grant in aid made available by the Scottish Sports Council to governing bodies of sport for each of the financial years 1992 to 1998; and what it is projected to be for the next three financial years; [34261]

(2) if he will list, by individual governing body, the grant in aid projected to be made available by the Scottish Sports Council to governing bodies of sport for the next three financial years; [34262]

(3) if he will list, by individual governing body, the grant in aid made available by the Scottish Sports Council to governing bodies of sport for each of the financial years 1992 to 1998. [34263]

Mr. Galbraith: The information is set out in the table. The projected total grant in aid, and the grant in aid to be made available to individual governing bodies of sport, for the next three financial years has not yet been agreed by the Scottish Sports Council.

Grants offered to Governing Bodies of Sport from 1 April 1992 to 31 March 1993

£

Governing body name	*1992–93*	*1993–94*	*1994–95*	*1995–96*	*1996–97*	*1997–98*
Scottish Anglers National Association	13,980	8,740	8,865	9,000	9,000	9,000
Scottish Federation of Sea Anglers	18,525	20,818	14,525	—	26,500	13,000
Scottish Federation Coarse Anglers	3,150	3,220	—	3,000	5,800	2,800
Scottish Archery Association	4,500	7,270	9,600	4,850	4,800	4,800
Scottish Athletics Federation	153,000	149,425	167,000	164,850	157,000	46,943
Scottish Badminton Union	132,720	115,228	107,720	116,370	116,250	125,750
Scottish Basketball Association	77,400	78,137	73,100	60,000	62,000	63,000
Scottish Women's Bowling Association	14,100	14,300	12,250	4,500	4,500	4,500
Scottish Bowls Association	—	2,500	—	—	—	—
Scottish Bowls Coaching Committee	8,750	5,506	6,500	6,500	6,500	12,073
Scottish Amateur Boxing Association	25,000	27,000	25,000	19,000	—	—
Scottish Canoe Association	39,000	40,150	40,950	41,700	40,243	42,700
Scottish Cricket Union	51,900	65,835	59,000	60,800	58,700	70,485
Scottish Croquet Association	2,000	1,020	1,500	1,500	1,500	1,500
Royal Caledonian Curling Club	—	—	—	12,000	17,350	42,500
Scottish Cyclists Union	47,500	48,314	—	95,560	57,825	56,000
Scottish Amateur Dancesport Association	11,500	—	7,500	17,500	10,000	10,000
Fitness Scotland	24,000	29,471	50,000	45,000	35,000	38,500
Health and Beauty	2,500	4,797	2,625	2,670	2,600	2,600
Scottish Sports Association for People with Disabilities	15,600	4,800	15,000	—	20,000	20,500
Scottish Fencing	30,000	5,038	38,360	19,000	20,000	21,600
Scottish Field Archery Association	1,920	1,000	1,000	1,000	800	800
Scottish Football Association	—	44,463	—	—	—	1,405
Scottish Women's Football Association	15,000	25,560	15,800	26,000	27,500	29,500
Scottish Gliding Association	—	3,000	3,000	3,000	3,000	2,000
Scottish Ladies Golf Association	—	2,713	2,000	3,000	3,000	—
Scottish Amateur Gymnastics Association	94,400	108,842	76,000	87,000	79,450	95,750
Scottish Hang/Paragliding Association	990	3,600	—	2,000	—	—
Scottish Hockey Union	150,250	180,232	167,000	8,771	398,500	226,800
Scottish Judo Federation	—	72,604	151,870	—	145,650	98,000
Scottish Karate Board	11,000	14,368	22,650	—	11,400	11,400
Scottish Lacrosse Association	7,100	8,879	8,500	10,100	10,000	8,500
Scottish Lawn Tennis Association	61,300	70,996	64,265	69,000	64,000	66,000
Mountaineering Council of Scotland	7,000	7,000	9,000	9,000	10,000	10,000
Scottish Netball Association	23,040	24,666	24,600	30,000	24,600	29,100
Scottish Orienteering Association	19,100	2,836	19,500	50,400	28,000	30,700
Scottish Sports Parachute Association	11,400	9,500	9,500	5,500	—	5,500
British Horse Society (Scotland)	20,700	—	33,300	18,500	16,500	16,500
British Women's Rugby Union	—	—	—	2,000	—	—
Scottish School Sports	—	1,200	—	1,200	—	—
Scottish Amateur Rowing Association	33,067	14,300	19,600	—	29,200	16,500
Scottish Rugby Union	—	3,150	—	42,000	700,000	700,000
Scottish Women's Rugby Union	—	3,000	—	—	2,000	2,000
Royal Yachting Association Scotland	63,250	85,895	65,550	62,350	70,661	113,028
The Camanachd Association	9,800	—	25,500	15,000	15,000	15,000
Scottish Target Shooting Federation	46,000	51,151	49,500	—	41,500	88,250

Grants offered to Governing Bodies of Sport from 1 April 1992 to 31 March 1993

£

Governing body name	*1992–93*	*1993–94*	*1994–95*	*1995–96*	*1996–97*	*1997–98*
Scottish Ice Skating Association	3,000	3,100	4,500	4,000	4,000	4,000
Scottish National Ski Council	56,500	61,944	57,650	60,400	60,400	65,400
Scottish Sports Association	—	43,000	41,000	41,000	38,000	38,000
Scottish Squash	79,100	87,508	85,400	85,400	83,000	83,000
Scottish Sub Aqua Club	20,000	20,400	20,800	20,800	20,800	20,800
Scottish Surfing Federation	7,000	1,000	1,000	1,000	700	—
Scottish Amateur Swimming Association	131,300	133,730	178,000	176,550	175,000	190,063
Scottish Table Tennis Association	64,500	60,142	55,900	2,000	42,000	36,775
Scottish Trampoline Association	22,100	—	45,350	—	40,000	22,500
Scottish Triathlon Association	1,500	—	—	—	2,000	4,400
Scottish Tug of War Association	1,700	1,700	1,750	1,900	—	3,600
Scottish Volleyball Association	151,420	10,963	158,250	—	80,000	90,500
Scottish Water-ski Association	23,130	23,600	24,100	—	40,000	20,765
Scottish Amateur Weightlifters Association	18,500	20,203	—	13,500	—	11,450
Scottish Amateur Wrestling Association	18,000	23,000	—	7,000	12,000	7,000
Total	1,848,192	1,840,814	2,081,330	1,543,071	2,934,229	2,753,237

Note:
Because of timing of applications some governing bodies have had two offers, covering two financial years, within one financial year of the Scottish Sports Council.

Council of Ministers

Mr. Ancram: To ask the Secretary of State for Scotland when he next plans to attend a meeting of the Council of Ministers of the European Union in relation to fishing. [34279]

Mr. Macdonald *[holding answer 13 March 1998]:* My noble Friend the Minister for Agriculture, the Environment and Fisheries expects to attend the next meeting of the Fisheries Council on 24 March.

Public Bodies

Mr. Burns: To ask the Secretary of State for Scotland if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34830]

Mr. Dewar: The Scottish Seed Potato Development Council was formally wound up on 22 August 1997. I have established no new NDPBs since 1 May 1997.

Victoria Hospital, Kirkcaldy

Ms Squire: To ask the Secretary of State for Scotland if he will make a statement on the present and proposed future numbers of obstetric beds at the Victoria Hospital, Kirkcaldy. [34365]

Mr. Galbraith: Currently 68 obstetric beds are provided at Forth Park Hospital, Kirkcaldy. Fife Health Board's draft Integrated Health Care Strategy, which has been issued for public consultation, includes a proposal to integrate obstetric, gynaecology and paediatrics on the Victoria Hospital site to improve the quality of clinical care. No final decision has been taken on the future acute service configuration and detailed bed numbers for obstetrics are not yet available.

Ms Squire: To ask the Secretary of State for Scotland (1) what estimate he has made of the cost of *(a)* refurbishing and *(b)* adapting areas of the Victoria Hospital, Kirkcaldy, to accommodate the transfer of (i) paediatric services from the Queen Margaret Hospital and (ii) gynaecological services from Dunfermline; [34367]

(2) pursuant to his answer of 18 February 1998, *Official Report*, column *709*, when the figures for the cost of transferring the maternity facilities to Victoria Hospital and adapting Victoria Hospital will be available. [34368]

Mr. Galbraith: Fife Health Board is currently publicly consulting on acute service configuration proposals in its draft Integrated Health Care Strategy. The Board has indicated that estimates of the costs of transferring services into Victoria Hospital can be undertaken only once acute service configuration and future bed numbers have been considered in more detail. It is likely that such detailed financial information will not be available until the end of 1998/99. The Board has no plans currently to transfer gynaecology services from the Queen Margaret Hospital, Dunfermline.

Nursing Homes

Ms Squire: To ask the Secretary of State for Scotland if he will require health boards to publish their inspection reports on nursing homes. [34366]

Mr. Galbraith: There is no statutory or other restriction regarding the publication of nursing home inspection reports in Scotland. Health Boards or home owners themselves can make copies of reports or extracts available at their discretion.

Cairngorms Partnership

Mr. Swinney: To ask the Secretary of State for Scotland (1) under what powers the Cairngorms Partnership is able to stipulate to local authorities which member of the authority is to be appointed to the Advisory Board of the Partnership; [34814]

(2) what discussions he has undertaken regarding the appointment of members to the Advisory Board of the Cairngorms Partnership. [34816]

Mr. Macdonald: My right hon. Friend invited Mr. Gus Macdonald to chair the Cairngorms Partnership from 1 November 1997. Following consultation with my noble Friend the Minister for Agriculture, the Environment and Fisheries in Scotland Mr. Macdonald appointed an Advisory Board to assist him in taking forward implementation of the Partnership's Management Strategy. I understand that he has invited the Convenors of the relevant local authorities to serve on the Board, and I hope that the local authorities will respond positively to the invitation.

Mr. Swinney: To ask the Secretary of State for Scotland if he will publish the remit and responsibilities of the Chairman of the Cairngorm Partnership. [34815]

Mr. Macdonald: My right hon. Friend revised the remit of the Cairngorms Partnership following the appointment of Mr. Gus Macdonald as Chairman. I am arranging for a copy of the revised remit to be placed in the Library of the House.

CULTURE, MEDIA AND SPORT

School Sports

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what awards have been made *(a)* by the Sportsmatch Panel and *(b)* by the Sportsmatch Panel to schools-related projects since 1 May 1997. [34214]

Mr. Banks *[holding answer 16 March 1998]:* The Sportsmatch Panel has made 329 awards worth a total of £2,096,445 since 1 May 1997, of which 206 awards worth a total of £1,379,676 have been to schools related projects. I have placed copies of the detailed list of the awards made by the Sportsmatch Awards Panel in the Library of the House.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what steps he has taken to encourage business sponsorship in the field of youth and school sports. [34213]

Mr. Banks *[holding answer 16 March 1998]:* Sportsmatch, the Government funded business incentive scheme for sport, offers pound for pound matching funding for sponsorships of grass roots sport. £1 million out of the annual Sportsmatch budget of £3.2 million is reserved for schools and schools related activities. I announced last year that the minimum award for schools has been reduced to £500 to increase the opportunities for securing private sector sponsorship. In addition, the English Sports Council's Lottery Sports Fund School Community Sports Initiative (SCSI) is designed to help schools and colleges find matching funding, including private sector investment, by providing up to 80% of the total project costs. To date, 181 education establishments have been awarded £84.2 million under the SCSI.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what steps he has taken to ensure that sport governing bodies have plans to develop school sports projects as a condition for receiving Sports Council grants. [34215]

Mr. Banks *[holding answer 16 March 1998]:* The development of sports opportunities for young people is one of the English Sports Council's key objectives.

The English Sports Council's National Junior Sport Programme provides the framework which currently guides national governing bodies of sport (among others) on their role of providing sporting opportunities for young people. When assessing the development plans of sports governing bodies, the ESC will give detailed consideration to whether a sport can attract young people and offer a sustainable junior development programme. Support offered by governing bodies to the education sector, through good quality links with schools, particularly between clubs, is critical to evaluating the quality and success of governing body youth development programmes.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what steps he has taken to encourage the Sports Council to promote links between schools and sports clubs. [34216]

Mr. Banks *[holding answer 16 March 1998]:* I met the Council on 2 March. Among many other matters we discussed the National Junior Sport Programme. I met the team who develop the programme and gave them my personal backing. Under the Sportsmark scheme, schools must demonstrate effective links with clubs. The ESC's Challenge Funding scheme invites schools to apply for up to £1,000 to strengthen existing links and to encourage the development of new links. With the Department for Education and Employment we are working up proposals for community sports co-ordinators whose role would include building and supporting school/club links.

Commonwealth Games

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what recent representations he has received on plans to host the 2002 Commonwealth Games; and if he will make a statement. [34735]

Mr. Banks: The Department has received 14 representations regarding the 2002 Commonwealth Games in Manchester since May 1997.

The Government strongly support the organisation of the 2002 Games, and this Department is working closely with Manchester City Council to ensure the delivery of a successful event. Other Government Departments will become involved when necessary.

UK Sports Institute

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what contracts have *(a)* been signed and *(b)* put out to tender in relation to the establishment of the United Kingdom Sports Institute. [34218]

Mr. Banks *[holding answer 16 March 1998]:* None.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport when the United Kingdom Sports Institute will be opened; and which sports will be catered for. [34230]

Mr. Banks *[holding answer 16 March 1998]:* Everyone is keen to see progress made and the UKSI in place in the shortest time possible. A date will be fixed in due course.

Athletics, road cycling, judo, swimming and triathlon have indicated that they may wish to have their national training facility at the HQ site. In addition, netball, squash

and table tennis have indicated that they may wish to have their English training centres at the HQ site. Discussions are underway with all eight sports on this matter. However, all sports, including major spectator sports, will be able to tap into the support services throughout the UKSI network.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if he will list the sites that will form the regional network of the UK Sports Institute. [34223]

Mr. Banks *[holding answer 16 March 1998]:* Information on the establishment of the regional network will be issued shortly. There will be facilities in at least eight locations in England, and others in Scotland, Wales and Northern Ireland.

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if he will estimate the proportion of the funding for the United Kingdom Sports Institute to be provided by the National Lottery. [34219]

Mr. Banks *[holding answer 16 March 1998]:* A detailed lottery application will have to be approved before such an estimate can be made. However the Home Country Sports Councils have indicated that some £160 million is to be made available of which £40 to £60 million is for the HQ site.

Sport Governing Bodies

Mr. Pendry: To ask the Secretary of State for Culture, Media and Sport what was the total grant-in-aid made available by the United Kingdom Sports Council to governing bodies of sport for the financial years 1996–97 and 1997–98; and what it is projected to be for the next three financial years. [34266]

Mr. Banks: The information requested is set out in the table. Projections have not yet been made for 1999–2000 and 2000–2001.

Year	*£000*
1996–97	[1]1,616
1997–98	[2]5,481
1998–99	[3]5,203

[1] The United Kingdom Sports Council became fully operational in 1 January 1997. The figure, therefore, covers the period 1 January 1997—31 March 1997.
[2] Forecast outturn.
[3] Budget figure.

Rugby League

Mr. Hoyle: To ask the Secretary of State for Culture, Media and Sport if he will make a statement on the 25th anniversary of the British Amateur Rugby League Association. [33916]

Mr. Banks: I congratulate the British Amateur Rugby League Association on the occasion of its Silver Jubilee, and commend its good work over the last 25 years in developing the game.

Listed Buildings

Helen Jones: To ask the Secretary of State for Culture, Media and Sport how many requests for listing public houses were *(a)* received and *(b)* approved in each of the past five years. [34362]

Mr. Banks *[holding answer 13 March 1998]:* The information requested is as follows:

Year	*Number of applications*	*Number listed*
1993	72	6
1994	72	25
1995	32	11
1996	64	7
1997	18	2
Total	258	51

Helen Jones: To ask the Secretary of State for Culture, Media and Sport what discussions he has had with local authorities concerning possible changes to the criteria used for listing buildings. [34596]

Mr. Banks: I have had no such discussions. However, Warrington Borough Council has corresponded with my officials about the criteria for listing public houses.

Football

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what steps he has taken to develop the Football in the Community Initiative. [34217]

Mr. Banks *[holding answer 16 March 1998]:* Football in the Community is an excellent initiative. The Sportsmatch scheme, which is funded by my Department, has made 87 awards worth £801,448 to Football in the Community projects across the country, since its inception in November 1992.

Community Sports

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what assessment the Sports Council has made of community sports facilities provision; and if he will make a statement. [34211]

Mr. Banks *[holding answer 16 March 1998]:* The English Sports Council (ESC) is creating a Facilities Planning Model (FPM) which will enable it to undertake assessments of shortfalls in specific types of community sports facilities across England. A total of ten regional assessments—based upon the FPM and individual National Governing Body Strategies should be available in the autumn.

Drug Control (Sport)

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what steps he has taken to promote drug control programmes in sport. [34228]

Mr. Banks *[holding answer 16 March 1998]:* I am committed to eliminating drug abuse in sport and we have been among the world leaders in pushing for strong and effective anti-doping measures. The UK Sports Council (UKSC) is responsible for administering the doping control system for the UK and is the first organisation worldwide to have achieved ISO 9002 certification for the management of drug testing programmes in sport.

Sports Council Database

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport if the updating of the Sports Council's National Sports Facilities Database is complete. [34212]

Mr. Banks *[holding answer 16 March 1998]:* The English Sports Council (ESC) has collected extensive facilities data. This will form part of an integrated corporate database currently being developed by the ESC and which they advise me should be available later this year.

TREASURY

Excise Duty

Sir Peter Emery: To ask the Chancellor of the Exchequer what was the level of excise duty expressed in £ sterling per litre on *(a)* whisky, *(b)* gin, *(c)* wine and *(d)* fortified wine in (i) the United Kingdom and (ii) each member state of the European Union in (1) 1992, (2) 1995 and (3) 1998. [34037]

Dawn Primarolo *[holding answer 16 March 1998]:* The levels of excise duty are set out in the tables.

Spirits

Country	1 January 1993 Ecu (lpa)	1 January 1993 £ (lpa)	1 January 1993 £ litre at 40%	1 January 1993 £ litre at 37.5%	29 March 1995 Ecu (lpa)	29 March 1995 £ (lpa)	29 March 1995 £ litre at 40%	29 March 1995 £ litre at 37.5%	1 June 1997 Ecu (lpa)	1 June 1997 £ (lpa)	1 June 1997 £ litre at 40%	1 June 1997 £ litre at 37.5%
Austria	n/a	n/a	n/a	n/a	7.39	6.02	2.41	2.26	7.41	5.10	2.04	1.91
Belgium	15.66	12.40	4.96	4.65	16.07	13.08	5.23	4.91	16.96	11.67	4.67	4.38
Germany	13.16	10.42	4.17	3.90	13.27	10.80	4.32	4.05	13.29	9.14	3.66	3.43
Denmark	18.80	14.88	5.95	5.58	18.98	15.45	6.18	5.79	19.42	13.36	5.34	5.01
Greece	5.49	4.35	1.74	1.63	5.50	4.48	1.79	1.68	9.60	6.60	2.64	2.48
Spain	5.78	4.58	1.83	1.72	5.52	4.49	1.80	1.66	7.06	4.85	1.94	1.82
Finland	n/a	n/a	n/a	n/a	50.16	40.83	16.33	15.31	52.24	35.93	14.37	13.47
France	11.74	9.30	3.72	3.49	13.81	11.25	4.50	4.22	14.64	10.07	4.03	3.78
United Kingdom	24.85	19.81	7.92	7.43	26.42	20.60	8.24	7.73	23.60	18.99	7.60	7.12
Ireland	26.77	21.19	8.48	7.95	27.57	22.45	8.98	8.42	27.69	19.04	7.61	7.14
Italy	5.50	4.36	1.74	1.64	5.93	4.83	1.93	1.81	6.09	4.19	1.68	1.57
Luxembourg	10.11	8.00	3.20	3.00	10.63	8.65	3.46	3.24	10.63	7.31	2.92	2.74
Netherlands	14.34	11.35	4.54	4.26	15.40	12.54	5.02	4.70	15.40	10.59	4.24	3.97
Portugal	7.27	5.75	2.30	2.16	7.15	5.82	2.33	2.18	8.20	5.64	2.26	2.12
Sweden	n/a	n/a	n/a	n/a	51.32	41.78	16.71	15.67	59.21	40.72	16.29	15.27

Fortified Wine (Litre)

Country	1 January 1993 Ecu	1 January 1993 £	29 March 1995 Ecu	29 March 1995 £	1 June 1997 Ecu	1 June 1997 £
Austria	n/a	n/a	0.52	0.42	0.52	0.36
Belgium	0.67	0.53	0.68	0.56	1.01	0.70
Germany	0.52	0.41	0.52	0.42	1.04	0.72
Denmark	2.20	1.74	1.31	1.06	1.39	0.95
Greece	0.45	0.36	0.45	0.37	0.45	0.31
Spain	0.46	0.36	0.45	0.37	0.47	0.32
Finland	n/a	n/a	8.36	6.81	8.71	5.99
France	1.80	1.43	2.13	1.74	2.16	1.48
United Kingdom	2.76	2.20	2.57	2.01	2.33	1.87
Ireland	3.94	3.12	3.94	3.21	3.97	2.73
Italy	0.45	0.36	0.45	0.37	0.50	0.34
Luxembourg	0.67	0.53	0.68	0.56	0.68	0.47
Netherlands	0.84	0.67	0.87	0.71	0.87	0.60
Portugal	nil	nil	0.41	0.33	0.48	0.33
Sweden	n/a	n/a	4.71	3.83	5.33	3.69

Wine (Litre)

Country	1 January 1993 Ecu	1 January 1993 £	29 March 1995 Ecu	29 March 1995 £	1 June 1997 Ecu	1 June 1997 £
Austria	n/a	n/a	nil	nil	nil	nil
Belgium	0.36	0.29	0.37	0.30	0.48	0.33
Germany	nil	nil	nil	nil	nil	nil
Denmark	0.86	0.68	0.87	0.71	0.92	0.64
Greece	nil	nil	nil	nil	nil	nil
Spain	nil	nil	nil	nil	nil	nil
Finland	n/a	n/a	2.84	2.31	2.96	2.04
France	0.033	0.03	0.035	0.03	0.039	0.03
United Kingdom	1.66	1.32	1.80	1.40	1.75	1.40
Ireland	2.72	2.15	2.58	2.10	2.74	1.88

Wine (Litre)

Country	1 January 1993 Ecu	1 January 1993 £	29 March 1995 Ecu	29 March 1995 £	1 June 1997 Ecu	1 June 1997 £
Italy	nil	nil	nil	nil	nil	nil
Luxembourg	nil	nil	nil	nil	nil	nil
Netherlands	0.49	0.38	0.50	0.41	0.50	0.34
Portugal	nil	nil	nil	nil	nil	nil
Sweden	n/a	n/a	2.84	2.31	3.21	2.21

Taxation

Mr. Gibb: To ask the Chancellor of the Exchequer if proposed tax changes in the forthcoming Budget *(a)* have been or *(b)* will be disclosed to the EU Peer Review Group prior to 17 March. [34287]

Dawn Primarolo *[holding answer 13 March 1998]:* No.

Mr. Hancock: To ask the Chancellor of the Exchequer what factors underlay his decision to allow the Inland Revenue to collect excess taxes for the current financial year. [34712]

Dawn Primarolo: I am not clear precisely what the hon. Member intends in his Question, and I am writing to him.

Government Debt

Mr. Gibb: To ask the Chancellor of the Exchequer if he will list the monthly average interest cost on total Government debt in *(a)* 1996 and *(b)* each month since May 1997. [34030]

Mr. Darling *[holding answer 12 March 1998]:* There are no monthly debt interest figures for the public sector as a whole. Most public sector debt interest payments are from central government. These monthly figures are published in Financial Statistics.

Insurance Premium Tax

Mr. Alasdair Morgan: To ask the Chancellor of the Exchequer what response she has given to DG21 with regard to the official complaint made against selective higher rate IPT in the United Kingdom; and if he will make a statement. [34182]

Dawn Primarolo *[holding answer 16 March 1998]:* There has been no such complaint from any Directorate General to the European Commission about the higher rate of insurance premium tax.

Mr. Alasdair Morgan: To ask the Chancellor of the Exchequer if he will place in the Library correspondence with or from DGXXI regarding selective higher rate IPT; and if he will make a statement. [34519]

Dawn Primarolo *[holding answer 16 March 1998]:* There has been no such correspondence.

Mr. Alasdair Morgan: To ask the Chancellor of the Exchequer, pursuant to his answer of 5 March 1998, *Official Report*, columns *716–17*, if he will place in the Library copies of the correspondence from DGIV referred to in the correspondence he has placed in the Library. [34518]

Dawn Primarolo *[holding answer 16 March 1998]:* Subject to obtaining the appropriate permission from DGIV, copies of this correspondence will be placed in the Library.

Ovarian Cancer

Helen Jones: To ask the Chancellor of the Exchequer what percentage of all female deaths in the Warrington, North Constituency for each of the years 1992 to 1997 were as a result of ovarian cancer. [34597]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Helen Jones, dated 17 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question asking what percentage of all female deaths in the Warrington North Constituency for each of the years 1992 to 1997 were as a result of ovarian cancer.

The data requested are shown in the table below.

Percentage of female deaths from ovarian cancer to women resident in the county district of Warrington[1] 1992–1996[2]

Year	*Percentage*
1992	1.6
1993	0.9
1994	1.3
1995	2.1
1996	1.1

[1] ONS does not routinely publish data by parliamentary constituency, and could only do so at disproportionate cost.
[2] Data for 1997 are not yet available.

Deaths due to ovarian cancer were identified as those certified with an underlying cause of International Classification of Diseases Ninth Revision [ICD9] 183.0.

Deaths for 1992 represent the number of deaths registered in the year, while deaths from 1993 are deaths that occurred in each year. Also, new procedures for coding cause of death from 1993, and the absence of medical enquiries, mean that figures for 1993 onwards may not be exactly comparable with earlier years. However, for most conditions (including ovarian cancer) these effects are small. More details may be found in ONS Series DH2 no. 21 for 1993 (revised) and 1994, which was published in September 1996. Copies of this publication are available in the House of Commons library.

Small Firms

Mr. Jenkins: To ask the Chancellor of the Exchequer what response the Treasury has made to the Bank of England's January 1998 report on finance for small firms. [33404]

Mrs. Liddell *[holding answer 16 March 1998]:* The Government welcome the Bank of England Report. We recognise that small and growing firms form the bedrock of a successful enterprise economy, creating wealth and employment and generating new ideas and products and are therefore committed to providing an environment in which they can flourish. To encourage more innovative and entrepreneurial activity in our economy we are also pursuing a number of direct policy measures to encourage investment into high-tech companies, including reviewing the Small Firms Loan Guarantee Scheme to improve access to finance for technology-based firms, reviewing the Venture Capital Trust and Enterprise Investment schemes to encourage equity investment by private individuals in high-growth firms, and reviewing Capital Gains Tax to consider ways of increasing the incentives for investment in entrepreneurial firms.

Official Accommodation

Mr. Forth: To ask the Chancellor of the Exchequer what tax liability arises when ministerial official accommodation is improved out of public funds. [32954]

Dawn Primarolo: It is accepted by the Inland Revenue that Government Ministers occupying official residences by reason of their office meet the statutory conditions (mainly in Section 145(4) of ICTA 1988) for exemption from a tax charge on provided living accommodation or on any structural alterations or additions made to it. Where improvements to the accommodation consist of repairs, decoration or furniture, tax is charged on a benefit limited by Section 163(2) of ICTA 1988 to 10 per cent. of the taxable Ministerial salary and any other benefits.

The same rules apply for Ministers of the Crown as for other office holders or employees.

Public Works Loan Board

Ms Lawrence: To ask the Chancellor of the Exchequer what changes are proposed to the quotas for lending to local authorities by the Public Works Loan Board. [35132]

Mr. Darling: The Public Works Loan Commissioners have issued a circular today notifying local authorities that there will be no change in the formula for calculating quotas for 1998–99.

Copies of the circular have been placed in the Library.

HEALTH

Guy's Hospital

Mr. Simon Hughes: To ask the Secretary of State for Health if he will publish the documents considered in the re-evaluation of accident and emergency services at Guy's Hospital, as recommended in Health Services in London—A Strategic Review. [30392]

Mr. Milburn: In line with our policy on open government the relevant documentation will be available from the National Health Service Executive on request.

The NHS Executive is also preparing a paper which brings together the work on re-evaluation and contingency plans to ensure that St. Thomas's accident and emergency department can absorb the increased activity, and this should be available shortly.

Midwives

Mrs. Ballard: To ask the Secretary of State for Health if he will list by health authority area the number of midwives per 1,000 deliveries. [32828]

Mr. Boateng *[holding answer 4 March 1998]:* The number of midwives per 1,000 maternities (used as a proxy for deliveries, and defined as pregnancies resulting in the birth of one or more live or stillborn children) for each health authority in England is shown in the table. The figures should be interpreted with caution as midwives work across health authority boundaries.

National health service hospital and community health services registered midwives working in the maternity area of work per 1,000 maternities by health authority, England 1996

Health authority	*Midwives per 1,000 maternities*
England	30
Anglia & Oxford	
Bedfordshire	26
Berkshire	24
Buckinghamshire	23
Cambridge & Huntingdon	25
East Norfolk	25
North West Anglia	25
Northamptonshire	25
Oxfordshire	29
Suffolk	33
	24
North Thames	
Barking & Havering	26
Barnet	23
Brent & Harrow	18
Camden & Islington	22
Ealing, Hammersmith & Hounslow	29
East & North Hertfordshire	16
East London & The City	24
Enfield & Haringey	28
Hillingdon	23
Kensington, Chelsea & Westminster	59
North Essex	50
Redbridge & Waltham Forest	26
South Essex	29
West Hertfordshire	22
	16
North West	
Bury & Rochdale	38
East Lancashire	35
Liverpool	35
	37

National health service hospital and community health services registered midwives working in the maternity area of work per 1,000 maternities by health authority, England 1996

Health authority	*Midwives per 1,000 maternities*
Manchester	63
Morecambe Bay	28
North Cheshire	30
North West Lancashire	54
Salford & Trafford	55
Sefton	49
South Cheshire	30
South Lancashire	27
St Helens & Knowsley	22
Stockport	84
West Pennine	28
Wigan & Bolton	25
Wirral	41
Northern & Yorkshire	
Bradford	35
Calderdale & Kirklees	40
County Durham	30
East Riding	26
Gateshead & South Tyneside	32
Leeds	38
Newcastle & North Tyneside	29
North Cumbria	45
North Yorkshire	32
Northumberland	31
South Humber	21
Sunderland	45
Tees	34
Wakefield	32
	38
South and West	
Avon	32
Cornwall & Isles of Scilly	30
Dorset	35
Gloucestershire	28
Isle of Wight	32
North & East Devon	33
North & Mid Hampshire	36
Portsmouth & SE Hampshire	23
Somerset	33
South & West Devon	29
Southampton & SW Hampshire	40
Wiltshire	27
	45
South Thames	
Bexley & Greenwich	25
Bromley	32
Croydon	25
East Kent	28
East Surrey	26
East Sussex, Brighton & Hove	25
Kingston & Richmond	15
Lambeth, Southwark & Lewisham	0
Merton Sutton & Wandsworth	22
West Kent	41
West Surrey	31
West Sussex	15
	30
Trent	
Barnsley	28
Doncaster	30
Leicestershire	38
Lincolnshire	27
North Derbyshire	21
North Nottinghamshire	35
Nottingham	27
Rotherham	34
Sheffield	28
South Derbyshire	40
	23

National health service hospital and community health services registered midwives working in the maternity area of work per 1,000 maternities by health authority, England 1996

Health authority	Midwives per 1,000 maternities
West Midlands	30
Birmingham	36
Coventry	37
Dudley	35
Herefordshire	30
North Staffordshire	34
Sandwell	24
Shropshire	29
Solihull	0
South Staffordshire	29
Walsall	40
Warwickshire	29
Wolverhampton	2
Worcester & District	35

Notes:
1. Maternities are defined as the number of pregnancies which resulted in the birth of one or more live or stillborn children.
2. Maternities are attributed to the health authority covering the mothers usual area of residence.
3. Midwives are attributed to the health authority area within which the NHS trust that employs them falls.
4. The figures in the table should be interpreted with caution as it is possible for midwives to serve a population which is different from that of the health authority to which they are attributed.

Source:
Department of Health Non-Medical Workforce Census Office for National Statistics.

Dental Services

Mr. Gordon Prentice: To ask the Secretary of State for Health if he will list those bids under the Investing in Dentistry initiative which were *(a)* successful and *(b)* unsuccessful; and if he will make a statement. [33260]

Mr. Milburn: Since the Investing in Dentistry initiative was announced in September last year, 81 funding requests had been approved and 84 refused. The table gives details of successful and unsuccessful requests made by health authorities, which are shown in alphabetical order. All the unsuccessful requests have been given feedback and health authorities have been invited to re-submit them if they can provide further information to satisfy the criteria of this initiative.

Health authority	Number of successful bids	Number of unsuccessful bids
Avon	2	2
Bedfordshire	2	—
Bury and Rochdale	—	1
Cambridge and Huntingdon	—	1
Cornwall	1	1
County Durham	3	4
Doncaster	—	1
Dudley	—	1
East Lancashire	—	9
Enfield and Haringey	—	8
Gloucestershire	7	6
Isle of Wight	2	—
Newcastle and North Tyneside	1	—
Norfolk	3	1
North East Devon	4	—
North Cheshire	1	—
North Cumbria	1	—
North Derbyshire	1	—
North Essex	2	—
North Staffordshire	6	2
North West Lancashire	4	1
North Yorkshire	1	4
Northamptonshire	1	—
Oxfordshire	2	—
Portsmouth and South East Hampshire	5	9
Redbridge and Waltham Forest	—	1
Rotherham	1	2
Sandwell	—	8
Shropshire	6	1
Somerset	4	9
South Cheshire	2	1
South Essex	1	—
South Lancashire	1	1
South Staffordshire	2	5
South and West Devon	3	—
Southern Derbyshire	1	—
Southampton and South West	1	—
St. Helens and Knowsley	1	1
Walsall	—	1
West Surrey	4	2
Wiltshire	5	1

Note:
As at 16 March 1998.

Fluoride

Mr. Brake: To ask the Secretary of State for Health what assessment he has made of the effect of fluoride retention on human health; and what plans he has for an indemnity for water companies required to introduce fluoride into the water supply. [33033]

Mr. Milburn: Appropriate use of fluoride improves health by reducing dental caries, partly through the retention of fluoride in the teeth, without any known adverse effects on health. The Department is already able to offer indemnities to water companies against costs, damages or other expenses incurred by them as a result of fluoridating water supplies.

With the publication of the Public Health Green Paper "Our Healthier Nation" on 5 February 1998, we have set out the terms for a wide ranging debate on the options for improving dental health including the fluoridation of water.

Smoking

Mrs. Ballard: To ask the Secretary of State for Health what action the Government is taking to reduce the number of cigarette smokers; and if he will make a statement on his Department's targets in this area. [34330]

Ms Jowell: Our strategy to reduce smoking will be set out in the Tobacco Control White Paper to be published later this year.

On 4 December 1997 the European Union Health Council reached a common position on a European Union wide ban on tobacco advertising and promotion.

In 1997/98, the Government are funding a £1 million anti-smoking promotion campaign called "Respect", and the Health Education Authority's adult smoking education campaign costing £5.5 million. As part of the HEA

campaign, £700,000 is being given to Quit to operate the Quitline—telephone helpline—which offers smoking cessation advice, counselling and support.

In addition, a wide range of health professionals, notably general practitioners, routinely offer cessation advice and support.

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Health what further measures he proposes to reduce smoking in public places. [34489]

Ms Jowell: We are considering what measures might be included in the Tobacco Control White Paper, to be published later this year, to reduce smoking in public places.

The White Paper will take into account the recently published conclusions of the Scientific Committee on Tobacco and Health on the scientific evidence on the health effects of exposure to environmental tobacco smoke.

Workforce Planning

Mr. Maples: To ask the Secretary of State for Health, pursuant to his answer of 10 March 1998, *Official Report*, column *112*, in what ways workforce planning arrangements have been improved to ensure that the supply of doctors reflects demand. [34461]

Mr. Milburn: Recent steps to improve medical workforce planning include:

(i) the Specialty Workforce Advisory Group (SWAG), which advises on the numbers of doctors and dentists in training needed to meet future requirements for consultants, has recently extended its remit to cover general practice, enabling planning across the entire medical workforce; and

(ii) SWAG's planning processes now build in greater input and involvement from National Health Service management, timed to inform national workforce planning at a much earlier stage in the cycle than has been possible previously, encouraging a more effective dialogue with the NHS and thus a better blend of top-down and bottom-up planning.

We aim to improve NHS workforce planning by ensuring that workforce plans are considered alongside future plans for services. In particular, local NHS organisations are being encouraged to take an active role in workforce planning. Also, workforce planning should cover the whole NHS workforce.

Cardiac Rehabilitation Units

Mr. Stinchcombe: To ask the Secretary of State for Health if he will list NHS cardiac rehabilitation units indicating which operate an upper age limit. [34321]

Mr. Milburn: A list of units is not held centrally but an audit of cardiac rehabilitation centres published in 1995 and funded by the National Health Service Executive showed that in 1993 there were 199 centres in England and Wales which offered a cardiac rehabilitation service.

The White Paper "The New NHS" makes it clear that fair access to health services, based on clinical need, irrespective of age, is one of our top priorities.

Evidence from recent studies shows that many heart patients can benefit from rehabilitation programmes whatever their age. Health authorities and NHS trusts have been advised to eliminate all discriminatory practices and to ensure that all patients who can benefit from such programmes are given the opportunity to do so.

We are determined to tackle any remaining problems of access.

Coronary Care Units

Mr. Stinchcombe: To ask the Secretary of State for Health if he will list NHS coronary care units indicating which units operate an upper age limit. [34322]

Mr. Milburn: A list of coronary care units is not kept centrally. The Directory of Emergency and Special Care Units 1997, published by CMA Medical Data Ltd., Cambridge Research Laboratories, lists coronary care units in the United Kingdom. We are not aware of any units which operate an age limit for access to these services. However, we are aware that access to coronary services, including coronary care units, does vary. The White Paper "The New NHS" makes it clear that fair access to health services, based on clinical need, irrespective of age or any other factor, is one of our top priorities.

Community Health Councils

Mr. Lansley: To ask the Secretary of State for Health what assessment he has made of the Insight report into the resources and performance management of community health councils; and if he will make a statement. [34618]

Mr. Milburn: We announced last year that we had no intention of implementing the Insight Report's recommendations on Community Health Councils' (CHCs) functions and resourcing. Officials have continued to work with CHCs on developing suitable arrangements for ensuring their accountability.

Physiotherapy

Mr. Nicholls: To ask the Secretary of State for Health what steps he is taking to deal with staff shortages among physiotherapists. [34542]

Mr. Milburn: We are ensuring that effective recruitment and retention policies are in place to make the best use of trained staff and that training levels are sufficient to get a better match between supply and demand.

Mr. Nicholls: To ask the Secretary of State for Health what assessment he has made of the continuing need for physiotherapist services. [34541]

Mr. Milburn: It is currently the responsibility of local commissioners to assess the health care needs of their population, and to secure a range of hospital and community health services to meet those needs.

Public Bodies

Mr. Burns: To ask the Secretary of State for Health if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34828]

Mr. Milburn: We announced on 22 December 1997 our intention to legislate to establish a General Care Council which will replace the Central Council for Education and Training in Social Work (an Executive non-departmental public body) as the body responsible for social services training.

Since 1 May 1997 the Department has established the Royal Commission on Long Term Care of the Elderly, which has planned annual running costs for 1998–99 of £673,000.

Value Added Tax

Mr. Burstow: To ask the Secretary of State for Health for what reason he has asked officials to identify ways of overcoming the financial effects of the Value Added Tax Order which came into effect on 1 January. [34807]

Mr. Milburn: The Value Added Tax Order had financial implications for local health services. Officials were asked to investigate the size and scope and to determine ways of minimising these effects without compromising the tax avoidance measures introduced by the Order.

Ovarian Cancer

Helen Jones: To ask the Secretary of State for Health what guidance his Department has given to NHS trusts on the use of Taxol combination treatments in the treatment of ovarian cancer. [34599]

Mr. Boateng: Taxol is a drug licensed by the Medicines Control Agency for use in treating widespread cancer of the ovary or metastatic breast cancer where standard treatment regimes have failed. A clinical trial for first-line treatment of widespread breast cancer by Taxol in combination with other drugs is currently in progress. As with any other drug, it is a matter for individual clinicians, in discussion with their patients, to recommend a treatment regime which will be best for their patients. Guidance on clinical management of ovarian cancer was produced by the Standing Medical Advisory Committee and was published in November 1991.

Helen Jones: To ask the Secretary of State for Health how many women in the Warrington North constituency were diagnosed as having ovarian cancer in each of the years 1992 to 1997. [34600]

Mr. Boateng: Figures for Warrington North are not available separately. The latest available data for Warrington residents are set out in the tables, and relate to the five-year period 1990–1994:

Warrington residents 1990–1994: number of ovarian tumours

Age	*Number*
0–4	—
5–9	—
10–14	—
15–19	—
20–24	—
25–29	—
30–34	—
35–39	1
40–44	5
45–49	6
50–54	12
55–59	12
60–64	7
65–69	14
70–74	12
75–79	14
80–84	4
85 plus	4
all ages	91

Warrington residents 1990–1994: age specific incidence rates per 100,000

Age	*Rate*
0–4	—
5–9	—
10–14	—
15–19	—
20–24	—
25–29	—
30–34	—
35–39	3.2
40–44	15.2
45–49	19.4
50–54	44.3
55–59	51.0
60–64	31.2
65–69	65.9
70–74	61.3
75–79	89.2
80–84	35.0
85 plus	44.0
all ages	19.3

Source:
Merseyside and Cheshire Cancer Registry, March 1998.

Market Research

Mr. Malcolm Bruce: To ask the Secretary of State for Health what expenditure has been incurred by his Department, agencies and non-departmental public bodies *(a)* in 1996–97 and *(b)* since 1 May 1997 on (i) opinion polling, (ii) focus groups and (iii) other forms of market research; if he will list the surveys commissioned and the purpose of each; and if he will make a statement. [26599]

Ms Jowell *[holding answer 5 February 1998]:* A list of research projects carried out by the Department in the financial year 1996–97 and since 1 May 1997 has been placed in the Library. The cost of each individual survey is a matter of commercial confidentiality. The total expenditure for 1996–97 and the estimated costs of work commissioned since 1 May 1997 are:

£ million

	1996–97	*Since 1 May 1997*
Department		
i) opinion polling	0.2	0.1
ii) focus groups	0.3	0.1
iii) other market research	0.2	0.1
Agencies		
iii) other market research	0.1	0.1
Total		
i) opinion polling	0.2	0.1
ii) focus groups	0.3	0.1
iii) other market research	0.3	0.2

The Department has a major survey programme amounting to £5 million which is "social research" not "market research" as ordinarily understood. The purpose of this research is to monitor change and inform policy development. As part of this programme the Department commissions questions to the Office for National Statistics (ONS) omnibus survey to look at behaviour and attitudes of the general population on specific topics. Although the majority of questions focus on behaviour some of these questions might be considered "opinion polling". For example, questions have been asked within the smoking module on views about tobacco advertising.

In 1996–97, questions on food safety, back pain, condoms, contraception, drinking, smoking, sun exposure, living wills, attitudes to mental illness and part time working patterns of children aged 10–16 were undertaken. The total cost was £350,000.

Since 1 May 1997, questions on contraception and condoms usage, sun exposure and smoking have been commissioned on the ONS omnibus. These costs totalled £220,000.

Community Hospitals

Mr. Woodward: To ask the Secretary of State for Health what is the total number of community hospitals in the United Kingdom. [34437]

Mr. Milburn *[holding answer 13 March 1998]:* This information is not collected centrally. However, the Community Hospitals Association estimates that there are currently 325 community hospitals in England. Community hospitals in Wales, Scotland and Northern Ireland are matters for my right hon. Friends the Secretaries of State for Wales, for Scotland and for Northern Ireland.

NORTHERN IRELAND

Public Bodies (Reports)

Ms Roseanna Cunningham: To ask the Secretary of State for Northern Ireland if she will list the bodies within the responsibility of her Department currently required by legislation to lay a report before Parliament. [33561]

Mr. Paul Murphy *[holding answer 9 March 1998]:* Reports of the following Northern Ireland bodies are required by legislation to be laid before Parliament:

The Commission for Racial Equality for Northern Ireland
The Equal Opportunities Commission for Northern Ireland
The Fair Employment Commission for Northern Ireland
The Probation Board for Northern Ireland
The Independent Assessor of Military Complaints Procedures in Northern Ireland
The Parades Commission for Northern Ireland
Her Majesty's Inspectors of Explosives for Northern Ireland
The Standing Advisory Commission on Human Rights
The Police Authority for Northern Ireland
The Independent Commission for Police Complaints
The Parliamentary Ombudsman for Northern Ireland
The Northern Ireland Commissioner for Complaints.

Regional Selective Assistance

Dr. Ladyman: To ask the Secretary of State for Northern Ireland if she will list, for each offer of regional selective assistance made during 1997, the percentage of the project's capital cost represented by the grant offered; and if she will indicate, for each offer, if it related to an area of full or intermediate assisted area status. [33705]

Mr. Ingram: In the financial year 1996–97, 91 projects were offered Selective Financial Assistance by the Industrial Development Board (IDB) and 3,774 projects were offered Selective Financial Assistance by the Local Enterprise Development Unit (LEDU). A list detailing percentage contributions for IDB and LEDU offers will be placed in the Library. The list covers all offers made during 1996–97 and which are still "live"—i.e. have not been declined or withdrawn.

The NI Selective Financial Assistance corresponds broadly to Regional Selective Assistance in GB. It is available throughout NI. No technical distinction is made of full or intermediate assisted area status.

Industrial Investment

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland if she will make a statement on the *(a)* level of financial investment and *(b)* number of jobs created by (1) LEDU and (2) the Industrial Development Board for Northern Ireland within (i) North, (ii) South, (iii) East and (iv) West Belfast for the period 1987 to 1997. [34320]

Mr. Ingram: Available information is listed in the tables. Details on jobs created by LEDU are not available by Parliamentary Constituency.

Table A: Industrial development board (IDB)

£000

	Belfast constituency	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Financial assistance offered[1]	North	306	—	1,704	360	703	218	1,630	—	1,081	5,233
	South	1,431	2,615	2,286	1,028	587	1,634	223	1,689	482	1,777
	East	710	4,541	3,648	914	965	4,209	1,297	681	6,841	1,245
	West	5,160	7,155	7,089	13,568	4,406	1,399	12,008	14,050	11,176	25,499
Jobs promoted[2]	North	8	—	168	467	7	—	67	—	138	79
	South	75	201	226	541	82	94	13	51	93	219
	East	38	261	106	74	74	268	64	—	—	40
	West	30	—	197	74	66	50	575	365	247	581

Table A: Industrial development board (IDB)

£000

	Belfast constituency	87/88	88/89	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Jobs safeguarded	North	46	—	—	—	335	37	—	20	3	225
	South	95	—	—	215	25	75	100	62	61	26
	East	358	161	491	—	61	230	26	168	656	—
	West	312	640	293	540	360	72	135	830	24	770

[1] The figures provided for IDB financial assistance relate only to Selective Financial Assistance (SFA).
[2] IDB figures refer to jobs promoted, not created.

Table B: "Financial Investment" by LEDU

£ million

Belfast constituency	Financial commitment (1 April 1988–1 December 1997)
North	18.9
South	17.7
East	11.8
West	12.4

Notes:
Above figures relate to direct assistance to companies. They include funding made available under the Making Belfast Work (MBW) Programme and the Special Support Programme for Peace and Reconciliation (SSPPR).
Information on investment prior to 1 April 1998 is not readily available in this format.

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland if she will list *(a)* the level of financial investment and *(b)* the number of jobs created by LEDU within Northern Ireland for the years 1987 to 1997. [34324]

Mr. Ingram: The expenditure figures as outlined below represent LEDU expenditure on its main programmes of support as well as expenditure incurred through the Making Belfast Work and Making Londonderry Work schemes. This financial assistance is paid out both directly to clients and indirectly through third parties providing assistance to small businesses on LEDU's behalf.

£ million

Year	Expenditure
1987–88	18.0
1988–89	26.6
1989–90	28.6
1990–91	25.9
1991–92	26.2
1992–93	23.3
1993–94	22.7
1994–95	24.9
1995–96	24.1
1996–97	23.7

Prior to 1990–91 the principle measure of LEDU performance was job promotions—jobs promised by client companies in return for financial assistance. The job promotion figures for 1987–88 to 1990–91 are as follows:

Year	Jobs promoted
1987–88	4,047
1988–89	4,395
1989–90	5,221
1990–91	5,501

Since 1991–92 actual net employment change within all LEDU client companies has become the principle measure of LEDU performance. Net employment change for the years 1991–92 to 1996–97 are as follows:

Year	Net employment change
1991–92	–650
1992–93	730
1993–94	1,630
1994–95	3,500
1995–96	3,060
1996–97	3,525

EDUCATION AND EMPLOYMENT

Inspections

Mr. Chaytor: To ask the Secretary of State for Education and Employment what plans he has to establish a common framework for inspection of educational institutions catering for the over 16s. [34601]

Dr. Howells: In our consultation paper on lifelong learning, "The Learning Age", we have stated our intention to work with inspectors and providers with a view to harmonising inspection arrangements across schools, further education colleges and LEAs, adult education and training providers.

Vocational Qualifications

Mr. David Davis: To ask the Secretary of State for Education and Employment if he will list incidents of fraud and payment errors in connection with the award of NVQs in each of the last three financial years. [34818]

Dr. Howells: The Department logs all reported incidents of alleged fraud on Training and Enterprise Council (TEC) delivered programmes funded by the Department. Since 30 August 1995, 105 cases have been recorded. Those involving invalid NVQs in the last three financial years are 1994–95 (Nil), 1995–96 (4) and 1996–97 (8).

It is not practical for the Department to log discrete NVQ payment errors by Training and Enterprise Councils.

Mr. David Davis: To ask the Secretary of State for Education and Employment what measures he is taking to *(a)* evaluate and *(b)* reduce the scale of (i) financial and (ii) academic fraud concerning vocational qualifications. [34819]

Dr. Howells: The Department has established a financial scrutiny unit with the particular purpose of investigating allegations of fraud involving training providers contracted with TECs, including abuse of vocational qualifications. I have recently announced a strengthening of that unit. The Department has also established a 'fraud hotline' (0800 163 339) to enable suspicions of fraud to be promptly and directly reported to the Department. The maintenance of the standards of vocational qualifications is the prime responsibility of awarding bodies and the Department is currently providing £1.5 million to support additional external verification of NVQs by awarding bodies to help in assuring standards of assessment in TEC funded programmes. The Qualifications and Curriculum Authority (QCA) has established a compliance investigation section to investigate allegations of abuse of vocational qualifications accredited by it. The QCA's section works closely with the Department's financial scrutiny unit.

EU Equal Treatment Directive

Mrs. Fyfe: To ask the Secretary of State for Education and Employment what was the nature of the advice given on behalf of the United Kingdom Government by Lindsey Nicholl of the Treasury Solicitor's Department, Eleanor Sharpston Barrister and Michael Beloff QC, to the Court of Justice of the European Communities when it was considering the Marschell v Land Nordrhein Westfalen case. [34886]

Mr. Alan Howarth: At the hearing of the European Court of Justice on 11 March 1997 in the case Helmut Marschell v Land Nordrhein Westfalen, Michael Beloff QC, representing the United Kingdom Government, made oral submissions to the Court.

These submissions drew attention to the fact that the ECJ had already had occasion, in the case of Kalanke v Freie Hansestadt Bremen, to examine the proper interpretation of Article 2(4) of the Equal Treatment Directive, and that in that case the ECJ had laid down four very important guidelines which, it was submitted, should be determinative of the result of the Marschall case.

Those guidelines were:

First, the ECJ upheld the importance of the principle of non discrimination.

Secondly, it confirmed that national laws like the law at issue in Kalanke involve direct discrimination on the grounds of sex.

Thirdly, it characterised Article 2(4) of the Equal Treatment Directive as a derogation from the core principle of equal treatment, and hence as a provision to be interpreted narrowly.

Fourthly, it identified equality of opportunity, and not equality of result, as the means chosen by the Directive of achieving equal representation.

National Curriculum Tests

Mr. David Davis: To ask the Secretary of State for Education and Employment what plans he has to introduce more rigorous procedures for National Curriculum tests at Key Stage 1. [34879]

Ms Estelle Morris: We are introducing some additional procedures for the National Curriculum tests at Key Stage 1 in 1998. These include reducing the scope for potential malpractice by delivering tests later to schools, asking headteachers to sign a declaration that tests have been administered correctly, and external checks to be conducted during the assessment period. We are also continuing to support schools' administration and marking of the Key Stage 1 tests by funding supply cover, and through the audit of assessment standards in over a quarter of schools. The Qualifications and Curriculum Authority will continue to monitor test standards for consistency with the demands of the National Curriculum and comparability with previous years.

Education Action Zones

Mr. Don Foster: To ask the Secretary of State for Education and Employment (1) if he will list applications to run education action zones received from *(a)* local education authorities and *(b)* other organisations; [34954]

(2) if he will list the private sector organisations which have applied to run education action zones; [34955]

(3) if he will list applications to run education action zones where the proposed zone crosses local education authority boundaries. [34956]

Mr. Byers: The deadline for applications is this Friday, 20 March.

Class Sizes

Mr. David Davis: To ask the Secretary of State for Education and Employment (1) if he will publish figures for the average class size, for each school, in the national performance tables for primary schools; [34817]

(2) if he will publish figures for the average class size in the national performance tables for primary schools. [34883]

Mr. Byers: Primary school performance tables are published by individual local education authorities. We have no present plans to require the publication of information on class sizes in the tables, but if LEAs wish to publish such information and have the necessary data from schools they are free to do so. We ask all primary schools to consider providing parents with information on class sizes in their school prospectus.

Public Bodies

Mr. Burns: To ask the Secretary of State for Education and Employment if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34833]

Dr. Howells: Since 1 May 1997 the Department has abolished two bodies and transferred their functions to a new body:

(a) Abolished	*Date of closure*
School Curriculum and Assessment Authority (SCAA)	30 September 1997
National Council for Vocational Qualifications (NCVQ)	30 September 1997

£ million

(b) Established	(c) Planned annual running costs 1997–98 estimate	1998–99 planned
Qualifications and Curriculum Authority (QCA) 1 October 1997	10.5 for 6 months	19.5
Disability Rights Task Force	—	—
New Deal Task Force	—	—
Skills Task Force	—	—

[1] Advisory NDPBs, travel and subsistence costs.

School Expenditure

Mr. Chaytor: To ask the Secretary of State for Education and Employment what assessment he has made of the minimum per capita spent from local authority revenue budgets on education in *(a)* primary schools and *(b)* secondary schools necessary for satisfactory delivery of the national curriculum and achievement of the Government's educational attainment targets. [34602]

Mr. Byers: Education Standard Spending for LEAs in England will be £19.4 billion in 1998–99, an increase of £1 billion over the equivalent figure for 1997–98. The priority given to school spending within our plans for 1998–99 reflects the importance of delivering our targets for educational attainment. The total is allocated to Local Education Authorities in Standard Spending Assessments, using a formula which takes account of pupil numbers, deprivation and population sparsity. It is for Local Education Authorities to reach final decisions on how to use the resources available to them. We do not seek to set a minimum level of expenditure, but we have made it clear that we expect the substantial additional provision for 1998–99 to go specifically to raising standards in schools.

New Deal (Deaf People)

Mr. Levitt: To ask the Secretary of State for Education and Employment what arrangements are in place for communication support for young deaf users of British Sign Language entering the New Deal gateway with particular reference to the early stages. [30680]

Mr. Andrew Smith: There is explicit guidance for dealing with those clients who are deaf or hard of hearing. Employment Service staff are trained to recognise hearing impairment and to lip read. They are asked not to make assumptions about an individual's ability to communicate or the ways in which they do so. They are advised to ask the client to tell them what means of communication they favour and to accede to any requests for sign language to be used. Jobcentres have access to sign language interpreters, often Employment Service staff in the offices. In addition, light writers, typetalk and hearing loops are available and are used if the client requests them.

If there is a barrier, the Employment Service will first identify it and then take appropriate action to overcome it. Once in a job help for clients under the Access to Work initiative is available.

TRADE AND INDUSTRY

Millennium Compliance

Mr. David Atkinson: To ask the President of the Board of Trade what action she has taken or plans to take to ensure the millennium compliance of the computer systems involved in providing an uninterrupted supply of electricity and gas; if she has agreed or arranged for contingency plans; and if she will make a statement. [33315]

Mrs. Roche: DTI officials have discussed this issue with the electricity and gas industries and their trade associations. Both industries are aware of the potential difficulties arising from the millennium date change and companies have carried out, or are carrying out, full assessments of the potential impact of their computer and control systems. These assessments are continuing. Reports thus far suggest that the risk to the continuity of the electricity supplies is minimal.

Transco, operator of the major part of Great Britain's gas transportation system, is conducting a thorough action plan to ensure that any risk to its ability to operate safely its gas supply network is managed. Each component of the "gas chain" is responsible for its own programme but Transco is playing a pivotal role in encouragement of best practice in the rest of the industry. It is offering support to its partners in the gas chain and other utilities in meeting their own responsibilities through sharing of best practice. Along with DTI, the Office of Gas Supply is actively monitoring the work being carried out by the industry on this.

Notwithstanding the current risk assessments, individual companies will wish to review existing contingency plans with emergency authorities as appropriate to deal with any supply problems arising from the millennium date change.

This is a complex area of work and the providers of utility service are dependent one upon the other to ensure that continued operation occurs without difficulty.

Post Office

Mr. Boswell: To ask the President of the Board of Trade when she will announce the results of her current review of the Post Office. [34813]

Mr. Ian McCartney: I have been reviewing carefully the views advanced by interested parties during the consultations following my announcement last year of a review of options for granting the Post Office greater commercial freedom. These will inform our decisions on the next phase of the work, about which I will make an announcement as soon as we are in a position to proceed.

Agenda 2000

Mr. Jim Cunningham: To ask the President of the Board of Trade what steps she has taken to ensure that the West Midlands continues to benefit from Structural Funds after the introduction of Agenda 2000. [34296]

Mrs. Roche *[holding answer 16 March 1998]:* The Commission expects to publish on 18 March its detailed draft regulations covering the operations of the Funds for the period 2000–2006. These draft regulations will then need to be negotiated in the Council of Ministers and approved by the European Parliament.

In the meantime, Ministers have been in regular contact with the European Commission and other Member States, with an aim of securing a package which is fair to all Member States especially to the United Kingdom and regions and which is affordable and durable, simpler and more efficient. In these discussions, we have suggested that GDP per capita should be a factor taken into account in the allocation of the Funds.

Yemen and Oman

Mr. Vaz: To ask the President of the Board of Trade how many staff there are on her Department's *(a)* Yemen desk and *(b)* Oman desk. [34551]

Mrs. Roche: Both desks have a full-time Country Officer who has administrative support and reports to a Senior Country Manager and Section Head. Both desks also have Export Promoters on loan to the DTI from private industry.

Mr. Vaz: To ask the President of the Board of Trade what steps she is taking to promote trade and investment in Oman. [34552]

Mrs. Roche: The DTI Oman Desk is involved in a wide range of promotional activities. In 1998, the DTI will support six outward trade missions to Oman, two exhibitions in Oman, six "Gulf Spotlights" in the UK, three inward visits by senior Omanis, the Oman British Friendship Association and Committee for Middle East Trade Round Table and the CBI "Invest in Oman" Conference in London. The Chairman of the British Overseas Trade Board visited Oman last month. In addition, my noble Friend the Minister for Trade met his Excellency Maqbool Sultan (the Oman Minister for Commerce and Industry) and also his Excellency the Ambassador on an earlier occasion.

Mr. Vaz: To ask the President of the Board of Trade if she will estimate the number of British firms which have offices in Oman. [34550]

Mrs. Roche: There are approximately 70 British firms with offices in Oman.

Adoption Leave

Mr. Nigel Jones: To ask the President of the Board of Trade if she will make a statement on Government policy towards national guidelines on adoption leave for parents adopting a child. [34759]

Mr. Ian McCartney: The Government are committed to implementing the EC Parental Leave Directive, which will provide both parents with the basic entitlement to three months unpaid leave following the birth or adoption of a child. The Directive contains a number of flexibilities, including the requirement to consider whether entitlement to parental leave needs to be adapted to meet the circumstances of adoption. We shall want to give full consideration to these matters and consult on options for implementation. We are required to implement the Directive by December 1999.

Cosmetic Surgery

Mr. Gordon Prentice: To ask the President of the Board of Trade if she will regulate the prices charged for cosmetic surgery procedures; and if she will make a statement. [33922]

Mr. Nigel Griffiths: My right hon. Friend and I have no plans to regulate the prices charged for cosmetic surgery procedures, but we are aware of concerns about the quality of such surgery.

Minister for Competition and Consumer Affairs

Mr. Redwood: To ask the President of the Board of Trade what has been the cost of overtime worked by private office staff of the Minister for Competition and Consumer Affairs since 1 May 1997. [32689]

Mrs. Beckett *[holding answer 3 March 1998]:* Overtime for the period 1 May 1997 to 31 January 1998 amounted to some £21,600 gross.

MINISTER WITHOUT PORTFOLIO

Millennium Experience

Mr. Baker: To ask the Minister without Portfolio if he will list the fluoro-carbon gases, as regulated under the Kyoto Protocol on Climate Change, that will be utilised in the air conditioning equipment for the Millennium Experience; and if he will make a statement. [28140]

Mr. Mandelson: The New Millennium Experience Company (NMEC) announced on 13 March the outcome of their competitive tendering process for the supply of chiller units which will provide chilled water for air cooling of the Dome's various exhibits, restaurants and hospitality suites. The refrigerant used in these units is R134a, a hydrofluorocarbon (HFC) which is used as environmentally preferable alternative to CFCs and HCFCs. The NMEC will operate and maintain the units to the highest possible standard, and aim to keep emissions of HFCs below 1%—a target which will be monitored by regular independent audits of refrigerant usage. A robust plan for the safe handling and recovery of the refrigerant when the units are disposed of will be put into place. These arrangements meet in full the terms of the 1996 Declaration of Intent agreed between the then Government and Refrigeration Industry which recognises the essential role of HFCs as a replacement for CFCs and HCFCs.

Millennium Dome

Mr. Mitchell: To ask the Minister without Portfolio how the temperature of the Millennium Dome will be controlled. [31193]

Mr. Mandelson: The New Millennium Experience Company will be able to maintain a constant temperature throughout the Dome through an effective ventilation and air-conditioning system.

DUCHY OF LANCASTER

Conferences

Mr. Gordon Prentice: To ask the Chancellor of the Duchy of Lancaster how many of his officials attended conferences *(a)* in the United Kingdom and *(b)* overseas; and how many and what percentage made (i) oral and

(ii) written contributions to the matters under discussion in the last 12 months for which figures are available. [31179]

Dr. David Clark: For the purposes of this answer, my Department is defined as the Office of Public Service (OPS) and the Executive Agencies for which I am responsible. Records are not kept in this form, but so far as I can establish, the number of officials who attended conferences in the United Kingdom in the period 1 January to 31 December 1997 was 216 and the number attending conferences overseas was 33. Of these, 109 made oral contributions and 38 made written contributions to the matters under discussion.

In addition, figures for the Central Office of Information, which is a separate Department, also reporting to me, are as follows: 32 officials attended conferences in the United Kingdom and one attended overseas. Of these, 7 made oral contributions and 1 made a written contribution.

Civil Servants

Mr. Jenkins: To ask the Chancellor of the Duchy of Lancaster (1) if he will estimate the number and percentage of civil servants in his Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University; [33059]

(2) if he will estimate the number of civil servants in his Department, at each grade, who received their schooling in the independent school sector; [33060]

(3) if he will estimate for each of the last five years, the number and percentage of new civil servants in his Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33061]

Mr. Kilfoyle *(holding answer 9 March 1998):* Although the precise information requested is not held centrally and could be obtained only at disproportionate cost, I can assure my hon. Friend that all career civil servants who join my Department, which for this purpose includes the Cabinet Office, the Office of Public Service and its executive agencies and the Central Office of Information, (which is not an agency of the Cabinet Office but which reports directly to the Chancellor of the Duchy of Lancaster) are recruited by an appropriate Civil Service entrance procedure, using fair and open competition and recruitment on merit. Numbers joining my Department from the fast stream are approximately five in each of the last five years. Of those, approximately 50 per cent. spent part of their education at either Oxford or Cambridge Universities. Relatively few new entrants to the department are school leavers and many therefore have experience of the private sector.

Mr. Bayley: To ask the Chancellor of the Duchy of Lancaster if he will list the numbers of civil servants based in each economic planning region in (i) 1995, (ii) 1996 and (iii) 1997; and if he will express the numbers as a proportion of the resident population in each region in each of those years. [34502]

Dr. David Clark: In common with most regional official statistics, since April 1997 regional statistics about the Civil Service have been compiled on the basis of Government Office Regions. The full-time equivalent numbers of permanent civil servants in each Government Office Region at 1 April 1995, 1996 and 1997 and those numbers expressed as proportions of the resident population in each region and year are shown in the following table:

Government Office Region	*Civil Servants (1 April 1995)*		*Civil Servants (1 April 1996)*		*Civil Servants (1 April 1997)*	
	Number	*Per cent.*[1]	*Number*	*Per cent.*[1]	*Number*	*Per cent.*[1]
North East	30,000	1.15	27,800	1.07	24,700	0.95
North West	40,800	0.75	40,600	0.74	41,700	0.76
Merseyside	15,300	1.07	15,300	1.08	13,500	0.94
Yorkshire and Humberside	33,100	0.66	32,200	0.64	32,200	0.64
East Midlands	21,700	0.53	20,900	0.50	20,600	0.49
West Midlands	33,100	0.62	32,000	0.60	31,100	0.58
Eastern	30,700	0.58	30,300	0.57	24,100	0.45
London	103,800	1.48	96,400	1.36	86,600	1.23
South East	64,100	0.82	60,900	0.77	62,200	0.79
South West	53,000	1.10	49,700	1.03	50,700	1.04
Wales	27,500	0.94	20,400	0.90	36,500	0.90
Scotland	48,500	0.94	46,600	0.91	45,800	0.89
Northern Ireland[2]	5,000	0.30	5,000	0.32	5,000	0.30

[1] Percentage of resident population at 1 July in the relevant year.
[2] The Northern Ireland Civil Service are not included.

Magistrates (Lancashire)

Mr. Gordon Prentice: To ask the Chancellor of the Duchy of Lancaster what assessment he has made of the advantages and disadvantages of having shared responsibility with the Secretary of State for the Home Department for the appointment of magistrates in the County Palatine. [34747]

Dr. David Clark: I do not share responsibility for the appointment of magistrates in the County Palatine with the Secretary of State for the Home Department. I appoint magistrates in Lancashire, Greater Manchester and Merseyside while the Lord Chancellor appoints magistrates in the remainder of England and Wales. The Lord Chancellor and I have a network of Advisory Committees who are responsible for recruiting and

interviewing candidates and recommending suitable people for appointment as magistrates. These committees work to a set of similar directions.

Public Bodies

Mr. Burns: To ask the Chancellor of the Duchy of Lancaster if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34822]

Mr. Kilfoyle: The non-departmental public bodies for both the Chancellor of the Duchy of Lancaster and the Prime Minister are listed under my Department in the booklet "Public Bodies" published by The Stationery Office. For purposes of this question I am answering on behalf of my Department and the Prime Minister.

Since 1 May 1997 we have abolished two non-departmental public bodies: the Citizens Charter Panel of Advisers; and the De-regulation Task Force. We have established two non-departmental public bodies: The Better Regulation Task Force; and on behalf of The Prime Minister, The Security Vetting Appeals Panel.

The planned annual running costs of the Better Regulation Task Force are £8,500.

The costs of the Security Vetting Appeals Panel are minimal. Costs are met from within existing divisional resources, they do not have a separate budget and it is not anticipated that this is likely to change at least in the short term.

Archway Tower

Mr. Corbyn: To ask the Chancellor of the Duchy of Lancaster if he will call for a report from the Property Services Agency on its contact with Islington Borough Council concerning future use of Archway Tower and relevant local development plans; and if he will make a statement. [34313]

Mr. Kilfoyle *[holding answer 16 March 1998]:* As my hon. Friend is aware, Property Advisers to the Civil Estate (PACE) is responsible for the disposal of the vacant Government offices it inherited on 1 April 1996, including Archway Tower. The Chief Executive of PACE, Mr. John Locke, reports to me regularly on the agency's performance. Therefore, I have asked Mr. Locke to write to my hon. Friend.

Letter from John C. Locke to Mr. Jeremy Corbyn, dated March 1998:

I have been asked by the Parliamentary Secretary, Office of Public Service to reply to your Parliamentary Question about Archway Tower.

Since 1998 there have been major policy changes affecting Civil and Defence accommodation. Departments have been fully untied from the former PSA which was privatised in 1993.

PACE has responsibility for vacant office buildings which have been declared surplus by other Government Departments. Archway Tower is such a building. PACE is charged with disposing of it at best value for the Exchequer.

PACE has no intention of seeking to change current planning permission to use Archway Tower for office use. Furthermore the property is currently held under the terms of a lease which restricts occupations to office use. Mr. Colgan has made you aware that if the London Borough of Islington was to consider redevelopment of the area responsibility for implementation and funding would lie with them. PACE has a contractual commitment to the existing building and use.

The lease on Archway Tower runs until 24 December 2009 and the current annual rent payable is £884,000. Further rent is payable for 49 adjoining car parking spaces. The outgoings for the property in the current year are estimated at approximately £1.1 million including rent. The best value solution for dealing with the building is to effect necessary repairs and refurbishment and bring it back into use as offices. A detailed scheme, which does not require planning permission as it is essentially repair, has been worked up and necessary contracts are about to be let. An occupier has been secured for part of the building and the remainder of the space will be marketed widely as soon as it is again in occupiable condition. In this way PACE intends to defray the cost of holding Archway Tower and bring about an improvement in the appearance and management of the building.

I understand that you are in close contact with Mr. Colgan, Director of PACE, London and South East Region, and that he has outlined these proposals in more detail to you and representatives of Islington Borough Council at a recent meeting. Should the Borough Council have any proposals for the property which are achievable in view of the existing leasehold constraints and offer better value for money than naturally PACE would be pleased to consider them.

Written Answers to Questions

Wednesday 18 March 1998

ENVIRONMENT, TRANSPORT AND THE REGIONS

Air Quality

Mr. Ainger: To ask the Secretary of State for the Environment, Transport and the Regions what is his assessment of the improvement in air quality in relation to *(a)* benzene, *(b)* oxides of sulphur, *(c)* lead, *(d)* PM_{10}, *(e)* volatile organic compounds, *(f)* oxides of nitrogen and *(g)* ozone which will be achieved by the specifications for fuel quality and emissions (i) contained in the common position agreed by the Council of Ministers on the proposed Auto-Oil Directive and (ii) proposed by the European Parliament to the proposed Auto-Oil Directive. [33933]

Mr. Meacher *[holding answer 12 March 1998]:* Explanatory Memoranda 9856/96, 8827/97 and 8939/97 explain that the standards agreed in the common positions on the Auto-Oil fuels and cars directives will deliver very significant reductions in road transport emissions. They will make an important contribution to improving air quality and to achieving and maintaining our National Air Quality Strategy objectives, especially in urban areas. The European Parliament's proposals for more stringent standards would make a further contribution to improving air quality, not least by facilitating the uptake of cleaner vehicle technologies. The extent of the further reductions has not yet been evaluated.

The table gives a snapshot of the estimated emission reductions in the UK which would result from the Auto-Oil fuels and cars common positions. The benefits will continue to grow beyond 2010 as cars achieving these emissions standards represent a greater proportion of the vehicle fleet. These reductions are in addition to those which are already forecast as a result of existing emissions standards and other measures, which are shown as a "base case" figure. They take into account expected traffic growth, as predicted in the 1997 National Road Traffic Forecasts.

Estimated emissions reductions (thousands of tonnes)

	Pollutant			
	NO_x	*VOCs*	*CO*	PM_{10}
Base case emission levels in 2005	222	170	1,625	12.4
Emission levels in 2005 with implementation of 2000 standards	201	155	1,430	11.2
Percentage change	9	9	12	10
Base case emission levels in 2010	183	135	1,530	14
Emission levels in 2010 with implementation of 2000 and indicative 2005 standards	125	99	930	9.4
Percentage change	32	27	39	33

Note:
All emissions units in thousands of tonnes and rounded (except for PM_{10}).

Freehold Purchase

Mrs. Lait: To ask the Secretary of State for the Environment, Transport and the Regions how many cases of freehold purchase are being currently pursued under the Landlord and Tenant Act 1987 in the Leasehold Valuation Tribunals and in the Lands Tribunal. [34740]

Ms Armstrong: As at 30 November 1997 there were 858 outstanding cases at leasehold valuation tribunals relating to the purchase of freeholds of leasehold houses and flats. This total includes 39 cases where the original landlord had failed to comply with the right of first refusal provisions of the Landlord and Tenant Act 1987 and the tenants were acquiring the freehold from the subsequent purchaser.

As at 16 March 1998 there were 48 outstanding appeals against decisions of leasehold valuation tribunals at the Lands Tribunal. Information as to the subject matter of these appeals is not available.

Local Government Pensions

Mr. Harvey: To ask the Secretary of State for the Environment, Transport and the Regions how many of those in the local government pension scheme retired before 5 April 1978 by local authority; how many contributed to provision for a widow's pension; and how many of these widow's pensions are being taken. [35062]

Ms Armstrong: The information requested is not held centrally. Individual pension fund authorities may be able to provide it.

Core Policy and Administration Group

Mr. Swinney: To ask the Secretary of State for the Environment, Transport and the Regions what are *(a)* the number of staff employed in *(b)* the salary bill for and *(c)* the administration costs of his Core Policy and Administration Group. [34779]

Angela Eagle: At 1 January 1998, the number of staff in the Headquarters element of my Department is £3,586 and the 1997–98 forecast outturn for the salary and other running costs is £211,644,000.

Common Land

Mr. Walter: To ask the Secretary of State for the Environment, Transport and the Regions what is the total area of common land in England; and what is the total area of common land over which the public has rights of access by *(a)* statute and *(b)* individual access agreements. [34605]

Angela Eagle: The total area of common land in England is approximately 370,000 hectares. Members of the public have statutory access rights to about 20 per cent. of this land. We do not have details of the area of common land subject to individual access agreements.

Mr. Walter: To ask the Secretary of State for the Environment, Transport and the Regions what is the total area of each national park and within those national parks the total area of *(a)* common land and *(b)* common land covered by agri-environmental schemes. [34606]

Angela Eagle: The total area of each National Park, the total area of common land and the total area of common land covered by agri-environmental schemes in each Park is set out in the table.

Square kilometres

National Park	Total area	Total area of common land	Total area of common land covered by agri-environmental schemes
Exmoor	693	46.3	46.1
Dartmoor	953	349.7	349.7
Lake District	2,292	620	618
Northumberland	1,050	0	0
North York Moors	1,436	233.8	222.1
Peak District	1,438	15.3	13.2
Yorkshire Dales	1,769	468.1	102.2

CULTURE, MEDIA AND SPORT

Works of Art

Mr. Baker: To ask the Secretary of State for Culture, Media and Sport if he will estimate the total value of works of art held by the Government. [34516]

Mr. Chris Smith *[holding answer 13 March 1998]:* No complete valuation exists of works of art held by the Government. Monetary values for works of art are generally assessed for the purposes of purchase, sale or insurance. This does not apply to the Government, because, in general, works of art held by the Government are neither traded nor insured.

Mr. Baker: To ask the Secretary of State for Culture, Media and Sport how much has been spent by the Government since 1 May 1997 on acquiring works of art; and how much has been realised from the sale of works of art. [34468]

Mr. Chris Smith *[holding answer 13 March 1998]:* Since 1 May 1997 the Government Art Collection has spent £98,041 on purchases of works of art. No works of art have been sold from the Government Art Collection. The Foreign Office has spent approximately £20,000 on purchases.

We have not been notified of any other purchases or sales by other Government departments.

Government Funding

Mr. Spring: To ask the Secretary of State for Culture, Media and Sport what recent representations he has received from organisations concerned with *(a)* sport, *(b)* tourism, *(c)* the arts, *(d)* museums and galleries, *(e)* libraries, *(f)* royal palaces and parks, *(g)* the built heritage and *(h)* film requesting increases in Government funding. [34731]

Mr. Chris Smith *[holding answer 16 March 1998]:* I am in regular contact with, and receive a great many representations from, all parts of my Department's sectors. A number of them touch on the issue of funding.

National Lottery

Mr. Gibb: To ask the Secretary of State for Culture, Media and Sport if he will list those Government initiatives which *(a)* have been and *(b)* have been proposed to be funded by the National Lottery. [34962]

Mr. Chris Smith *[holding answer 17 March 1998]:* I refer the hon. Member to the reply my hon. Friend the Minister for Sport gave on 9 March 1998, *Official Report*, column 23. My hon. Friend made clear that Lottery money will not fund Government spending programmes. The initiatives to be funded under the new good cause proposed in the National Lottery Bill will be determined by Order subject to the affirmative resolution procedure in both Houses of Parliament. Subject to the approval of Parliament, the first three initiatives will support healthy living centres; out of school hours activities, including childcare; and the provision of information and communications technology training for serving teachers and librarians. These initiatives were widely welcomed and supported in the responses to the White Paper, "The People's Lottery" (CM3709).

Public Bodies

Mr. Burns: To ask the Secretary of State for Culture, Media and Sport if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34827]

Mr. Tom Clarke *[holding answer 17 March 1998]:* The information is as follows:

a. NDPBs abolished since 1 May 1997

Treasure Trove Reviewing Committee[1]

b. NDPBs established since 1 May 1997

Treasure Valuation Committee[1]

Annual running costs—1997–98 £1,049; 1998–99 £4,550

Football Taskforce[2] £100,000—This is the total amount that has been allocated to the Taskforce. It is not possible to split the total between running costs and non-running costs ie research.

[1] The Treasure Trove Reviewing Committee was reconstituted as the Treasure Valuation Committee in September 1997 as a result of the Treasure Act 1996.

[2] The Football Taskforce has been set up with a specific remit with funds provided by the Department (£50,000) and the English Sports Council (£50,000).

FOREIGN AND COMMONWEALTH AFFAIRS

British Council

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the future of the British Council. [34619]

Mr. Fatchett: As the United Kingdom's principal agency for cultural relations overseas, the British Council will continue to contribute to the achievement of the Government's foreign policy objectives including the enhancement of the United Kingdom's influence and prestige overseas, the spread of good government and the promotion of exports in the cultural and education and training fields.

European Communities

Mr. Swayne: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the extent to which article K7, if incorporated into United Kingdom law, would be binding on future parliaments. [34795]

Mr. Doug Henderson: The European Communities (Amendment) Bill will not incorporate Article K7 into UK law.

There is no question of Article K7 binding future Parliaments.

Tibet

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has sought and obtained from the Chinese Government about the fate of the Panchen Lama. [35044]

Mr. Fatchett: Concerns for the whereabouts and welfare of Gedhun Choekyi Nyima, the Dalai Lama's choice of Panchen Lama, have been raised at successive rounds of EU/China human rights talks, and by my right hon. Friend the Foreign Secretary when he visited China in January. The Chinese Government have replied that the child is living with his family and going to school.

LORD CHANCELLOR'S DEPARTMENT

Lord Chancellor's Residence

Ms Roseanna Cunningham: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer of 9 March 1998, *Official Report*, column 22, if he will list those societies and groups which have made written requests to visit the Lord Chancellor's official residence; if he proposes to accommodate these requests; what his policy is in respect of future requests; and if he will make a statement. [35031]

Mr. Hoon: Since 6 March, the number of requests to visit the Residence has grown. By 13 March 1998, 58 letters have been received. The Groups and Societies which have made written requests to visit the Residence are as follows:

Barbican Tuesday Club

Clapham Common Architectural Society

Evesham Art Society

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom

Friends of Dulwich Picture Gallery

Friends of the Whitworth Gallery, Manchester

Hadlow Women's Institute

Heart of England Heritage

Kensington and Chelsea National Trust Association

London Appreciation Society

National Trust for Scotland

Sheffield 41 Club

South West London Decorative and Fine Arts Society

Staines Ladies

University of the Third Age in Cambridge

Unnamed art group

Unnamed group of senior citizens

Unnamed theatre group.

All letters requesting visits to the Residence are acknowledged, and when the final arrangements for opening the Residence are made, information on these arrangements will be sent to all who write on the subject to the Lord Chancellor or his officials. They will then be able to arrange visits to the Residence.

Legal Aid

Mr. Willis: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the amount of legal aid recovered as a percentage of the amount paid out during each of the last three years where *(a)* non-franchised firms of solicitors were acting for the assisted persons and *(b)* franchised firms of solicitors were acting for the assisted persons. [34135]

Mr. Hoon: The information requested is not readily available and could be obtained only at disproportionate cost. Legal Aid Board records show only those solicitors' offices which hold a franchise and do not specify whether the franchise was in force when the work carried out on a closed case was undertaken. To answer the question would require the checking of individual case payment records across England and Wales.

Mr. Willis: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the amount of legal aid recovered by the Legal Aid Board from successful injury claimants during each of the last three full years. [34134]

Mr. Hoon: The amount of legal aid recovered by the Legal Aid Board from successful personal injury claimants, in respect of cases closed during each of the last three full financial years for which records are available, was as follows:

Year	*£ million*
1994–95	145.64
1995–96	184.36
1996–97	212.36

Mr. Willis: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the total amount of legal aid paid to assisted persons for personal injury work during each of the last three full years for which records are available. [34132]

Mr. Hoon: The total gross amount of legal aid paid to lawyers representing assisted persons in personal injury work (including medical negligence), in respect of cases closed during the last three full financial years for which information is available, was as follows:

Year	*£ million (gross)*
1994–95	190.08
1995–96	239.57
1996–97	274.18

HEALTH

Primary Care Trusts

Mr. Kenneth Clarke: To ask the Secretary of State for Health what management resources he is planning to make available to the development of the primary care trusts; and what estimate he has made of the costs of management that will be needed to *(a)* develop and *(b)* service these at each stage. [34231]

Mr. Milburn: Primary care trusts will be funded from within the overall health authority/primary care group management cost envelope. Where a primary care trust merges with a community National Health Service trust the management cost envelope will be further adjusted.

Physiotherapy

Mr. Nicholls: To ask the Secretary of State for Health if he will state *(a)* the turnover among physiotherapists in the National Health Service and *(b)* the vacancy rates for such physiotherapists. [34545]

Mr. Milburn: The information requested is not collected centrally. For the information that is available on turnover and vacancies for physiotherapists in the National Health Service I refer the hon. Member to the reports of the Review Body for Nursing staff, Midwives, Health Visitors and Professions Allied to Medicines, copies of which are in the Library.

Mr. Nicholls: To ask the Secretary of State for Health what are the present waiting lists for those waiting for treatment within the NHS from physiotherapists. [34544]

Mr. Milburn: The information requested is not available centrally.

Millennium Compliance

Mr. David Atkinson: To ask the Secretary of State for Health by what means his Department is monitoring the millennium compliance of the computer systems involved in the provision of care services by health authorities and trusts; and if he will make a statement on progress. [34806]

Mr. Milburn: The National Health Service Executive, through its regional offices, is closely monitoring the progress of health authorities and trusts on their millennium compliance work. An executive letter, EL(97)59 issued in October 1997 to all chief executives, set deadlines for completing stages of the compliance work against which performance is monitored.

Year 2000 projects are now fully underway in all NHS organisations and it is anticipated that all will complete detailed project plans, inventories of systems and resource plans by the second deadline of 31 March 1998.

Mr. David Atkinson: To ask the Secretary of State for Health what discussions he *(a)* has held and *(b)* plans to hold with the private health sector on the need for computer systems to be millennium compliant. [34805]

Mr. Milburn: Discussions on the millennium issue have been ongoing since November 1997 with one of the largest companies in the private health sector. It is hoped that these discussions will be broadened to include all major health sector companies in the near future.

It is our policy to collaborate fully on the millennium problem with all organisations, both in the private and public sectors, where interests overlap and mutual benefit can be obtained.

Juveniles (Secure Accommodation)

Mr. Clappison: To ask the Secretary of State for Health, pursuant to his answer of 11 March 1998, *Official Report*, column *203*, where the six new places in local authority secure accommodation planned for since 1 May 1997 will be provided; and how many places have been planned for since 1 May which will become available after the end of 1998. [34867]

Mr. Boateng: The six places comprise 2 at Dyson Hall (Liverpool) and 4 at Thornbury House (Oxfordshire).

We have instituted a review of the whole range of secure accommodation for young people held on remand, including the local authority secure estate. The review is examining how to make better use of the existing and planned accommodation to ensure that provision is more consistent and coherent, and that regimes tackle criminality and meet the educational and other needs of these young people. We will be considering the outcome of the review, which is due to report shortly, when planning the implementation of these proposals. The review will help inform whether there should be a further expansion of the secure estate.

Dr. Cable: To ask the Secretary of State for the Home Department what are the current criteria for admittance to a local authority secure unit; and what plans he has to change these. [34802]

Mr. Boateng: I have been asked to reply. Local authority secure accommodation is provided for young people generally between the ages of 10 and 18 who are likely to cause serious injury to themselves or others if placed in other forms of accommodation. Section 25 of The Children Act 1989 sets out the criteria which must be met before a child being looked after by a local authority can be placed, and if placed, kept in secure accommodation. We have no plans at present to change these criteria. Additionally, children sentenced under Section 53 of The Children and Young Persons Act 1933 may be kept in secure accommodation where my right hon. Friend, the Home Secretary considers that to be the most appropriate placement.

Factor VIII

Mr. Hinchliffe: To ask the Secretary of State for Health what time scale he has given for health authorities to provide all under 16 year olds and new patients requiring the synthetic version of blood product Factor VIII with this treatment; and what advice he has given to those authorities which previously restricted its availability because of budgetary constraints. [34957]

Mr. Boateng: Health Service Circular HSC 033 requests chief executives of health authorities and trusts to take the necessary steps to ensure that new patients and patients under the age of 16 have access to recombinant Factor VIII as soon as supplies allow after 1 April this year, if their clinicians recommend this treatment.

The circular acknowledges that many health authorities have previously decided not to fund this treatment on the basis of the clinical evidence of effectiveness and safety relative to cost. It makes clear that extra funding will be provided in 1998–99 to cover new patients and children under 16 who were not already receiving recombinant Factor VIII prior to 26 February, and who were not covered by current contracting arrangements.

Copies of the circular are available in the Library.

Leagues of Hospital Friends

Mr. Walter: To ask the Secretary of State for Health what was the total capital expenditure by leagues of hospital friends on capital projects for the National Health Service in financial years *(a)* 1995, *(b)* 1996 and *(c)* 1997; and for each year what was the value added tax paid for those projects by (i) the NHS Executive, (ii) NHS Trusts and (iii) the leagues of friends. [34838]

Mr. Milburn: Information about donations to the National Health Service is recorded in NHS trusts annual accounts. The amounts donated by the leagues of hospital friends is not, however, separately disclosed.

INTERNATIONAL DEVELOPMENT

Development Assistance

Sir Alastair Goodlad: To ask the Secretary of State for International Development how much her Department will spend on bilateral development assistance programmes through UK NGOs for development and relief activities in *(a)* 1997–98 and *(b)* 1998–99. [34972]

Clare Short: Information on spending through UK NGOs for development and relief activities funded by the Department for International Development's (DFID) bilateral development assistance programmes is not held centrally in the format requested. A full answer to the question could be provided only at disproportionate cost.

Emergency Assistance

Sir Alastair Goodlad: To ask the Secretary of State for International Development how much her Department expects to spend on bilateral emergency assistance in *(a)* 1997–98 and *(b)* 1998–99 and in respect of how many countries this expenditure will be incurred. [34976]

Clare Short: In 1997–98 we estimate that expenditure on bilateral emergency aid will be around £65 million. Over 60 countries have received assistance. Provision for 1998–99 is currently being considered within the Department's resource allocation round.

Details of bilateral emergency aid are published each year in the British Aid Statistics. The next issue, which will include final expenditure figures for 1997–98, is due for publication in December 1998. Copies will be made available to the Libraries of both Houses.

Sir Alastair Goodlad: To ask the Secretary of State for International Development how much her Department expects to spend in *(a)* 1997–98 and *(b)* 1998–99 through NGOs to alleviate suffering in respect of disaster, refugee and emergency situations. [34971]

Clare Short: In 1997–98 we estimate that expenditure on bilateral emergency aid will be around £65 million. Although we are unable to say currently how much of that will be spent through particular channels, over the previous three years around a fifth of bilateral emergency aid has been channelled through NGOs. Provision for 1998–99 is currently being considered within the Department's resource allocation round.

Volunteer Sending Agencies

Sir Alastair Goodlad: To ask the Secretary of State for International Development what sums her Department will provide in *(a)* 1997–98 and *(b)* 1998–99 to volunteer sending agencies; how many will receive funding in each year; and in how many countries. [34973]

Clare Short: Final figures for 1997/98 are not yet available.

My Department estimates that £23.844 million will be provided to the 4 main UK volunteer sending agencies [Voluntary Services Overseas (VSO), International Corporation for Development (ICD) and United Nations Association for International Service (UNAIS) and Skillshare Africa] in 1997/98. This will help fund the work of approximately 2,080 volunteers in around 60 countries.

Future years allocations are being considered within the Department's Resource allocation round.

Kosovo

Sir Alastair Goodlad: To ask the Secretary of State for International Development what discussions she has had with the UN concerning assistance to the people of Kosovo. [34858]

Clare Short: To date, I have not held any discussion with the UN on this issue.

Sir Alastair Goodlad: To ask the Secretary of State for International Development when she will next meet her EU counterparts to discuss assistance for Kosovo; and if she will publish the agenda of the meeting. [34852]

Clare Short: I shall next be meeting EU counterparts at the Development Council in Brussels on 18 May. At present, assistance to Kosovo is not on the agenda.

The European Community Humanitarian Office (ECHO) are continuing to monitor the situation in Kosovo and have already decided on a small increase to Kosovo under their global plan for 1998 agreed on 5 March.

Sir Alastair Goodlad: To ask the Secretary of State for International Development what steps her Department has taken to assess the aid needs of Kosovo. [34854]

Clare Short: Officials of my department are meeting representatives of NGOs active in Kosovo on 19 March to receive an update of their recent activities and to exchange assessments of the current situation and needs.

Our current assessment is that although the situation is extremely serious, it does not constitute an humanitarian crisis.

We will continue to monitor the situation carefully.

Sir Alastair Goodlad: To ask the Secretary of State for International Development when she plans to meet officials from the OSCE to discuss the assistance needs of Kosovo. [34853]

Clare Short: At present, I have no plans to meet Organisation for Security and Co-operation in Europe (OSCE) officials.

Wildlife Conservation

Sir Alastair Goodlad: To ask the Secretary of State for International Development how much her Department expects to spend in *(a)* 1997–98 and *(b)* 1998–99 on projects relating to the conservation and management of wildlife; and in respect of how many countries this expenditure will be incurred. [34975]

Clare Short: Information can be provided in terms of our expected expenditure in 1997–98 for biodiversity as a total, but no separate figures are available for conservation and management of wildlife. I regret that figures are also not available on the number of countries in which this expenditure will be incurred.

Uganda

Sir Alastair Goodlad: To ask the Secretary of State for International Development what steps her Department is taking to support multi-party democracy in Uganda. [34893]

Clare Short: My Department is continuing to work closely with the Foreign and Commonwealth Office to ensure that the Government of Uganda are aware of the importance Her Majesty's Government place on multipartyists being given an adequate opportunity to present their case in the run up to the 2000 Referendum.

In Uganda itself we are funding a £250,000 civic and votes education project to improve Ugandans' awareness of their democratic rights and responsibilities, and to strengthen the capacity of the Ugandan Electoral Commission.

Joint Funding Schemes

Sir Alastair Goodlad: To ask the Secretary of State for International Development how much she estimates her Department will spend in *(a)* 1997–98 and *(b)* 1998–99 on joint funding schemes; how many development projects will be financed through these schemes; and how many United Kingdom NGOs will be involved. [34974]

Clare Short: My Department estimates that £36.156 million will be spent on development projects through the Joint Funding Scheme in 1997–98. This will involve approximately 1,780 projects managed by around 128 UK NGOs.

Future years allocations are being considered within the Department's Resource allocation round.

Macedonia

Sir Alastair Goodlad: To ask the Secretary of State for International Development if she will make a statement on the future of the United Kingdom's aid programme to Macedonia. [34856]

Clare Short: The United Kingdom has spent almost £4 million in Macedonia since 1993–94 when assistance was first provided through the Know How Fund. We expect to spend around £600,000 in 1997–98 and will expand the programme significantly in 1998–99.

Following discussions with other donors and local partners we will focus on the priority sectors of Small and Medium Enterprise Development, Good Government (initially focusing on media and police training) and the Financial Sector.

The main project planned for the next two to three financial years will be to develop three regional small and medium enterprise development centres in Western and Southern Macedonia; two of the three are planned for the ethnic majority Albanian towns of Tetevo and Gostivar.

Albania

Sir Alastair Goodlad: To ask the Secretary of State for International Development if she will make a statement on the United Kingdom's aid programme for Albania. [34855]

Clare Short: The United Kingdom's bilateral developmental assistance to Albania has totalled over £5,700,000 since 1992/93. This sum includes bilateral emergency aid, but most of this funding has been disbursed through the Know How Fund in the form of technical assistance.

In 1996/97 the Know How Fund spent some £937,000 in assistance to support Rural Development, Good Government/Public Administration and the Health and Financial Sectors.

The disturbances in the first half of 1997 disrupted Know How Fund activity severely and the programme effectively restarted only in the autumn of last year. We expect to have spent around £400,000 in 1997/98.

More funds will be made available in 1998/99 with the focus continuing to be Health, Rural Development, Good Government and the Financial sector (with a particular emphasis on strengthening regulatory frameworks).

Economic and political transformation in Albania will take some time. We aim to support the reformist Government of Prime Minister Fatos Nano, as well as private organisations and NGOs, with carefully targeted support in key areas which will benefit the widest range of individuals and groups.

Over £292,000 of bilateral emergency aid to Albania in 1997/98 was in support of organisations providing relief following civil unrest. This was primarily disbursed through the International Committee of the Red Cross and non-governmental organisations.

We also remain in close contact with other multilateral donors to which we contribute, such as the World Bank and the European Union Phare programme, to influence, monitor and co-ordinate activities. Through our membership of the EU we contribute approximately 15 per cent. of the Phare programme in Albania.

SCOTLAND

Student Grants

Mr. Moore: To ask the Secretary of State for Scotland how many Scottish students at Scottish universities did not receive payment of grants awarded to them by the SAAS within *(a)* one week, *(b)* two weeks, *(c)* four weeks and *(d)* eight weeks of their course commencing; and for each figure, what percentage of Scottish students at Scottish universities this represents. [26055]

Mr. Wilson: The table shows, in relation to Scottish students[1], the numbers of applications not processed[2] within the time parameters specified and the percentages of students this represents. It is important to recognise that these figures take no account of when individual applications were actually received by the Agency. The figures therefore do not indicate how long the Agency took to process applications, nor do they provide an accurate measure of the number and proportion of applications which were not processed within the Agency's target time.

Weeks after the start of courses	*Number of applications from Scottish students not processed*	*Percentage of Scottish students*
1	25,114	34.8
2	22,810	31.6
4	17,637	24.5
8	8,545	11.9

[1] For the purposes of this answer, Scottish students are defined as Scottish domiciled students in receipt of an award at a Scottish university.

[2] The information relates to the date of processing, rather than date of receipt of the payment, because the former is known while the latter can vary. (Students who did not receive their payments at the start of the academic year would receive their payment 3 to 4 days after processing).

Land Information Register (Highland)

Ms Roseanna Cunningham: To ask the Secretary of State for Scotland what discussions he has had with Highland Council regarding their cost estimates for the establishment of a land information register in their region; and if he will make a statement. [34123]

Mr. McLeish: The Government have had no specific discussions with Highland Council regarding the establishment of a land information register in its region, though we are aware of this initiative.

The Land Register of Scotland operated by the Registers of Scotland Executive Agency is a modern map-based register of title, which gives details of ownership of properties which have been sold after individual counties become operational in the Register. It will be extended to all the counties of Scotland by 2003. In those areas for which Highland Council is the responsible authority, there already exists substantial ownership and other information available to the public in the Register of Sasines which is the national register of deeds and has recorded property transactions in Scotland since 1617.

Pre-school Year Children

Mr. Sarwar: To ask the Secretary of State for Scotland what forecast his Department has made of the number of pre-school children in each of the next five years. [34019]

Mr. Wilson: Estimated numbers of pre-school year children in each of the next five years are given in the table. These estimates are based on the Registrar General's latest (1996) mid-year population estimates and the 1996-based projected number of births produced by the Government Actuary's Department. These have been adjusted to show ages as at 28 February. No account has been taken of future deaths or migration, or of children whose entry into the pre-school session or primary one may be deferred.

Pre-school session	*Number of pre-school year children*[1]
1998–1999	61,371
1999–2000	59,303
2000–2001	59,559
2001–2002	58,283
2002–2003	58,107

[1] The figures for 1998–99 and 1999–2000 are based on the 1996 mid-year population estimates adjusted to show ages as at 28 February 1996. Figures for the remaining years are based on the 1996-based projected number of births and adjusted to 28 February. These adjustments are calculated by subtracting one third of the mid-year population at a specific age and adding in its place one third of the mid-year population one year older.

Primary Schools

Mr. Sarwar: To ask the Secretary of State for Scotland how much was spent per pupil at primary schools in Scotland in real terms in *(a)* 1979, *(b)* 1989 and *(c)* the most recent year for which figures are available. [34020]

Mr. Wilson: The information is given in the table. 1995–96 is the latest financial year for which information is currently available. The figures, which are derived from local authority financial returns, do not include the cost of home to school transport, school meals, education authority central administration costs and loan charges.

Year	£ *Amount*
1979–80	1,203
1989–90	1,780
1995–96	1,866

Note:
Expenditure per primary school pupil, adjusted to 1995–96 prices using the GDP deflator

Drug-related Crime

Mr. Sarwar: To ask the Secretary of State for Scotland what studies his Department has commissioned to ascertain what amount of crime is drug-related in Scotland. [34017]

Mr. McLeish: The Scottish Office commissioned research on "Heroin Use and Crime" by the Addictions Research Group of the University of Strathclyde, which was published in 1990. We are currently funding a collaborative study, which is being carried out at Ruchill Hospital, to assess whether methadone prescribing in Glasgow is associated with changes in drug injecting,

crime, health and social functioning. The relationship between crime and substance misuse remains a priority area for future research.

Electoral Arrangements

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will list those wards proposed under the Third Statutory Review of Electoral Arrangements which include electors in more than one parliamentary constituency; and if he will make a statement on the need for special arrangements to be adopted by returning officers to deal with elections at the same polling station on the same day. [34234]

Mr. McLeish: The third Statutory Review of Electoral Arrangements is not yet complete. The information requested is not held centrally; however, inquiries are currently being made to see if this information can be obtained for those reports already submitted and I will write to my hon. Friend. Where local government and Parliamentary elections are held on the same day, returning officers will need to ensure that sufficient equipment and staff are provided for polling stations within the polling places designated by local authorities. Returning officers are entitled to recover any such costs under Section 15(4) of the Representation of the People Act 1985.

Police Expenditure

Mr. Allan: To ask the Secretary of State for Scotland how much money was spent on (i) capital projects, (ii) training, and (iii) pension provision *(a)* by each police force and *(b)* in total, in each of the last three years; and what is the amount allocated for each of the forthcoming years for which plans have been made. [34704]

Mr. McLeish: The information on capital and pensions expenditure for the last three years is set out in the tables. Expenditure figures for training by forces are not held centrally.

£000

	1994–95	*1995–96*	*1996–97*
Police capital expenditure			
Central	1,883	1,446	1,514
Dumfries and Galloway	519	1,069	2,543
Fife	5,681	4,969	1,240
Grampian	2,495	4,127	2,756
Lothian and Borders	3,489	2,914	3,001
Northern	1,775	1,429	2,027
Strathclyde	7,880	9,801	12,708
Tayside	1,414	1,507	2,009
Total	25,136	27,262	27,798
Net expenditure on police pensions			
Central	1,450	2,437	2,722
Dumfries and Galloway	1,470	1,535	1,535
Fife	2,897	3,080	4,574
Grampian	3,160	5,811	6,863
Lothian and Borders	10,010	12,384	14,683
Northern	2,725	2,749	3,404
Strathclyde	28,338	37,178	43,227
Tayside	4,806	6,267	6,917
Total	54,856	71,441	83,925

Capital allocations for 1997–98 and 1998–99 are set out in the table. No plans have been made yet for future years pending the outcome of the Comprehensive Spending Review.

£000

	1997–98	*1998–99*
Police capital allocations		
Central	1,173	693
Dumfries and Galloway	867	1,023
Fife	1,347	1,128
Grampian	1,738	994
Lothian and Borders	2,317	2,044
Northern	2,800	6,750
Strathclyde	10,098	6,250
Tayside	1,870	1,337
Total	22,210	20,219

The Secretary of State does not allocate expenditure for training or pension provision. Within the budget set by each police authority, expenditure on training will be decided by the chief constable and pension provision will be dependent on the number of police officers who retire each year.

Sex Discrimination

Mrs. Fyfe: To ask the Secretary of State for Scotland (1) if he will place in the Library a copy of the external legal advice, based on two opinions by Patrick Elias QC, on the subject of the Jepson case and proposals to amend sex discrimination legislation; [34878]

(2) what external legal advice he has sought from persons with relevant expertise in Scotland on sex discrimination in relation to the Scotland Bill; and if he will list the persons consulted and make a statement on the advice received. [34880]

Mr. McLeish *[holding answer 17 March 1998]:* The Government do not ordinarily disclose the terms of legal advice and do not consider that it is appropriate to disclose any specific legal advice received in relation to the matters referred to in the question.

Boundary Commissioners

Mr. Ernie Ross: To ask the Secretary of State for Scotland if he will list the members of the Boundary Commission for Scotland. [35530]

Mr. Dewar: I have reappointed Dr. Charles M. Glennie CBE and Professor Urlan A. Wannop to the Boundary Commission for Scotland from 1 January 1998 to 31 December 1998.

The other members of the Commission are:

Madam Speaker—ex officio, Chairman;

The Hon. Lady Cosgrove, appointed as Deputy Chairman by the Lord President of the Court of Session from 1 January 1997 to 31 December 1999.

Agricultural Science Agency

Mr. Ernie Ross: To ask the Secretary of State for Scotland when the revised Framework Document for the Scottish Agricultural Science Agency will be published. [35531]

Mr. Macdonald: The revised Framework Document has been published today and a copy has been placed in the Library.

EDUCATION AND EMPLOYMENT

Buildings Refurbishment

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what is his estimate of the cost of buildings refurbishment carried out by his Department in *(a)* 1995–96, *(b)* 1996–97, *(c)* 1997–98 to date and *(d)* 1997–98 full year; and if he will make a statement. [26686]

Dr. Howells *[holding answer 5 February 1998]:* The estimates detailed in the following table are for DfEE HO buildings only.

Year	£
(*a*) 1995–96	4,271,081
(*b*) 1996–97	4,195,382
(*c*) 1997–98 to date	2,255,263
(*d*) 1997–98 full year	2,507,281

All of the refurbishment work was part of the Department's long-term plan to ensure the operational efficiency of the offices concerned.

Empty Properties

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what is his estimate of the *(a)* annual cost and *(b)* total value of the empty properties owned by (i) his Department, (ii) his agencies and (iii) other public bodies for which he has responsibility, in (A) 1995–96, (B) 1996–97, (C) 1997–98 to date and (D) 1997–98 full year. [26684]

Dr. Howells *[holding answer 5 February 1998]:* The following is a breakdown of costs and values:

£

Financial year	*Property owner*	*(a) Costs*	*(b) Values*
1995–96	DfEE HO	2,834,468	7,935,850
	Employment Service	8,600,000	4,100,000
	Other Public Bodies	444,000	272,000
Total		11,878,468	12,307,850
1996–97	DfEE HO	2,811,928	3,135,850
	Employment Service	7,900,000	3,600,000
	Other Public Bodies	445,000	847,000
Total		11,156,928	7,582,850
1997–98 to date	DfEE HO	see full year	see full year
	Employment Service	see full year	see full year
	Other Public Bodies	203,000	see full year
Total		203,000	see full year
1997–98 full year	DfEE HO	2,312,576	1,700,000
	Employment Service	6,100,000	4,800,000
	Other Public Bodies	418,963	430,000
Total		8,831,539	6,930,000

New Deal

Mr. Willetts: To ask the Secretary of State for Education and Employment if he will provide a breakdown of patterns of expenditure in 1998–99 on *(a)* young and *(b)* long-term unemployed participants in the New Deal by travel to work area or other suitable locality. [29689]

Mr. Andrew Smith: I have placed in the Library a list of the client volume planning assumptions for each New Deal unit of delivery which the Employment Service is using to plan provision for young unemployed people aged 18–24. However, actual take-up of each element of the New Deal for 18–24 year olds will be determined by the needs of individual clients, and it is not therefore possible to predict what the precise pattern of expenditure will be. Similarly, actual take-up of particular elements of provision will determine expenditure within the New Deal for long-term unemployed people aged 25 or over.

Mr. McCabe: To ask the Secretary of State for Education and Employment how much of the windfall tax proceeds devoted to the New Deal will be used *(a)* to employ staff in the Employment Service, *(b)* to purchase computers or furniture for the Employment Service, *(c)* for advertising; *(d)* for employment of staff or purchase of furniture or equipment by TECs, *(e)* for pay in respect of New Deal participants and *(f)* for employment subsidies. [32789]

Mr. Andrew Smith: The windfall tax proceeds devoted to the New Deal programmes for unemployed people aged 18–24 and for long-term unemployed people aged 25 or over will provide help in making the move from benefit into work for the whole of this Parliament. Each programme will offer help to everyone who becomes eligible. Everyone who joins the New Deal for 18–24 year olds will receive help tailored to individual circumstances. Accordingly, total expenditure in each year will be determined by the number of people who actually join the programme and the precise pattern of help they require, and cannot be predicted in advance.

A large part of the New Deal for 18–24 year olds will be delivered through partnership arrangements rather than by Employment Service (ES) staff. These arrangements are currently being finalised before the programme's national launch in April, and it is therefore not yet possible to determine the overall impact on ES staffing.

Changes to the ES infrastructure in terms of accommodation, furniture and IT equipment will also depend on local delivery arrangements and their impact in each Jobcentre. Expenditure on each of these items will be known only when these plans are finalised and linked to the numbers of young people actually joining the programme.

The New Deal programmes have a total marketing budget for the life of this Parliament of up to £24 million.

As far as advertising is concerned the current programme of marketing to employers is aimed at raising interest to provide unsubsidised vacancies in the Gateway and subsidised places for the Employment Option. There will also need to be further advertising to launch the New Deal for those above 25 years of age as well as continuing to maintain employer involvement after the initial phase of interest. The amount of future advertising—over the

life of the Parliament—will need to be assessed once we have established how much additional marketing is required to encourage further employer participation or to communicate other key New Deal messages. The TECs in many of the Delivery Units are working alongside the ES as key strategic partners. Where they take responsibility for managing some elements of the programme (such as one or more of the options) then they may need to employ staff and may even require some infrastructure investment. However, while the delivery arrangements are still being negotiated it is not possible to anticipate this impact.

The fact that the New Deal programme is demand led and largely determined by client choices means that there is no fixed split between expenditure on employment subsidies and New Deal participants. This flexibility which New Deal clients will have is a very important feature of the programme and it means that expenditure on particular elements is difficult to forecast at the outset.

Part-time Education

Mr. Willis: To ask the Secretary of State for Education and Employment (1) what estimate he has made of the cost of extending student loans to part-time students in *(a)* further and *(b)* higher education; [32822]

(2) what plans he has for further assistance for students in part-time education. [32823]

Dr. Howells: We agree with the Dearing Committee's recommendation that extending loans to part-time students in higher education should not be a priority. The Department estimates that the costs of extending loans to part-time students in higher education would be of the order of £350 million per year in the short term, depending on take-up. No estimates have been made of the costs of extending student loans to part-time students in further education.

We do recognise the needs of part-time students and have taken positive steps to ensure that they are not financially disadvantaged. Students in higher education who are unfortunate enough to lose their jobs, through no fault of their own, will be able to have their fees remitted. Eligibility for Access Funds will be extended to part-time students in higher education from 1998–99. In addition, the Department for Education and Employment and the Department of Social Security are reviewing, as the Dearing Committee recommended, the interaction between benefit entitlement and part-time study.

Physical Education

Mr. Spring: To ask the Secretary of State for Education and Employment what recent representations he has received from Her Majesty's Chief Inspector on the state of physical education and sport in schools; and when he expects next to receive a report on this matter. [34737]

Ms Estelle Morris: Her Majesty's Chief Inspector of Schools reports annually to my right hon. Friend the Secretary of State on the standards and quality of physical education and other subjects taught in schools. His Annual Report for 1996–97, published on 3 February, also reported on extra-curricular sporting activities.

Mr. Spring: To ask the Secretary of State for Education and Employment what recent representations he has received from teacher training institutions on the state of physical education and sport within the Initial Teacher Training Scheme. [34739]

Ms Estelle Morris: None.

School Sports

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken to encourage schools to extend sporting opportunities outside school hours. [34220]

Ms Estelle Morris *[holding answer 16 March 1998]:* The Department works closely with the Department for Culture, Media and Sport and with other agencies to provide a range of sporting opportunities within and beyond the school curriculum. The Government are also keen to encourage out of school hours clubs in schools and in other community premises, including sports clubs. We will shortly publish a national framework for out of school hours learning, which will acknowledge the valuable work already done to motivate young people and help them become more active learners, and suggest ways in which this can be developed. The New Opportunities Fund will administer £200 million of Lottery funding for out of school hours learning, including sporting activities.

Mr. Spring: To ask the Secretary of State for Education and Employment what steps he has taken since 1 May 1997 to encourage greater co-operation between schools and local communities in sports matters. [34207]

Ms Estelle Morris *[holding answer 16 March 1998]:* Co-operation between schools and their communities is always important, and particularly so where such co-operation leads to the more effective use of resources and the development of school-community links. The Government will shortly publish a national framework for out of school hours learning, which will acknowledge the valuable work already done by schools and youth and community workers, as well as others, to motivate young people and help them become more active learners through a variety of different activities, including sport.

NORTHERN IRELAND

Schools

Mr. Trimble: To ask the Secretary of State for Northern Ireland how many Ministerial visits to schools have taken place since 1 May indicating the number to *(a)* controlled schools, *(b)* integrated schools, *(c)* Catholic maintained schools and *(d)* voluntary grammar schools. [34416]

Mr. Worthington: There have been 13 Ministerial visits to schools since 1 May:

(a) controlled schools—8 visits

(b) integrated schools—2 visits

(c) Catholic maintained schools—2 visits

(d) voluntary grammar schools—1 visit.

Mr. Trimble: To ask the Secretary of State for Northern Ireland if she will list the amounts paid for the years 1994–95, 1995–96 and 1996–97 to the Council for

Catholic Maintained Schools under paragraphs *(a)* 11, *(b)* 13, *(c)* 14 and *(d)* 15 of Schedule 8 of the Education Reform (Northern Ireland) Order 1989. [34415]

Mr. Worthington: The information is as follows:

£

	1994–95	*1995–96*	*1996–97*
Paragraph 11	964,621	963,233	1,136,183
Paragraph 13	35,542	32,064	38,020
Paragraph 15 recurrent	1,204,000	1,257,975	1,465,000
Paragraph 15 capital	54,391	114,959	147,927

No grants are paid under paragraph 14.

Tuition Fees

Mr. Welsh: To ask the Secretary of State for Northern Ireland what estimate she has made of the cost of financing tuition fees for the fourth year of study for Northern Ireland domiciled students studying at Scottish universities; and if she will make a statement. [34125]

Mr. Worthington *[holding answer 12 March 1998]:* The estimated cost is about £550,000.

Royal Ulster Constabulary Reserve

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list for each police division in Northern Ireland the number of (i) full-time and (ii) part-time RUCR officers. [34004]

Mr. Ingram *[holding answer 12 March 1998]:* The numbers of Full-Time and Part-Time Royal Ulster Constabulary Reserve Officers in each Division as at 10 March 1998 are shown in the table:

Tally of RUCR FT and RUCR PT by financial division details as at 10 March 1998

Financial Division	*R Con FT*	*R Con PT*	*Grand Total*
A	229	196	425
B	378	45	423
D	358	270	628
E	376	198	574
G	163	142	305
H	232	29	261
J	145	110	255
K	161	17	178
L	263	104	367
N	235	23	258
O	179	60	239
P	115	109	224
S (HQ)	68	0	68
X (MSU)	68	0	68
Z (TRAINING)	29	0	29
Grand Total	2,999	1,303	4,302

DEFENCE

Ministerial Meetings

Mr. Randall: To ask the Secretary of State for Defence how many meetings have been requested with his Department's Ministers by *(a)* Labour and *(b)* Conservative hon. Members; and how many meetings have been granted in each category. [31293]

Mr. Spellar: It is not our normal practice to refuse requests for meetings with hon. Members although on occasions it has been suggested that a meeting would be either untimely or unnecessary, or should be held with a Minister other than the Minister to whom the request had been made.

In addition to regular meetings with Ministerial colleagues our Departmental records show that Ministers have had meetings with the following numbers of hon. Members from the Labour and Conservative parties.

Labour hon. Members 29

Conservative hon. Members 5.

Employee Travel

Mr. Baker: To ask the Secretary of State for Defence if he will estimate the cost of employee travel on office business, broken down into *(a)* fuel allowances, *(b)* unproductive time during travel, *(c)* other costs related to car transport and *(d)* costs related to public transport, for (i) 1994–95, (ii) 1995–96, (iii) 1996–97 and (iv) 1997–98. [32443]

Dr. Reid *[holding answer 3 March 1998]:* The information is not held in the form requested and could be obtained only at disproportionate cost. The only figures readily available relate to Motor Mileage Allowances paid to MOD Civilians using their private cars for official business during the financial year 1996–97. These amounted to £8.76 million.

Millennium Compliance

Mr. David Atkinson: To ask the Secretary of State for Defence if he will make a statement on the recent discussions on the millennium compliance of computer systems at the US Department of Defense at which his Department was represented; which other countries were invited or were represented; and what the outcome was. [33380]

Mr. Spellar: The US Department of Defense hosted a meeting in Washington on 18 February 1998 to discuss the impact of the Year 2000 problem on interchange of Defence-related electronic information between Allied Nations and on equipment that is in common service with a number of Nations. In addition to the US and UK, Canada and Australia were also represented. It was agreed that a senior level steering group would be set up to review progress on ensuring that interconnections between Allied Nations were Year 2000 compliant, to ensure that Year 2000 modifications made to an equipment by a Nation were notified to other Nations using the same equipment and to consider the inclusion of "Year 2000 tests" within multinational military exercises.

Gulf Presence

Mr. Gordon Prentice: To ask the Secretary of State for Defence what is the latest estimate of the cost of maintaining the British military presence in the Gulf. [34464]

Mr. George Robertson: The costs incurred to the end of February amounted to some £3 million. The current estimate of the total additional cost for the preparation,

deployment and recovery of forces is £12 million, and an additional £0.5 million per month to maintain the forces while in theatre.

Loan Service Officers

Mr. Hancock: To ask the Secretary of State for Defence how many loan service officers are currently stationed in *(a)* Qatar, *(b)* Oman, *(c)* Bahrain, *(d)* Kuwait and *(e)* the United Arab Emirates. [34711]

Dr. Reid: As at 12 March 1998, the total number of UK loan service personnel stationed in the countries listed was:

Country	*Total*
Qatar	0
Oman	102
Bahrain	1
Kuwait	58
UAE	11

Berlin Airlift

Mr. Nigel Jones: To ask the Secretary of State for Defence what plans he has to commemorate the fiftieth anniversary of the Berlin Airlift. [34762]

Dr. Reid: I am glad to say that the courage of those who took part in the Berlin Airlift, and the success of the operation to sustain the people of Berlin and their freedom, will be celebrated by a series of events in Berlin over the summer.

RAF bands will play at the traditional wreath laying ceremony and at various concerts. The Queen's Colour Squadron and aircraft from squadrons associated with the airlift will participate in events and ceremonies marking the 50th anniversary of the start of the airlift. The Battle of Britain Memorial Flight Dakota will fly in the colours of a squadron that flew in the airlift.

Aer Lingus Viscount Crash, 1968

Mr. Wigley: To ask the Secretary of State for Defence if he will make a statement on the new evidence he has received concerning the involvement of a second aircraft in the crash of an Aer Lingus Viscount in the Irish Sea on 24 March 1968. [34809]

Dr. Reid *[holding answer 17 March 1998]:* I have received no new evidence about the involvement of a second aircraft in the crash of the Aer Lingus Viscount in the Irish Sea on 24 March 1968.

Mr. Wigley: To ask the Secretary of State for Defence what recent representations he has received, and discussions he has had, concerning the Aer Lingus Viscount crash in the Irish Sea on 24 March 1968; and if he will undertake to discuss the matter with his counterparts in the Irish Government. [34812]

Dr. Reid *[holding answer 17 March 1998]:* The Ministry of Defence has received a number of questions from the media and a letter from the Celtic League on this subject. I have not received representations from the Irish Government, but would be happy to respond if there were to be any.

Mr. Wigley: To ask the Secretary of State for Defence if he will make a statement on the exercises in the Irish Sea on the day of the Aer Lingus Viscount crash in March 1968; if RAF or other aircraft participating in those exercises are recorded as having been lost; and if United Kingdom naval vessels picked up any person, dead or alive, from the Irish Sea on the day of the crash. [34881]

Dr. Reid *[holding answer 17 March 1998]:* There is no indication of any UK military exercise in the Irish Sea on the day of the crash. No person, dead or alive, was picked up by British naval vessels in the Irish Sea on that day.

HOME DEPARTMENT

Prisons (Self-Injury)

Mr. Sutcliffe: To ask the Secretary of State for the Home Department how many recorded incidents of self-injury there were in each *(a)* public and *(b)* private prison in (i) 1995, (ii) 1996 and (iii) 1997. [32102]

Ms Quin *[holding answer 2 March 1998]:* The numbers of incidents of self harm reported by Prison Service establishments in the relevant years are set out in the table. There are a number of factors that are responsible for the uneven pattern of the figures in the table, across establishments and time.

Local prisons, owing to their role as reception and allocation centres, tend, in general, to have to deal with more difficult prisoners, including those likely to self harm. Also a single prisoner can generate a large number of self harm incidents in any one year. The table shows that the rise in the number of incidents from 1994–95 to 1995–96 had been partly reversed in the following year.

Incidents of self harm 1994–95 to 1996–97 in prison service establishments directly managed

Establishment	*1994–95*	*1995–96*	*1997–98*
Acklington	27	20	23
Albany	7	4	11
Aldington	0	0	0
Ashwell	1	3	1
Askham Grange	0	5	4
Aylesbury	31	21	18
Bedford	14	0	18
Belmarsh	34	138	26
Birmingham	43	238	77
Blantyre House	0	0	0
Blundeston	13	10	24
Brinsford	237	301	157
Bristol	11	53	19
Brixton	24	53	19
Brockhill	0	1	11
Bullingdon	0	49	43
Bullwood Hall	126	312	0
Camp Hill	19	15	11
Cardiff	39	123	78
Castington	24	12	4
Channings Wood	14	17	10
Chelmsford	0	56	147
Coldingley	2	0	2
Cookham Wood	32	49	46
Dartmoor	47	44	47
Deerbolt	170	109	114
Dorchester	5	0	28
Dover	15	8	9
Downview	3	2	4

Incidents of self harm 1994–95 to 1996–97 in prison service establishments directly managed

Establishment	*1994–95*	*1995–96*	*1997–98*
Drake Hall	7	5	14
Durham	65	207	13
East Sutton Park	0	3	1
Eastwood Park	n/a	61	176
Elmley	0	49	243
Erlestoke	3	6	3
Everthorpe	0	10	46
Exeter	48	0	21
Featherstone	7	8	27
Feltham	99	532	241
Ford	2	1	0
Frankland	32	52	32
Full Sutton	21	46	33
Garth	12	14	28
Gartree	7	37	8
Grendon	5	14	14
Glen Parva	79	80	43
Gloucester	73	29	47
Guys Marsh	8	8	22
Haslar	5	4	12
Hatfield	3	0	4
Haverigg	2	5	7
Hewell Grange	0	0	0
Highdown	34	66	44
Highpoint	50	32	2
Hindley	20	74	40
Hollesley Bay	18	61	19
Holloway	386	192	135
Holme House	42	82	154
Hull	105	128	90
Huntercombe	19	12	6
Kingston	1	0	8
Kirkham	5	1	2
Kirklevington	0	0	0
Lancaster	3	5	4
Lancaster Farms	66	67	33
Latchmere House	0	0	0
Leeds	75	57	59
Leicester	25	25	22
Lewes	119	21	16
Leyhill	0	0	1
Lincoln	18	53	208
Lindholme	14	9	3
Littlehey	47	11	38
Liverpool	19	72	127
Long Lartin	8	22	36
Low Newton	69	109	47
Maidstone	1	3	7
Manchester	59	98	86
Moorland	37	54	42
Morton Hall	1	0	1
Mount The	4	5	16
New Hall	325	260	116
North Sea Camp	1	0	0
Northallerton	79	61	61
Norwich	64	65	76
Nottingham	13	7	2
Onley	32	100	49
Parkhurst	152	46	2
Pentonville	19	71	51
Portland	32	25	31
Prescoed	0	2	0
Preston	39	29	67
Ranby	6	11	30
Reading	51	41	70
Risley	131	168	126
Rochester	10	8	15
Rudgate	0	0	0
Send	0	0	0
Shepton Mallet	13	9	8
Shrewsbury	14	18	32
Springhill	1	1	0
Stafford	76	44	35
Stafford Hill	0	2	0
Stocken	8	12	9
Stoke Heath	50	61	50
Styal	156	108	92
Sudbury	0	1	1
Swaleside	26	31	9
Swansea	36	37	61
Swinfen Hall	6	8	32
Thorp Arch	2	1	3
Thorn Cross	2	8	3
Usk	7	16	1
Verne, The	34	8	6
Wakefield	38	18	24
Wandsworth	42	156	168
Wayland	16	73	25
Wealstun	n/a	2	2
Wellingborough	2	0	0
Werrington	17	15	11
Wetherby	42	48	52
Whatton	3	3	1
Whitemoor	26	0	45
Winchester	9	9	36
Woodhill	41	146	155
Wormwood Scrubs	107	20	85
Wymott	64	7	15
Sub-Total	4,529	5,834	4,923
Contractually Managed			
Blakenhurst	42	23	29
Buckley Hall	n/a	38	12
Canterbury	27	14	9
Doncaster	180	350	359
Wolds	n/a	37	28
Sub-Total	249	462	437
Total	4,778	6,296	5,360

Children's Hearings

Mr. Beith: To ask the Secretary of State for the Home Department what assessment he has made of the effectiveness of the Children's Panel and Children's Hearings system in Scotland; and what assessment he has made of the advantages of introducing elements of this system in England and Wales. [33596]

Mr. Michael: Research commissioned by the Scottish Office regarding the effectiveness of the Scottish Children's Hearing system is expected to be completed later this year. This research includes a study into decision making in the children's hearing system and a three year longitudinal study examining outcomes for a cohort of children referred to Reporters in 1995.

In developing proposals for reform of the Youth Court in England and Wales, which are set out in the White Paper "No More Excuses: a new approach to tackling youth crime in England and Wales" (Cmnd 3809), we considered the available information about the youth justice systems in other jurisdictions, including the civil Children's Hearing system in Scotland and family group conferencing approaches in New Zealand. The proposals for reforming the Youth Court, which are set out in chapter 9 of the White Paper, aim to reflect best practice from these different approaches in a way which is consistent with the youth court arrangements in England

and Wales. In particular, our longer term proposals for a youth panel which would be responsible for agreeing a "contract", which would be overseen by the Youth Court, with certain young offenders (those appearing before the Youth Court for the first time and who plead guilty) provide an opportunity for a restorative approach to be introduced. These contracts would ensure that the young person made amends to the victim or the community at large and would tackle the causes of the offending behaviour. Experience in Scotland, in New Zealand and elsewhere has informed our consideration of how best to deal with young offenders in England and Wales and the development of the proposals set out in "No More Excuses" and in the Crime and Disorder Bill.

Driving (Drugs)

Mr. Keetch: To ask the Secretary of State for the Home Department what legislation covers those driving while under the influence of drugs. [34413]

Mr. Michael: Section 4 of the Road Traffic Act 1988 makes it an offence to drive or attempt to drive a mechanically propelled vehicle on a road or other public place when unfit to drive through drink or drugs. It also makes it an offence to be in charge of a mechanically propelled vehicle in the same circumstances. A constable may arrest a person without warrant if he has reasonable cause to suspect that an offence has been committed. Section 7 of the Act empowers a constable to require a suspect to provide a specimen of blood or urine for a laboratory test where he is advised by a medical practitioner that the condition of the person might be due to some drug.

The Act defines a person as being unfit to drive:
"if his ability to drive properly is for the time being impaired".

It defines drugs as:
"any intoxicant other than alcohol"

and can therefore include drugs of all kinds.

The Road Traffic Act 1991 added the offence of causing death by careless driving when driving a mechanically propelled vehicle under the influence of drink or drugs. The same definition of being unfit to drive applies.

The available penalties for the offences are set out in the table.

Drugs driving offences: Maximum penalties

Offence (with provision)	*How prosecuted*	*Maximum punishment*	*Disqualification*	*Endorsement*
Causing death by careless driving when under the influence of drink or drugs (section 3A RTA 1988 as added by RTA 1991)	Indictment	10 years imprisonment or level 5 fine (£5,000), or both	Obligatory	Obligatory 3–11 penalty points
Driving or attempting to drive when under the influence of drink or drugs (section 4(1) RTA 1988)	Summarily	6 months imprisonment or level 5 fine (£5,000), or both	Obligatory	Obligatory 3–11 penalty points
Being in charge of a mechanically propelled vehicle when unfit to drive through drink or drugs (section 4(2) RTA 1988)	Summarily	3 months imprisonment or level 4 fine (£2,500), or both	Discretionary	Obligatory 10 penalty points
Failing to supply specimen for laboratory test (section 7 RTA 1988)	Summarily	*(a)* Where specimen required to ascertain ability to drive—6 months or level 5 fine (£5,000) or both *(b)* in any other case, 3 months or level 4 fine (£2,500) or both	*(a)* Obligatory *(b)* In any other case, discretionary	Obligatory *(a)* 3–11 penalty points *(b)* 3–11 penalty points

Prison Service (Pensions)

Mr. Allan: To ask the Secretary of State for the Home Department what assessment he has made of the pension provision made for staff by private sectors prison contractors relative to arrangements in the public sector; what is his policy of pension provision to private sector contractors; and if he will make a statement. [34682]

Ms Quin: Pension arrangements for staff employed at privately managed prisons are a matter for the contractors, although Her Majesty's Prison Service, when considering bids for the management of prisons, requires details of bidders' personnel policies so that it can assess whether these might in any way affect the prison's operation.

My right hon. Friend asked the Prison Service on 19 June 1997 to consider plans for establishing a case for returning contractually managed prisons to the public sector. As part of that work, all aspects of the remuneration of Prison Service staff have been studied in relation to their private sector counterparts. That work is still in progress and its findings are due to be reported shortly.

Police Expenditure

Mr. Allan: To ask the Secretary of State for the Home Department how much money was spent on (i) capital projects, (ii) training and (iii) pension provision, *(a)* by each

police force and *(b)* in total, in each of the last three years; and what is the amount allocated for each of the forthcoming years for which plans have been made. [34684]

Mr. Michael: The information requested in respect of actual expenditure in years 1994/95 to 1996/97, and estimated expenditure in 1997/98, is set out in the table. This is taken from police authority returns to the Chartered Institute of Public Finance and Accountancy (CIPFA). Detailed estimates for 1998/99 will not be published by CIPFA until later in the year.

£000

	1994–95		
	Capital expenditure	*Training expenses*	*Net pensions costs*
Avon and Somerset	10,409	3,516	16,969
Bedfordshire	1,525	1,240	4,252
Cambridgeshire	2,141	1,010	5,407
Cheshire	2,698	1,644	7,528
City of London	2,142	280	4,971
Cleveland	1,622	783	7,978
Cumbria	1,558	347	5,702
Derbyshire	3,766	2,274	7,753
Devon and Cornwall	4,591	2,567	13,930
Dorset	2,794	301	5,972
Durham	2,252	1,527	6,905
Dyfed Powys	1,421	878	5,148
Essex	n/a	n/a	n/a
Gloucestershire	1,903	1,059	4,805
Greater Manchester	11,774	6,191	35,188
Gwent	2,081	1,056	4,739
Hampshire	4,943	3,474	13,610
Hertfordshire	2,122	1,804	5,850
Humberside	2,556	1,814	9,189
Kent	3,832	762	12,510
Lancashire	6,127	3,391	16,771
Leicestershire	3,106	180	10,129
Lincolnshire	n/a	n/a	n/a
Merseyside	6,140	4,221	26,041
Metropolitan Police	69,768	2,911	154,666
Norfolk	2,052	1,792	6,897
North Wales	2,423	1,074	5,771
North Yorkshire	2,021	787	8,946
Northamptonshire	1,936	416	6,107
Northumbria	10,437	2,776	19,933
Nottinghamshire	5,346	3,303	11,397
South Wales	6,089	2,001	14,513
South Yorkshire	6,461	2,672	11,121
Staffordshire	3,302	270	11,610
Suffolk	1,465	772	5,872
Surrey	3,776	2,347	7,318
Sussex	3,769	2,148	12,704
Thames Valley Police	8,093	4,637	12,687
Warwickshire	4,069	404	4,180
West Mercia	4,668	2,507	9,489
West Midlands	17,164	1,085	29,945
West Yorkshire	7,155	4,028	27,367
Wiltshire	4,561	567	4,143
Total	246,058	76,816	595,983

£000

	1995–96		
	Capital expenditure	*Training expenses*	*Net pensions costs*
Avon and Somerset	7,533	3,414	17,780
Bedfordshire	1,824	1,067	4,890
Cambridgeshire	1,518	1,066	5,871
Cheshire	1,924	2,068	10,074
City of London	1,061	373	6,848
Cleveland	1,974	787	7,950
Cumbria	706	341	6,145
Derbyshire	2,729	2,544	10,416
Devon and Cornwall	2,815	2,604	17,661
Dorset	1,583	297	6,947
Durham	2,896	1,567	7,218
Dyfed Powys	847	973	7,036
Essex	n/a	n/a	14,045
Gloucestershire	750	1,075	5,635
Greater Manchester	14,173	6,913	43,809
Gwent	2,208	864	3,695
Hampshire	4,065	3,541	17,316
Hertfordshire	2,894	1,599	6,060
Humberside	2,648	1,975	11,228
Kent	7,429	625	15,046
Lancashire	5,099	3,281	19,662
Leicestershire	6,432	292	10,888
Lincolnshire	3,489	1,219	7,786
Merseyside	8,220	3,747	29,934
Metropolitan Police	91,639	3,145	150,347
Norfolk	1,259	1,894	8,489
North Wales	3,573	1,173	7,489
North Yorkshire	1,820	837	8,459
Northamptonshire	1,403	437	5,470
Northumbria	11,880	2,948	26,636
Nottinghamshire	6,228	3,133	11,732
South Wales	6,078	3,367	18,828
South Yorkshire	4,538	2,456	12,700
Staffordshire	3,174	303	11,377
Suffolk	890	684	7,137
Surrey	3,468	1,807	7,803
Sussex	5,347	2,793	17,438
Thames Valley Police	7,064	4,537	15,992
Warwickshire	2,709	367	5,004
West Mercia	3,648	2,219	8,875
West Midlands	19,548	846	34,304
West Yorkshire	5,781	3,802	25,775
Wiltshire	1,762	572	4,032
Total	266,446	79,552	681,827

£000

	1996–97		
	Capital expenditure	*Training expenses*	*Net pensions costs*
Avon and Somerset	4,491	3,471	22,452
Bedfordshire	1,435	1,065	5,451
Cambridgeshire	967	402	7,280
Cheshire	4,073	2,720	9,824
City of London	1,571	263	7,247
Cleveland	1,990	866	10,346
Cumbria	2,020	427	7,511
Derbyshire	2,727	2,483	11,073
Devon and Cornwall	4,455	2,346	17,926
Dorset	1,425	322	7,618
Durham	1,954	2,089	10,078
Dyfed Powys	1,833	1,123	6,379
Essex	6,113	4,289	14,809
Gloucestershire	1,474	1,013	6,892
Greater Manchester	12,955	7,453	45,286
Gwent	2,459	1,235	8,410
Hampshire	5,840	3,691	15,633
Hertfordshire	2,263	2,140	6,701
Humberside	3,512	1,869	11,706
Kent	7,327	801	19,191
Lancashire	3,842	4,194	22,482
Leicestershire	4,448	430	12,400

£000

	1996–97 Capital expenditure	Training expenses	Net pensions costs
Lincolnshire	1,919	1,364	8,267
Merseyside	5,777	2,870	33,147
Metropolitan Police	63,240	2,835	156,582
Norfolk	1,787	2,034	10,639
North Wales	4,221	1,594	7,956
North Yorkshire	2,849	793	11,038
Northamptonshire	1,790	481	6,310
Northumbria	10,273	2,933	26,220
Nottinghamshire	6,744	3,553	13,144
South Wales	6,117	4,881	19,667
South Yorkshire	5,501	2,651	15,927
Staffordshire	3,493	428	14,190
Suffolk	1,962	789	8,494
Surrey	4,481	1,935	9,566
Sussex	11,151	3,649	18,680
Thames Valley Police	9,124	4,695	16,244
Warwickshire	1,707	528	5,253
West Mercia	3,366	2,524	10,535
West Midlands	12,673	3,577	40,305
West Yorkshire	11,349	4,519	30,677
Wiltshire	1,444	537	7,496
Total	250,502	93,862	757,032

£000

	1997–98 Estimates Capital expenditure	Training expenses	Net pensions costs
Avon and Somerset	3,707	3,564	24,741
Bedfordshire	2,873	1,030	5,997
Cambridgeshire	1,517	670	8,597
Cheshire	3,662	2,867	9,470
City of London	1,146	491	7,205
Cleveland	1,678	953	9,451
Cumbria	2,013	539	8,138
Derbyshire	6,609	2,291	12,430
Devon and Cornwall	4,619	2,564	20,343
Dorset	1,741	313	8,225
Durham	2,290	1,697	9,121
Dyfed Powys	757	1,076	6,519
Essex	6,113	4,513	16,300
Gloucestershire	2,299	1,056	8,489
Greater Manchester	12,014	7,995	50,089
Gwent	1,275	1,563	8,144
Hampshire	6,594	3,957	18,499
Hertfordshire	2,383	388	8,421
Humberside	5,292	2,012	12,428
Kent	12,950	1,059	19,427
Lancashire	5,623	4,318	22,650
Leicestershire	3,020	465	11,754
Lincolnshire	2,949	1,616	8,546
Merseyside	7,278	3,540	39,256
Metropolitan Police	53,958	3,829	172,780
Norfolk	6,717	2,102	11,376
North Wales	4,632	1,436	10,223
North Yorkshire	3,462	841	11,976
Northamptonshire	3,984	530	6,937
Northumbria	10,764	3,397	28,670
Nottinghamshire	5,563	3,470	14,651
South Wales	8,327	3,251	22,745
South Yorkshire	7,433	3,121	16,700
Staffordshire	4,829	485	15,446
Suffolk	1,990	829	8,550
Surrey	8,060	2,001	10,414
Sussex	13,394	3,444	22,624
Thames Valley Police	13,486	5,471	18,733

£000

	1997–98 Estimates Capital expenditure	Training expenses	Net pensions costs
Warwickshire	2,104	696	6,191
West Mercia	4,458	2,575	11,496
West Midlands	11,821	3,981	42,150
West Yorkshire	6,590	5,248	34,259
Wiltshire	3,634	762	6,431
Total	275,608	98,005	826,592

n/a = not applicable

Prisons (London)

Mr. Cox: To ask the Secretary of State for the Home Department what is the education funding in the current financial year for each of the London prisons. [34715]

Ms Quin: The total education budget figures for the current 1997–98 financial year for each of the prisons in London are as listed.

Prison	£
Belmarsh	450,000
Brixton	357,300
Downview	228,700
Feltham	330,400
Highdown	345,000
Holloway	352,834
Latchmere House	18,000
Pentonville	481,323
Wandsworth	167,000
Wormwood Scrubs	260,000

Mr. Cox: To ask the Secretary of State for the Home Department what is the total budgeted funding for the current year for each of the London prisons. [34716]

Ms Quin: The total budget figures for the current 1997–98 financial year for each of the prisons in London are as listed.

Prison	£
Belmarsh	25,272,000
Brixton	17,502,813
Downview	6,148,492
Feltham	16,197,897
Highdown	14,790,150
Holloway	17,823,732
Latchmere House	2,542,918
Pentonville	17,338,055
Wandsworth	20,232,252
Wormwood Scrubs	20,966,248

Obstructions (Prosecutions)

Mr. Gordon Prentice: To ask the Secretary of State for the Home Department how many prosecutions have been brought and convictions secured for placing goods for sale, advertising boards and other obstructions on the pavement in each year since 1992. [34756]

Mr. Michael: The data held centrally on the Court Proceedings database do not separately identify such offences.

Fire Service

Mr. Efford: To ask the Secretary of State for the Home Department if he has reached a decision on the application under section 19 of the Fire Services Act 1947 of the London Fire and Civil Defence Authority to reduce its firefighting resources. [35341]

Mr. George Howarth: I have today advised the London Fire and Civil Defence Authority that my right hon. Friend has agreed to its application to close the Barbican and Shooters Hill fire stations, to change the arrangements for the provision of fire cover on the River Thames and to a consequent reduction in the establishment of London Fire Brigade of 80 firefighting posts.

The statutory responsibility for the provision of an efficient fire service rests with the local fire authority. In considering applications by fire authorities for reductions in firefighting resources, my right hon. Friend has to be satisfied that there has been adequate consultation and that, following any reductions, national standards of fire cover can continue to be maintained. In fulfilling this function, my right hon. Friend relies on advice from Her Majesty's Inspectorate of Fire Services.

Both my right hon. Friend and I are satisfied that the London Fire and Civil Defence Authority has consulted widely over its proposals. There has also been opportunity over some months for representations to be made direct to the Home Office and a considerable number, including representations from right hon. and hon. Members. have been received. These have all been thoroughly considered, particularly those relating to the proposed closure of the fire stations at the Barbican and Shooters Hill. We have taken into account the points raised by hon. Members in the debate on the Adjournment of the House on 9 March 1998, *Official Report,* columns 291–9. We have sought the professional advice of Her Majesty's Inspectorate of Fire Services, and specifically of Her Majesty's Chief Inspector.

The advice that we have received from Her Majesty's Chief Inspector is unequivocal that, following the proposed reductions, the London Fire Brigade would still be able to meet fully the agreed national standards of fire cover in the areas immediately affected by the changes and elsewhere in the capital. The Chief Inspector has, in particular, confirmed that the Authority's proposal to cover the fireground currently served by Shooters Hill from the fire stations at East Greenwich, Plumstead, Woolwich, Eltham, Lee Green and Bexley is wholly consistent with the continued maintenance of the national standards, as is the proposal to cover the Barbican fireground from the fire stations at Dowgate, Clerkenwell and Shoreditch.

Taking full account of this advice, and after the most careful consideration, my right hon. Friend has therefore decided to approve the Authority's application. The implementation of these proposed changes is now a matter for the Authority.

SOCIAL SECURITY

Parliamentary Questions

Mr. Oaten: To ask the Secretary of State for Social Security how many parliamentary questions she has answered since 1 May 1997 *(a)* in total and *(b)* which have taken more than four weeks to respond to. [34839]

Mr. Denham: As of 16 March 1998 we have answered 2,229 Parliamentary Questions of which 64 have taken more than four weeks to respond to.

Notes:

1. The figures do not include recesses.

2. Figures were taken from the Department's Parliamentary Questions database and may be subject to some degree of error.

Pensioner Incomes

Mr. Webb: To ask the Secretary of State for Social Security which organisation is carrying out research for her Department on the non take-up by pensioners of their entitlement to income support; at what cost and over what timescale; and if she will place a copy of the organisation's proposed research methodology in the Library. [34691]

Mr. Denham *[holding answer 16 March 1998]:* Research has been commissioned comprising in-depth interviews with pensioners currently claiming and not claiming, but potentially eligible for, Income Support (IS). Pensioners will be selected to cover key demographic characteristics. The interviews will explore the reasons for not claiming Income Support, and the views of claimants and non-claimants to give an insight into what encourages, as well as discourages, claims for IS.

This is being followed by a quantitative survey of eligible non-claimant pensioners to identify the relative importance of the various factors deterring potential claimants; and to assess whether different factors are important for different sub-groups; and whether different groups of pensioner non-claimants are experiencing different levels of hardship.

Finally, the project will also include focus groups with advice agencies.

Contracts worth a total of £282,000 have been awarded to Social and Community Planning Research and the Office for National Statistics.

The project was begun at the end of last year and will take a year to complete.

An estimated one million pensioners are not taking up their entitlement to IS and my right hon. Friend the Secretary of State recently announced details of a number of pilot schemes to be run from April this year to find the best way to provide more automatic help to the poorest pensioners.

The pilots will start next month and run for six months in Glasgow, York, Preston, Stroud, Lambeth, East Renfrewshire, Torbay, Torfaen and South Staffordshire local authorities.

The pilots will have two main objectives. They will test the best ways of finding potential IS claimants by matching records held centrally and locally. The pilots will then test the best ways of reaching potential claimants by visiting them at home, ringing them or writing to them.

Mr. Kirkwood: To ask the Secretary of State for Social Security what *(a)* percentage and *(b)* number of single pensioners have a total income of at least £100 per week from (i) all sources, (ii) sources not including the state pension and (iii) sources not including any state benefits. [33524]

Mr. Denham: The information is set out in the table.

Single pensioner with weekly income of at least £100 in 1995–96

Definition of income	*Number*	*Percentage*
Gross Income from all sources	3,050,000	70
Gross Income excluding State pensions	1,050,000	25
Gross Income excluding State benefits	700,000	16

Notes:
1. The information is based on gross unequivalised weekly income before housing costs and benefit income at July 1995 prices. Reported incomes from the State pension and all benefits were subtracted from gross income to give the income distribution shown. The results are based on survey respondents' identification of different elements of benefit income, and therefore are subject to misreporting.
2. The Pensioners' Income Series gives estimates for pensioner units. A pensioner unit is defined as a single person over State Pension Age (SPA) or a couple where the man, defined as the head, is over SPA.
3. Numbers of pensioner units are rounded to the nearest 50,000, percentages to the nearest 1 per cent.
4. The Pensioners' Incomes Series 1995–96 is to be revised, owing to a number of inaccuracies. The revised version of the publication will be issued as soon as possible. The figures above are not affected by these problems.

Source:
The Pensioners' Incomes Series.

Mr. Kirkwood: To ask the Secretary of State for Social Security what *(a)* percentage and *(b)* number of pensioner couples have a total income of at least (i) £200 per week, (ii) £160 per week and (iii) £140 per week from (1) all sources, (2) sources not including the state pension and (3) sources not including any state benefits. [33525]

Mr. Denham: The information is set out in the table.

Weekly income of pensioner couples (£) in 1995–96

Definition of income		*At least £200*	*At least £160*	*At least £140*
Gross income from all sources	Number	1,450,000	1,950,000	2,300,000
	Percentage	53	73	86
Gross income excluding State pensions	Number	800,000	950,000	1,100,000
	Percentage	29	36	42
Gross income excluding State benefits	Number	700,000	850,000	950,000
	Percentage	25	32	36

Notes:
1. The information is based on gross unequivalised weekly income before housing costs at July 1995 prices. Reported incomes from the State pension and all benefits were subtracted to give the income distribution shown. The results are based on survey respondents' identification of different elements of benefit income, and therefore are subject to misreporting.
2. The Pensioners' Income Series gives estimates for pensioner units. A pensioner unit is defined as a single person over State Pension Age (SPA) or a couple where the man, defined as the head, is over SPA.
3. Numbers of pensioner units are rounded to the nearest 50,000, percentages to the nearest 1 per cent.
4. The Pensioners' Incomes Series 1995–96 is to be revised, owing to a number of inaccuracies. The revised version of the publication will be issued as soon as possible. The figures above are not affected by these problems.

Source:
The Pensioners' Incomes Series.

Mr. Kirkwood: To ask the Secretary of State for Social Security (1) if she will estimate how many couples aged over 60 years would become eligible for income support if the applicable amount, including the pensioner premium was *(a)* £200, *(b)* £160 and *(c)* £140 assuming (i) no change in capital limits and (ii) an upper capital limit of £16,000 and lower capital of £10,000; [33520]

(2) if she will estimate the cost of increasing the applicable amount, including the pensioner premium, for income support for couples aged over 60 years to *(a)* £200, *(b)* £160 and *(c)* £140 assuming (i) no change in capital limits and (ii) an upper capital limit of £16,000 and lower capital of £10,000. [33521]

Mr. Keith Bradley: Not all the information is available. Figures for total numbers eligible could be produced only at disproportionate cost. The information set out in the tables is based on the numbers who, on current take-up levels, could be expected to claim.

Estimated extra number[1] of couples aged 60 or over claiming income support if the applicable amount, including the pensioner premium, was increased

	Existing capital limits	*Capital limits of £10,000 and £16,000*
Applicable amount of £200 per week	710,000	785,000
Applicable amount of £160 per week	500,000	550,000
Applicable amount of £140 per week	290,000	330,000

[1] Rounded to the nearest 5,000

Estimated cost[1] of increasing the applicable amount in income support for couples aged 60 and over

£billion

	Existing capital limits	*Capital limits of £10,000 and £16,000*
Applicable amount of £200 per week	4.1	4.4
Applicable amount of £160 per week	2.0	2.1
Applicable amount of £140 per week	1.0	1.1

[1] Rounded to the nearest £100 million.

Note:

These figures include costs incurred in Housing Benefit and Council Tax Benefit due to the alignment of the applicable amounts in these benefits with those in Income Support. It has been assumed that the changes in the capital limits apply only to couples where at least one is aged 60 or over.

Source:

May 1996 Income Support Quarterly Statistical Enquiry, 1995–96 Family Resources Survey.

Mr. Kirkwood: To ask the Secretary of State for Social Security (1) if she will estimate how many single people aged over 60 years would become eligible for income support if the applicable amount, including the pensioner premium, was £100 assuming *(a)* no change in capital limits and *(b)* an upper capital limit of £16,000 and lower capital limit of £10,000; [33522]

(2) if she will estimate the cost of increasing the applicable amount, including the pensioner premium, for income support for single people aged over 60 years to £100 assuming *(a)* no change in capital limits and *(b)* an upper capital limit of £16,000 and lower capital limit of £10,000. [33523]

Mr. Keith Bradley: The information is not available in the format requested. Figures for total numbers eligible could be produced only at disproportionate cost. Information is available based on the numbers who, on current take-up levels, could be expected to claim.

The estimated extra number of single people aged 60 or over claiming Income Support and the associated cost if the applicable amount, including the pensioner premium, was £100 is:

(a) 790,000[2] with no change in capital limits at cost of £3 billion[3]; and

(b) 935,000[2] with an upper capital limit of £16,000 and a lower capital limit of £10,000 at a cost of £3.3 billion[3].

These figures include costs incurred in Housing Benefit and Council Tax Benefit due to the alignment of the applicable amounts in these benefits with those in Income Support.

Source:

Income Support Quarterly Statistical Inquiry May 1996 and Family Resources Survey 1995–96.

Notes:

1. Changes in capital limits are assumed to apply only to single people aged 60 or over for the purposes of the costings.
2. Rounded to the nearest 5,000.
3. Rounded to the nearest £100 million.

TREASURY

VAT Refunds (Sports Clubs)

Mr. Pendry: To ask the Chancellor of the Exchequer what has been the estimated VAT refund to *(a)* recreational sports associations, *(b)* voluntary sports clubs and *(c)* charitable sports clubs under the Value Added Tax (Sport Physical Education and Fund Raising Events) Order 1994. [34255]

Dawn Primarolo: No separate figures are available.

Euro Information Unit

Mr. Mitchell: To ask the Chancellor of the Exchequer how many staff and at what level are employed in the Treasury's Euro information unit; what funding he has sought for it from Europe; and what contacts it will maintain with *(a)* the finance ministries of member countries and *(b)* the EMI. [33808]

Mrs. Liddell: Full details of the Euro Preparations Unit (EPU) are included in press release 156–97 available from the press office of HM Treasury.

The Government are involved in a constructive dialogue with the European Commission to examine what financial assistance might be available from the Community budget to help with the Government's information campaign.

The EPU is in regular contact with officials in other finance ministries. The Bank of England is closely involved in the work of the EMI; the Governor of the Bank of England is a member of the EMI Council.

Tobacco

Mr. Cotter: To ask the Chancellor of the Exchequer what research he *(a)* has commissioned, *(b)* has evaluated and *(c)* plans to commission on the numbers of under 16s who, since the European border restrictions were removed in 1993, have purchased cigarettes bought on the continent and illegally resold in the United Kingdom which do not display English language health warnings. [34699]

Dawn Primarolo: No research has been commissioned and there are no plans to do so.

Mr. Cotter: To ask the Chancellor of the Exchequer when representatives from the Police, HM Customs & Excise and the National Weights and Measures Laboratory and Ministers from his Department last met to discuss the issue of tobacco imported from Belgium and illegally resold in the United Kingdom. [34701]

Dawn Primarolo: There have been no such meetings.

Mr. Cotter: To ask the Chancellor of the Exchequer if he will press for upward harmonisation of tobacco taxes at the next meeting of EU member states' finance ministers. [34700]

Dawn Primarolo: It is Treasury Ministers' current intention to discuss the minimum rate of excise duty for tobacco products in ECOFIN following production of the European Commission's report on their review. Government policy in this area is to allow Member States a continuation of fiscal sovereignty, but underpinned by a regime of sensible and realistic minimum rates. In the case of tobacco we advocate a cash floor to the duty on cigarettes and higher minimum rates for the other tobacco products.

MIRAS

Mr. Wigley: To ask the Chancellor of the Exchequer if he will list the estimated tax expenditures under the MIRAS system for *(a)* each United Kingdom nation, *(b)* each English region and *(c)* the UK, for (i) 1970, (ii) 1979, (iii) 1989 and (iv) the last available two years, expressed in current prices. [34872]

Dawn Primarolo: Country and regional estimates of the cost of mortgage interest relief for 1989–90, 1995–96 and 1996–97 are published in Table 5.3 of the 1996 and 1997 editions of "Inland Revenue Statistics", copies of which are in the Library. Estimates prior to 1982–83 are not available. Estimates for 1982–83 onwards can be found in the 1993 edition of "Inland Revenue Statistics". The estimates for all these years are based on analyses of family expenditure surveys up to 1995–96. The estimates for 1996–97 are projections based on applying the same country and regional distribution as in 1995–96 to the total figure for 1996–97.

Estimates at the United Kingdom level for all years from 1962–63 to 1996–97 are published in Table 5.1 of "Inland Revenue Statistics 1997".

VAT

Mr. Corbett: To ask the Chancellor of the Exchequer what percentage of the total amount raised from value added tax is paid directly to the European Commission; how much this raises at the current rate; and what the yield to the Commission was in each financial year since the introduction of VAT. [34695]

Dawn Primarolo *[holding answer 16 March 1998]:* VAT contributions to the European Community are assessed from VAT bases calculated in a common manner across all member states. A uniform Community rate is applied to the VAT bases to arrive at the actual contributions. The Community rate for 1997 was a maximum of 1.16 per cent., but the actual rate paid by the UK was 0.52 per cent. allowing for the abatement to offset the low level of UK receipts from the European Union's General Budget.

Member states did not commence paying VAT based contributions until 1979. Since then, the UK has paid the following amounts during each calendar year:

Year	*£*
1979	843,683,425
1980	776,155,832
1981	1,060,209,936
1982	1,554,368,023
1983	1,668,927,244
1984	1,665,401,210
1985	2,089,417,074
1986	1,743,046,245
1987	2,277,429,915
1988	1,265,213,455
1989	2,243,863,837
1990	2,919,974,035
1991	770,987,557
1992	2,183,357,515
1993	1,953,652,009
1994	1,316,266,329
1995	3,637,792,072
1996	2,059,438,539
1997[1]	1,664,864,875

[1] The 1997 accounts are finalised in December 1998, so the contribution may be adjusted.

Parliamentary Questions

Mr. Robathan: To ask the Chancellor of the Exchequer when he expects to reply to the question from the hon. Member for Blaby of 20 January 1998 relating to pensions (Ref. 24129). [34882]

Mrs. Liddell *[holding answer 17 March 1998]:* I did so on 21 January 1998, *Official Report*, column *530*. If the hon. Member had intended to inquire about figures for returns on pension funds' investments, which the Chief Secretary gave to the House on 15 January 1998, *Official Report*, column *478*, the source was a report published by the WM Company in January 1998.

Public Bodies

Mr. Burns: To ask the Chancellor of the Exchequer if he will publish a list of non-departmental public bodies *(a)* he has abolished since 1 May 1997 and *(b)* he has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34837]

Mrs. Liddell *[holding answer 18 March 1998]:* The Treasury has neither abolished nor established any non-departmental public bodies since 1 May 1997.

Excise Duty (Sparkling Wine and Cider)

Mr. Timms: To ask the Chancellor of the Exchequer what plans he has to equalise the excise duty levied upon low-strength sparkling wine and sparkling cider. [35340]

Dawn Primarolo: The Chancellor's Budget Statement announced a reduction of 20 per cent. in the duty on low-strength sparkling wine and a 20 per cent. increase in the duty on sparkling cider. I can confirm that these changes are an important step in the process of aligning the duty rates for these competing products and that the rates will be fully aligned in the next Budget.

Pensions Mis-selling

Mr. Love: To ask the Chancellor of the Exchequer what is the latest estimate of the numbers of cases of personal pensions mis-selling in the categories *(a)* priority and *(b)* other; what is the estimated cost of compensation for each group and the timescale for the completion of the review by the companies concerned; and if she will make a statement. [35082]

Mrs. Liddell: I refer the hon. Gentleman to the answer I gave to my hon. Friend the Member for East Ham (Mr. Timms) on 12 March 1998, *Official Report*, column *315*.

DUCHY OF LANCASTER

Focus Groups

Mr. Mullin: To ask the Chancellor of the Duchy of Lancaster how much his Department *(a)* has spent since 1 May and *(b)* is planning to spend on focus groups. [34965]

Mr. Kilfoyle: I refer the hon. Member to the answer I gave to the hon. Member for Gordon (Mr. Bruce) on 5 March 1998, *Official Report*, columns *763–64*.

Freedom of Information

Mr. Shepherd: To ask the Chancellor of the Duchy of Lancaster if he will list those countries with freedom of information acts which exclude from the scope of the legislation *(a)* the law enforcement functions of the police, *(b)* the law enforcement functions of the immigration service and *(c)* the security and intelligence services. [35110]

Dr. David Clark: Information held by my Department about overseas freedom of information acts is not comprehensive. Using known examples however, the answers are: *(a)* the US Freedom of Information Act does not cover the police (as it is a Federal Act) and also excludes certain operational files of the FBI; *(b)* none; *(c)* the Australian Freedom of Information Act wholly excludes that country's security and intelligence services while the US Freedom of Information Act excludes certain operational files of the CIA. In general, even where countries exempt rather than exclude law enforcement, security and intelligence functions from their Freedom of Information Acts, the level of actual protection for such information remains high.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster what procedure and criteria will apply in respect of the appointment of the Information Commissioner; how long his or her term of office will last; and if he will make a statement. [35035]

Dr. David Clark: The formal procedure for appointing the Information Commissioner and details of his or her term of office will be set out in the draft FOI Bill which I intend to publish later this year for public consultation.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster what appeal procedure will apply in respect of decisions reached by the Information Commissioner. [35036]

Dr. David Clark: As proposed in paragraph 5.16 of the White Paper "Your Right to Know", decisions of the Information Commissioner would be subject to judicial review. The White Paper indicates why this is preferred to a substantive right of appeal.

Mr. Baker: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the procedures which will be put in place to ensure full public accountability of the work of the Information Commissioner. [35032]

Dr. David Clark: Paragraph 5.11 of the White Paper "Your Right to Know" proposes that the Information Commissioner should be required to publish an annual report (and special reports where necessary) to Parliament on the operation of his or her function; and to publish reports on the outcomes of investigations.

TRADE AND INDUSTRY

Text Telephones

Mr. Levitt: To ask the President of the Board of Trade for what reasons text telephones with large display screens, for the use of people whose hearing and sight are both impaired, are not available in the United Kingdom; and if she will amend the relevant regulations to make them available. [34343]

Mrs. Roche: There are no regulations restricting the availability of text telephones with large display screens in the UK. OFTEL is consulting on proposals for improving telecommunications services for people with disabilities and the Government will be consulting shortly on their proposals to implement the Amending Voice Telephony Directive, which covers the provision of services for disabled people.

Fireworks

Mr. Hoyle: To ask the President of the Board of Trade if she will restrict the sale of fireworks to the general public to within a specified period around 5 November each year. [34595]

Mr. Nigel Griffiths *[holding answer 16 March 1998]:* I share the concerns of my hon. Friend to ensure that fireworks are sold for only a limited period round events such as bonfire night and religious festivals eg diwali. The private Member's Bill of my hon. Friend the Member for Plymouth, Sutton (Mrs. Gilroy) gives power to restrict the sales period and we will be discussing this with representatives of the firework industry, consumer groups and others.

Telecommunications

Mr. Bill Michie: To ask the President of the Board of Trade if the Office of Telecommunications has the power to specify that telecommunications companies should consult with other organisations regarding their joint response to an emergency or a potential emergency; and if she will make a statement. [34176]

Mrs. Roche *[holding answer 16 March 1998]:* Public Telecommunications Operators have a requirement in their Telecommunications Act 1984 licences to consult the authorities responsible for emergency organisations

and other departments of central and local government designated by Oftel, in making plans and arrangements to respond to emergencies.

Inward Investment

Mr. Jim Cunningham: To ask the President of the Board of Trade what level of financial support she proposes to offer the English Regional Development Organisations for 1998–99. [35202]

Mr. Ian McCartney: The ten English Regional Development Organisations continue to make a significant contribution to the work of the Invest in Britain Bureau, to the overall success of the UK in attracting inward investment and in particular to their own region's performance. Having considered their future plans I have today offered £10.94 million of grant in total for their inward investment promotion activities for 1998–99.

This represents a 4.49% increase in the RDO grant total, and is to enable the UK to remain competitive in promoting its locational advantages in the face of increasing competition for mobile inward investment projects. I have allocated the grants as follows:

£000

RDO	*1998–99 Grant*
Northern Development Company (NDC)	1,665
INWARD Ltd. (in the North West)	1,393
Yorkshire and Humberside Development Agency (YHDA)	1,415
West Midlands Development Agency (WMDA)	1,314
East Midlands Development Company Ltd. (EMDC)	984
Devon and Cornwall Development International (DCDI)	954
London First Centre	1,015
West of England Development Agency (WEDA)	600
East of England Investment Agency (EEIA)	800
South East Regional Investment Limited (SERIL)	800

All grants are offered on an annual basis for an agreed programme of future activities aimed at maximising value for money in inward investment work at regional level.

Engineering

Mrs. Curtis-Thomas: To ask the President of the Board of Trade what meetings *(a)* she and *(b)* her Ministers have held with the Engineering Council since 1 May 1997; what was the subject of the discussions; and what future meetings are planned. [35040]

Mr. Battle: I met Dr. Alan Rudge, the Chairman of the Engineering Council, and Mr. Michael Heath, the Director General, on 27 November 1997. A wide range of topics were discussed, including the role of engineering and engineers in international competitiveness and the public perception of engineers and engineering in our society.

Lord Simon spoke on the subject of competitiveness and engineering skills at last year's Annual Conference of the Engineering Council, and my right hon. Friend the President of the Board of Trade is expected to address this Annual Conference on 30 April.

I also hope to address the Senate of the Engineering Council in December of this year.

In addition, officials of the Department of Trade and Industry are in frequent, almost daily, contact with the Engineering Council on a wide range of issues and I welcome their proposed advertising campaign on engineering.

Mrs. Curtis-Thomas: To ask the President of the Board of Trade if she will alter the title of the Chief Scientific Adviser to reflect his engineering responsibilities; and if she will make a statement. [35041]

Mr. Battle: The title, role and remit of the Chief Scientific Adviser, Sir Robert May, are matters for my right hon. Friend the Prime Minister who received his advice directly. There are currently no plans to make any changes to these arrangements. In this context, "scientific" is interpreted broadly to encompass scientific, engineering and technological issues, as for instance, in the guidelines on the use of scientific advise in policy making, published in March 1997 by the Office of Science and Technology.

Millennium Compliance

Mr. David Atkinson: To ask the President of the Board of Trade what steps the World Bank is taking to ensure that the computer systems with which it is engaged are millennium compliant. [33860]

Clare Short: I have been asked to reply.

The World Bank is actively promoting the need for millennium compliance and organising guidance for its client countries. Bank Country Directors have been charged with approaching senior country officials to raise awareness of the issue. Countries are being urged to designate executive sponsors and to identify a specific agency and staff to be responsible for carrying forward their own work and for relating to international donors. The Bank has also instructed staff to investigate compliance on current projects and to ensure requirements on compliance are included in future contracts.

The Bank's aim is to put tools into the hands of developing country governments to enable them to identify the problem, to prioritise systems, and to protect those systems which are key to the economy and public order and well-being. It has initiated a project to develop a toolkit for review and prioritisation systems. It also proposes to catalogue all the types of assistance available from IT companies. It plans to roll out a series of seminars through developing countries to raise awareness of the issues and these facilities.

We have contributed £10 million to the Bank's trust fund for information development in order to promote and support new bank authorities.

WALES

Health Problems (Blaenau Gwent)

8. **Mr. Llew Smith:** To ask the Secretary of State for Wales if he will make a statement on health problems in Blaenau Gwent. [33433]

Mr. Win Griffiths: The poor health and well-being of some communities in Wales, such as Blaenau Gwent, is a matter of concern to me. The Chief Medical Officer has advised me that a complex range of factors are likely to

be involved in influencing the health of communities. We shall shortly be publishing a Green Paper which will provide the basis of a new public health strategy for addressing inequalities in health in Wales.

Farm Incomes

10. **Mrs. Ann Winterton:** To ask the Secretary of State for Wales what representations he has received about farming incomes since 1 March. [33435]

Mr. Ron Davies: I am continuing to receive representations from farmers and others drawing my attention to the decline in farm incomes over the past year.

National Assembly

11. **Mr. Flight:** To ask the Secretary of State for Wales if he will make a statement on his powers, with regard to England, which will be transferred to the Welsh assembly. [33436]

Mr. Ron Davies: These powers generally relate to small parts of England and are adjacent to Wales; they reflect the need to make sensible administrative arrangements on water and fisheries. The details will be contained in a transfer order under clause 22 of the Government of Wales Bill, which will be subject to affirmative resolution procedure in both Houses of Parliament.

13. **Mr. Gibb:** To ask the Secretary of State for Wales what representations he has received from Welsh hon. Members regarding the siting of an assembly. [33439]

Mr. Ron Davies: On 3 February, I placed in the library of the House a list of all those who responded during the public consultation period.

I have received many representations—both in the form of correspondence and questions—from hon. Members.

14. **Mr. Wilkinson:** To ask the Secretary of State for Wales if he will list the criteria for the selection of a site for the Welsh assembly. [33440]

Mr. Ron Davies: The most important criteria were value for money; suitability for purpose of the proposed solution; and accessibility for members of the public.

16. **Mr. Ruffley:** To ask the Secretary of State for Wales if he will make a statement on the location of the National Assembly for Wales. [33444]

Mr. Ron Davies: I announced my decision on Friday 13 March 1998, *Official Report*, column *358*.

26. **Mr. Garnier:** To ask the Secretary of State for Wales what representations he has received from Welsh businesses regarding the setting up of the proposed National Assembly for Wales. [33455]

Mr. Ron Davies: The National Assembly Advisory Group have received written representations from the Federation of Small Businesses, the House Builders Association and Antur Dwyryd-Llan Cyf. In addition, members of the National Assembly Advisory Group recently held a consultation meeting with business representatives and trade unions.

Green-field Sites

12. **Mr. Edwards:** To ask the Secretary of State for Wales if he will make a statement on developments on green-field sites in Wales. [33438]

Mr. Win Griffiths: We place great importance on the need to encourage and promote more sustainable patterns of development. Appropriate guidance is already in place. "Planning Guidance (Wales): Planning Policy of 1996" stresses that full and effective use should be made of land within existing urban areas. The use of appropriate vacant land within urban areas can assist regeneration and relieve pressure for development on greenfield sites.

Green Belts can prevent urban sprawl and assist in urban regeneration. I have written to Welsh authorities encouraging them to give serious consideration to Green Belt creation and propose to ask for a progress report.

Mrs. Betty Williams: To ask the Secretary of State for Wales if he will make a statement on developments on greenfield sites in Wales. [33453]

Mr. Win Griffiths: We place great importance on the need to encourage and promote more sustainable patterns of development. Appropriate guidance is already in place. "Planning Guidance (Wales): Planning Policy of 1996" stresses that full and effective use should be made of land within existing urban areas. The use of appropriate vacant land within urban areas can assist regeneration and relieve pressure for development on greenfield sites.

NHS Waiting Lists

15. **Mr. Gray:** To ask the Secretary of State for Wales what recent representations he has received regarding hospital waiting lists in Wales. [33443]

Mr. Win Griffiths: Other than in respect of individual cases, none. Reducing the time people have to wait for treatment, within the emphasis on emergency care, remains a priority for the Government. In recognition of this, I welcome the Chancellor's announcement yesterday, *Official Report*, columns 1097–1112, of additional moneys for NHS Wales next year, much of which will be used to target the growth in inpatient waiting lists.

Structural Funds

17. **Mr. Alan W. Williams:** To ask the Secretary of State for Wales if he will make a statement on the future of the European structural funds in Wales. [33445]

Ms Lawrence: To ask the Secretary of State for Wales if he will make a statement on the future of European structural funds in Wales. [33437]

Mr. Hain: The Government will consider the European Commission's proposals for reforming the Structural Funds and respond vigorously. There will be detailed negotiations over the coming months. We are committed to ensuring that Wales continues to secure the maximum benefit from the Funds after 1999.

Abattoirs

18. **Mr. Llwyd:** To ask the Secretary of State for Wales how many representations he has received about the operating costs of abattoirs; and if he will make a statement. [33446]

Mr. Win Griffiths: We have received several representations. We have consulted the industry on the implementation of EU Directive EEC/96/43 on Financing of Veterinary Inspections and Controls and will be considering carefully all the responses made. The Meat Hygiene Service has also recently commenced a consultation exercise with the industry on meat hygiene inspection charges for 1998–99 and we will be taking note of responses there also.

The Government recognise the effect that current problems have had on the industry. In order to help the industry through this difficult time, we have announced that charges for implementing Specified Risk Material controls on cattle, sheep and goats in fresh meat plants will not now be recovered from the industry from 1 April 1998, as previously planned.

Landfill Sites

19. **Mr. Dafis:** To ask the Secretary of State for Wales what representations he has received on the disposal of calcium sulphate filter cake at landfill sites in Wales. [33447]

Mr. Win Griffiths: We have received a number of representations about landfill sites in Wales, some of which have made reference to the disposal of calcium sulphate filter cake.

Farmers

20. **Mrs. Laing:** To ask the Secretary of State for Wales what representations he has received since 1 March about problems facing farmers. [33448]

Mr. Win Griffiths: We are continuing to receive representations from farmers and others drawing our attention to the problems in farming over the past year.

23. **Mr. Spring:** To ask the Secretary of State for Wales what representations he has received regarding HLCA payments to Welsh hill farmers. [33451]

Mr. Win Griffiths: We have received a range of representations from industry bodies and hon. Members concerning HLCA rates. My right hon. Friend and I have also met, separately, representatives of the National Farmers' Union of Wales and the Farmers' Union of Wales as part of the Autumn Review. Payments under the 1998 scheme started this month.

Welsh Language

21. **Mr. Boswell:** To ask the Secretary of State for Wales what steps he is taking to extend knowledge of the Welsh language in England. [33449]

Mr. Ron Davies: My priority is to support the Welsh language within Wales. A wide range of benefits will flow from that.

I am always happy to explain our policies for the language, and the progress we are making to implement them, more generally.

Ambulance Service

22. **Mr. Touhig:** To ask the Secretary of State for Wales if he will make a statement on the establishment of an all-Wales ambulance trust. [33450]

Mr. Win Griffiths: I announced the establishment of a new single ambulance trust for Wales on 26 February. This followed a three month consultation exercise during which the people of Wales were given the opportunity to express their views on the proposals. My right hon. Friend the Secretary of State and I considered all the responses to the consultation together with advice from others, including the independent assessors I appointed to examine the proposals, before reaching our decision. We are satisfied that the overwhelming benefits to patients identified in the consultation document could be realised and a decision was taken to merge the existing ambulance services from 1 April 1998.

Manufacturing Industry

24. **Mr. Barry Jones:** To ask the Secretary of State for Wales if he will make a statement on the prospects for manufacturing industry. [33452]

Mr. Hain: Business Strategy Ltd and Cambridge Econometrics forecast that manufacturing output will grow faster in Wales than in the United Kingdom as a whole for the foreseeable future.

Wildlife Conservation

25. **Mr. Randall:** To ask the Secretary of State for Wales if he will make a statement on wildlife conservation in Wales. [33454]

Mr. Win Griffiths: We are fully committed to wildlife conservation in Wales and pursue policies which conserve sensitive sites, habitats and species. These include the designation and protection of areas of environmental sensitivity such as Special Protection Areas; support for a programme of biodiversity action in Wales both at the local and national level; priority to the promotion of sustainable development; and a commitment to the Government's international nature conservation obligations such as those imposed by the EC Habitats Directive.

In addition, I am developing an all-Wales agri-environment scheme encompassing the key components of existing schemes such as Tir Cymen and Environmentally Sensitive Areas. The criteria for the new scheme include the protection of species and habitats identified in the UK's Biodiversity Action Plan.

Beef

Mr. Barry Jones: To ask the Secretary of State for Wales what initiatives he has taken to assist beef farmers in Wales. [33534]

Mr. Win Griffiths: The Government recognise the serious problems that the current difficulties have created for the agriculture industry and we have responded positively. Just before Christmas the Government announced an aid package worth £85 million for the livestock industry. This exceptional and one off aid package is both substantial and realistic given the

pressures on public spending. This is in addition to the £1.4 billion already budgeted to support the beef sector during the current financial year.

We have also recently announced that some £70 million will be paid by the Government in meeting the costs of BSE related schemes. In order to help the industry through this period, charges for implementing Specified Risk Material controls on cattle, sheep and goats will not now be recovered from the industry from 1 April 1998, as previously planned. Additionally, the entire start-up costs and the first year of the running costs, including enforcement, of the new computerised Cattle Tracing System will be funded by the Government.

The right hon. Friend the Secretary of State for Wales met representatives of the Farmers' Union of Wales, the National Farmers' Union and the Country Landowners' Association on 9 February to discuss the long term future of Welsh agriculture.

Rural Schools

Mr. Öpik: To ask the Secretary of State for Wales what plans he has to introduce measures similar to those proposed in England to protect rural schools from closure; and if he will make a statement. [33992]

Mr. Hain: In Wales, the Secretary of State has the opportunity to call in any proposals for schools to be closed and is obliged to do so where any objections are raised. The close links existing between the Welsh Office and the local education authorities mean an automatic call in procedure is not needed.

The Secretary of State would not normally be prepared to approve closure of a popular and effective school unless the alternative proposed would offer a higher quality and equal diversity of education at total lower cost than would have been available had the school remained open. The guidance also emphasises that he would not expect to approve the closure of any school where there was strong parental opposition unless he was convinced that it was not possible to provide satisfactory education across the curriculum and across all age groups. I also acknowledge the vital importance of schools in many rural communities in Wales.

Agenda 2000 (Agriculture)

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales if he will make a statement on his Department's response to the European Commission's Agenda 2000 consultation document on agriculture. [34494]

Mr. Win Griffiths: The Government have given the European Commission's consultation document on Agenda 2000 a broad welcome. The Welsh Office will continue to work closely with farming unions in Wales to identify and argue for the needs of Welsh agriculture, as the reform process goes forward.

New Deal

Mr. Gareth Thomas: To ask the Secretary of State for Wales if he will make a statement on the progress of the New Deal in Wales. [33441]

Mr. Hain: I am delighted to say that we have made good and rapid progress in implementing the New Deal for young people in the South-West Pathfinder area.

To date, well over 2,000 interviews with unemployed young people have been completed and almost 1,200 jobs pledged by more than 250 employers. A further 400 employers are expected to sign-up in the next three months.

This represents an excellent start to our crusade to bring hope to young people and one which we will build on when the New Deal is launched throughout Wales in April.

Youth Services

Mr. Simon Hughes: To ask the Secretary of State for Wales what are his proposals for extending youth services throughout Wales. [33442]

Mr. Hain: Our proposals for extending youth services will be explored in a Green Paper for Wales on lifelong learning, which we expect to publish very shortly.

MINISTER WITHOUT PORTFOLIO

Complaints

Mr. Hawkins: To ask the Minister without Portfolio what records he keeps of complaints made by him in his official capacity to media organisations and individual journalists on their reporting and commentary on *(a)* the Millennium Dome and *(b)* other Government business; and how many such complaints have been made since 2 May 1997. [35106]

Mr. Mandelson: I keep no such records (but can recall few such complaints).

AGRICULTURE, FISHERIES AND FOOD

New Covent Garden

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food (1) when he plans to introduce legislation to enable him to sell the new Covent Garden market; [25910]

(2) if he will make a statement on his plans for the future ownership and operation of new Covent Garden market. [25911]

Dr. John Cunningham: The Government believe that they should not retain assets they do not need. However, any change in the status of New Covent Garden Market would be subject to Parliamentary time being available.

Ministerial Visits

Mr. Nicholls: To ask the Minister of Agriculture, Fisheries and Food how many overseas countries he has visited since 1 May 1997. [32065]

Dr. John Cunningham: I have visited 10 overseas countries since 1 May 1997. They are: Belgium, the Netherlands, Sweden, Luxembourg, France, Italy, Germany, South Africa, St. Lucia and Spain.

Fishing Industry

Sir Richard Body: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 3 March 1998, *Official Report*, column *598*, on the fishing industry, what estimate he has made of the levels of employment in the inshore United Kingdom fisheries industry which would be sustainable on (i) extension and (ii) lapse of derogation on the 12 mile fisheries limit after 2002. [33965]

Mr. Morley: In 1996 there were some 5,600 under 10 metre vessels in the UK fishing fleet. Many of these and other inshore vessels would be adversely affected if the restrictions on access by foreign fishing vessels within 12 mile limits were not extended beyond 2002. The Government have not made estimates of possible future changes in the levels of employment. The restrictions were continued after the mid-term review of the Common Fisheries Policy in 1982. As I indicated in my reply to the hon. Member on 3 March 1998, *Official Report*, column *598*, it is the Government's firm intention for these restrictions to remain after 2002.

Mr. Mitchell: To ask the Minister of Agriculture, Fisheries and Food, pursuant to his answer of 2 March 1998, *Official Report*, column *496*, if he will raise each of the fishing measures listed at the next Council of Ministers meeting. [34861]

Mr. Morley: The future of the Common Fisheries Policy after 2002 is not on the agenda of the next meeting of the Fisheries Council. Such matters are, however, expected to be relevant to the following meeting.

Agriculture Expenditure

Mr. Jack: To ask the Minister of Agriculture, Fisheries and Food in what areas of budgeted agricultural expenditure the appreciation of the pound sterling since 1 April 1997 has reduced planned sterling expenditure; and by how much. [33810]

Dr. John Cunningham: It is not possible to identify precisely what proportion of the difference in total expenditure compared to estimated requirements is accounted for by changes in the sterling exchange rate.

Suckler Cow Producer Subsidy

Mr. Paul Marsden: To ask the Minister of Agriculture, Fisheries and Food if he will list the average subsidy paid per suckler cow producer for each year since 1979. [34259]

Mr. Rooker: Listed in the table are the average sums received by claimants of Suckler Cow Premium under the Suckler Cow Premium Scheme since 1984–85:

£

Year	*Payment per producer*
1984–85	473
1985–86	470
1986–87	491
1987–88	635
1988–89	638
1989–90	1,003
1990–91	1,171
1991–92	1,207
1992–93	1,512
1993–94	2,303
1994–95	2,345
1995–96	3,701
1996–97	5,684

Figures are derived from the annual Farm Business Survey and relate to England and Wales. The figure for 1996–97 takes account of additional BSE related payments made to producers that year. Information for the earlier years and on a UK basis are not readily available and could be provided only at disproportionate cost.

Farm Bankruptcies

Mr. Paul Marsden: To ask the Minister of Agriculture, Fisheries and Food how many farmers *(a)* nationally and *(b)* in Shropshire went bankrupt in each year since 1979. [34271]

Mr. Morley: The national data are set out in the table. Data by county are not available.

Number of bankruptcies in the agricultural and horticultural sectors: England and Wales 1979–1997

	Bankruptcies of self-employed individuals	*Company[1] insolvencies*	*Total*
1979	55	30	85
1980	50	34	84
1981	70	51	121
1982	78	54	132
1983	98	74	172
1984	155	77	232
1985	136	102	238
1986	130	128	258
1987	172	126	298
1988	163	73	236
1989	142	78	220
1990	198	111	309
1991	266	135	401
1992	313	191	504
1993	277	157	434
1994	231	166	397
1995	218	99	317
1996	168	89	257
1997[2]	125	40	165

[1] Including partnerships.
[2] Not including data for the fourth quarter.
Source:
Department of Trade and Industry.

Lindane

Mr. Andrew George: To ask the Minister of Agriculture, Fisheries and Food if he plans to ban the use of Lindane. [34785]

Mr. Rooker: Lindane has been used widely as a pesticide and in human and veterinary medicines for many years. In 1995, the independent Advisory Committee on Pesticides (ACP) reviewed a very substantial body of evidence on the toxicology of lindane in the course of a review of its agricultural uses; the Committee concluded that approvals should continue, as there was no evidence of an unacceptable risk to human health. The ACP also reviewed lindane's non-agricultural uses in 1992 when the same conclusions were reached.

Whilst the balance of our scientific advice is that insufficient evidence has been presented to justify immediate withdrawal of lindane, the Government are always ready to consider new findings. Lindane is currently the subject of a review under Community pesticides legislation and is also under discussion in the context of international negotiations on the long range transport of certain chemicals in the atmosphere. A pesticide can, of course, be withdrawn at any time, and I can assure the hon. Member that the Government would not hesitate to act if there was a real risk to human health or the environment.

Correspondence

Mr. Steen: To ask the Minister of Agriculture, Fisheries and Food when he expects to reply to the letter from the hon. Member for Totnes of 21 January regarding the withdrawal of suckler cow quota from Mr. Ian Pedrick of Broadmoor Farm, Marlborough. [34951]

Mr. Rooker *[holding answer 17 March 1998]:* My noble Friend the Parliamentary Secretary replied to the letter of 21 January from the hon. Member on 16 March.

Agriculture Council

Mr. Drew: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Agriculture Council held in Brussels on 16 and 17 March; and if he will make a statement. [35495]

Dr. John Cunningham: I chaired the third meeting under the United Kingdom Presidency of the European Union Council of Agriculture Ministers on 16–17 March in Brussels. My noble Friend Lord Donoughue, Parliamentary Secretary responsible for the farming and food industry, represented the United Kingdom. My noble Friend Lord Dubs, Under-Secretary of State for Northern Ireland was also present.

The Council agenda included two very important issues relating to BSE.

The Council first considered Commission proposals for amending the terms of the export ban on UK beef, with tighter controls over beef and beef products imported into the UK and then re-exported, but with significant easing of the ban through a Certified Herds Scheme to be operated in Northern Ireland. This proposal, which narrowly failed to receive a qualified majority in the Standing Veterinary Committee earlier this month, was adopted decisively by the Council, a qualified majority voting in favour. Only Germany and Belgium voted against, with Spain and Luxembourg abstaining. This decision represents the first step in lifting the world-wide ban on UK beef, and has been welcomed by farming organisations not only in Northern Ireland but in the United Kingdom as a whole.

The Council returned to the important issue of specified risk material (SRM). The Standing Veterinary Committee earlier this month rejected a Commission proposal for a Community system of rules on the removal of risk material from cattle and sheep. I explored with Council and Commission the possibility of finding support for alternative arrangements which would reflect not only the varying incidence of BSE in different member states but also the need for member states with high levels of protection against BSE—notably the United Kingdom and France—to safeguard this level of protection for public safety in any future system. The Council confirmed by a majority (from which only Finland, Spain and Sweden stood aside) the rejection of the Commission's latest formal proposal. The Council invited the Commission now to propose to the Standing Veterinary Committee that its earlier Decision on SRM, which would provoke trade problems, should not come into force on 1 April as previously decided, but should be deferred to allow further time for discussion. At ministerial level a qualified majority was established for this next step.

The Council agreed unanimously a Decision to approve the equivalence agreement on trade in animals and animal products between the European Union and United States. The agreement will be signed when a qualified majority in the Council establishes that the US has published satisfactory draft legislation recognising the distribution of animal diseases in the EU. The Council's Decision represents a decisive stage on the part of the EU in concluding an agreement which will be important for trade in animal products between the EU and US, to the economic advantage of both sides.

Commissioner Fischler introduced a proposal to update and extend current EU legislation on the welfare of laying hens. The proposal would substantially increase the minimum welfare requirements applying to laying hens throughout the Union. I welcomed this proposal on behalf of the Council and undertook that the UK Presidency will now arrange for the necessary discussions at technical level.

Finally, the Council discussed a communication from the Commission about food, veterinary and plant health control and inspection. The Commission took note of concerns voiced by several member states about aspects of the present arrangements, and undertook to act on them.

Set-aside

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food what was the total area by county, and the average payment per hectare in each of those counties, of set-aside land in *(a)* 1995, *(b)* 1996 and *(c)* 1997. [34604]

Mr. Rooker: Payment rates per hectare on land set-aside apply for England as a whole. The payment rates that applied and areas of land set-aside under the Arable Area Payments Scheme in each of the three years requested are as follows.

Payment rates (£/hectare)

	1995	*1996*	*1997*
Set-aside	340.94	338.03	325.83
Additional voluntary set-aside	239.25	237.21	228.65

Area set-aside under the Arable Area Payments Scheme

hectares

	1995	*1996*	*[1]1997*
Avon	2,557	2,295	1,500
Bedfordshire	9,735	8,097	5,160
Berkshire	6,703	5,159	3,342
Buckinghamshire	10,033	8,233	5,509
Cambridgeshire	27,522	21,931	12,473
Cheshire	2,986	2,393	1,509
Cleveland	2,161	1,717	947
Cornwall	4,663	4,027	2,733
Cumbria	1,238	1,077	748
Derbyshire	4,215	3,587	2,207
Devonshire	7,408	6,575	4,467
Dorset	8,329	6,724	4,611
Durham	6,502	5,010	2,964
Essex	28,281	21,868	13,116
Gloucestershire	12,622	10,364	6,673
Greater London	906	655	511
Greater Manchester	735	560	396
Hampshire	17,802	13,843	8,919
Hereford and Worcester	13,709	10,480	6,483
Hertfordshire	10,985	8,547	5,126
Humberside	28,047	21,210	11,723
Isle of Wight	1,757	1,326	912
Kent	18,028	13,933	8,926
Lancashire	2,137	1,709	1,083
Leicestershire	14,803	10,839	6,369
Lincolnshire	47,145	36,072	20,149
Merseyside	1,283	1,057	645
Norfolk	33,212	25,571	16,269
Northamptonshire	17,709	13,955	8,266
Northumberland	13,053	10,096	5,672
Nottinghamshire	13,136	10,120	5,686
Oxfordshire	19,718	15,762	9,921
Shropshire	10,900	8,311	4,969
Somerset	5,993	4,995	3,262
Staffordshire	6,819	5,470	3,250
Suffolk	27,524	21,893	13,341
Surrey	3,125	2,374	1,811
East Sussex	5,764	4,836	3,713
West Sussex	7,027	5,953	4,029
Tyne and Wear	1,419	1,124	664
Warwickshire	11,980	9,618	5,891
West Midlands	840	622	367
Wiltshire	17,489	14,400	8,947
North Yorkshire	29,358	22,552	13,208
South Yorkshire	6,161	4,794	2,718
West Yorkshire	3,565	2,638	1,534

[1] 1997 distribution of set-aside by county is provisional

Mr. Walter: To ask the Minister of Agriculture, Fisheries and Food what was the total area of set-aside land in the United Kingdom in *(a)* 1995, *(b)* 1996 and *(c)* 1997. [34603]

Mr. Rooker: The total area of land set-aside under the Arable Area Payments Scheme in the United Kingdom was 605,360 ha in 1995, 476,821 ha in 1996 and 295,334 ha in 1997. In addition 36,534 ha and 15,209 ha were set aside under the Five Year Set-aside Scheme in 1995 and 1996.

Ministers and Top Management Programme

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food how many staff are involved in the Ministers and Top Management Programme; where these staff are based; and what are the total salary bill and the administration costs for this programme. [34783]

Mr. Morley: There are currently 38 staff and four Ministers in the Department's secretariat which is located in Central London. The total salary bill for the secretariat, excluding Ministers, is £937,000. The total estimated administration costs (including Ministers salaries of £142,000 but excluding other salaries) are £714,000 per year.

Current gross annual salaries (basic salary plus any pay additions and specialist allowances) have been used for the salary bill.

Departmental Services

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food what are *(a)* the number of staff employed by, *(b)* the salary bill of, *(c)* the location of offices used by and *(d)* the estimated administration costs in the current financial year of his Department's (i) Press and Information Service, (ii) Legal Service, (ii) Economic and Statistics Section, (iv) Information Technology Service, and (v) Financial Planning and Control Programme. [34786]

Mr. Morley: The information requested is shown in the table. Current gross annual salaries (basic salary plus any pay additions and specialist allowances) have been used for the salary bill. The latest estimated annual administration costs include all non-pay running costs and capital, less VAT recoveries. Money from receipts is not included.

Unit	*Locations*	*Number of staff*	*Total salaries £000*	*Estimated admin costs £000*
Information Division	Central London	78	1,500	1,237
Legal Group	Central London, Tolworth, Brecon, Swansea, Exeter, Harrogate, Maidstone and Peterborough	121	3,500	1,189
Economics and Statistics Group	York and Central London	203	3,500	488
Information Technology Directorate	Guildford, Central London and Cambridge	325	6,292	[1]30,612
Finance Group	Central London, York, Alnwick, Guildford and Bristol	251	4,835	2,102

[1] This includes budgets which ITD administer for the whole of core MAFF e.g. training, consultancy, maintenance, accommodation etc.

Consultants

Mr. Swinney: To ask the Minister of Agriculture, Fisheries and Food what is the total value of contracts sourced by his Department with *(a)* non-IT and *(b)* IT external consultants in (i) London and (ii) Scotland. [34784]

Mr. Morley: The information requested by the hon. Member could be provided only at disproportionate cost.

PRIME MINISTER

Engagements

Mr. Cranston: To ask the Prime Minister if he will list his official engagements for Wednesday 18 March. [33419]

The Prime Minister: This morning I had meetings with Ministerial colleagues and others. In addition to my duties in the House I will have further such meetings later today.

Public Appointments

Mrs. Lait: To ask the Prime Minister how many of the appointments to public bodies which he has made since 1 May 1997 have been from the Public Appointments Unit list. [33258]

The Prime Minister: My aim is that appointments to public bodies should be from a wide range of sources. The Public Appointments Unit is one source as are advertisements for specific posts. I have made twenty-one appointments since 1 May to bodies listed in "Public Bodies" one of which was from the Public Appointments Unit list.

Ministerial Visits

Mr. Forth: To ask the Prime Minister, pursuant to his answer of 3 February 1998, *Official Report*, column *581*, on ministerial visits, if he will list the occasions prior to 1 May 1997 when the personal companion of a Minister travelling on official business was not a spouse. [33370]

The Prime Minister: I am not accountable for previous administrations.

Government Reviews (Wales)

Sir Raymond Powell: To ask the Prime Minister if he will list each Government review currently taking place which affects Wales; and in each case, if it is intended to be completed before the proposed date for elections to the Welsh Assembly. [33701]

The Prime Minister: My Government have in place a wide programme of reviews which are intended to underpin their work, and that of my right hon. Friend the Secretary of State for Wales in particular, in extending democratic accountability; increasing economic prosperity and improving the quality of life for people throughout Wales; and realising Wales's potential within the UK, Europe and the wider world.

A summary of the reviews being undertaken currently by the Welsh Office is as follows:

Welsh Office Reviews	*To be completed before Assembly Elections*
Health	
Review of Health Authority allocation formula	Yes
Review of NHS Capital Charges	Yes
Review of Health Promotion arrangements in Wales	Yes
Location of various activities of the Welsh Health Common Services Authority after 1999	Yes
Review of the number and configuration of NHS Trusts in Wales	Yes
Education	
Review existing exemptions from Statutory requirements to teach Welsh at Key Stage 4 in 10 secondary schools	Yes
Review the National Curriculum taught in Wales and examine options for slimming down the curriculum taught in primary schools	Yes
Review of the role of the Welsh Language Board in Welsh language education	Yes
Planning	
Review of Opencast Coal Planning Policy	Yes
Review of Minerals Planning Guidance	No
Review of Planning Guidance (Wales) Planning Policy	No
Review of Planning Guidance (Wales) Unitary Development Plans	No
Local Government	
Review of the arrangements for ensuring democratic accountability of local government, the conduct of elected members and officers and the systems for financing local services and promoting Best Value	Yes
Transport	
Fundamental Review of transport policy including review of the Welsh trunk road programme; the development of an integrated transport policy; buses; regulation of the railways	Yes
Social Services	
Review of Purchasing Requirements for, and provision of, Drug and Alcohol Residential and Community Facilities in Wales	Yes
Agriculture	
Review of the Habitat Scheme	Yes
Review of the Meat and Livestock Commission	Yes
Common Agricultural Policy Administration Study	Yes
Finance	
Comprehensive Spending Review	Yes

Iraq

Mr. Dalyell: To ask the Prime Minister what discussions Her Majesty's Government have had with the Chinese over their interpretation of recent UN

Resolutions, in relation to authorising the commencement of military action, undertaken in the name of the United Nations against targets in Iraq. [34318]

The Prime Minister: During the recent Iraq crisis we maintained close contact with all members of the Security Council, including the Chinese.

Security Council Resolution 1154 was adopted unanimously by the Security Council. All members, including China, agreed that further violations of Iraq's obligations under relevant Security Council Resolutions and the Memorandum of Understanding signed in Baghdad would be followed by the severest consequences.

Rupert Murdoch

Mr. Gray: To ask the Prime Minister when he last met Rupert Murdoch; where that meeting occurred; and what was discussed. [35061]

The Prime Minister: I refer the hon. Member to the reply I gave to the hon. Member for Lewes (Mr. Baker) on 5 March 1998, *Official Report*, column *702*.

Written Answers to Questions

Thursday 19 March 1998

CHURCH COMMISSIONERS

Ashford Great Park

Mr. Baker: To ask the hon. Member for Middlesbrough, representing the Church Commissioners, what estimate he has made of the current annual loss to the income stream resulting from the Ashford Great Park development project. [35147]

Mr. Stuart Bell: The Commissioners, like any investment organisation, have a spread of investments. At any one time there are many alternatives available. It is not realistic to put a hypothetical income stream on individual investments on the premise that they might have performed differently or different investments might have been preferred.

CULTURE, MEDIA AND SPORT

Consultants

Mr. Malcolm Bruce: To ask the Secretary of State for Culture, Media and Sport what is his estimate of the expenditure of his *(a)* Department, *(b)* agencies and *(c)* non-departmental public bodies on external consultants in (i) 1995–96, (ii) 1996–97, (iii) 1997–98 to date and (iv) 1997–98 full year; and if he will also estimate the cost savings resulting from the employment of such consultants for each of the above years. [26626]

Mr. Tom Clarke *[holding answer 5 February 1998]:* My Department, its agencies and non-departmental public bodies use consultants for a wide variety of tasks. The available expenditure information is given in the following table:

£

	1995–96 (actual)	*1996–97 (actual)*	*1997–98 (spend to date)*	*1997–98 (estimate)*
Department for Culture, Media and Sport	304,632	448,931	429,396	460,000
Historic Royal Palaces Agency	506,000	296,000	225,000	258,000
Royal Parks Agency	771,986	819,551	356,644	581,000
Non-departmental public bodies	20,136,168	33,970,571	35,015,744	n/a

n/a = Not applicable

Consultants contribute to the Department's output and efficiency by bringing in specialist skills and improving the Department's effectiveness.

BBC

Mr. Wyatt: To ask the Secretary of State for Culture, Media and Sport what representations he has received from *(a)* the public and *(b)* commercial broadcasters about the scale and cost of the BBC's promotion of (i) BBC channel services and its corporate image and (ii) the licence fee; and if he will make a statement. [34113]

Mr. Fisher: My right hon. Friend the Secretary of State has received representations from three members of the public and from the Commercial Radio Companies Association about the BBC's promotion of its public service programmes. He has received a number of representations from members of the public about the BBC's promotion of the licence fee, but our records do not provide an exact figure. No representations on this subject have been received from commercial broadcasters.

The Government believe that the BBC should be allowed restricted use of free airtime to promote the licence fee and its public service programmes, provided such promotion meets the requirements of fair competition. The use of such airtime informs licence fee payers of the range and type of public services available, assisting them to get full value from the licence fee.

Elgin Marbles

Mr. Loughton: To ask the Secretary of State for Culture, Media and Sport (1) if he will make a statement on the Government's policy towards the retention of the Elgin Marbles in the United Kingdom; [34024]

(2) if he will make a statement on the Government's policy towards the repatriation of antiquities from UK national museums and galleries to their country of origin; [34022]

(3) if the Government will make it their policy not to allow the Elgin Marbles to leave the custody of the British Museum. [34023]

Mr. Fisher: It is for the Government's policy that the Parthenon sculptures should remain in the British Museum. More generally, the retention or disposal of objects in our national museums and galleries is a matter for the trustees of those institutions. However, the trustees can only dispose of objects within the scope of their statutory powers, and in many cases those powers limit trustees' discretion to the dispersal of articles which have become useless by reason of damage or are otherwise unsuitable for retention in the collection. The Government have no powers to intervene and no plans to change the law.

Mr. Loughton: To ask the Secretary of State for Culture, Media and Sport what representations the Government have received regarding the Elgin Marbles. [34025]

Mr. Fisher: I regularly receive representations about the Parthenon sculptures. Most of these are from individual members of the public either directly or via their Member of Parliament.

Parliamentary Questions

Mr. Butterfill: To ask the Secretary of State for Culture, Media and Sport if he will list those parliamentary questions he has taken eight weeks or more to answer since 1 May 1997. [32714]

Mr. Tom Clarke *[holding answer 12 March 1998]:* No parliamentary question tabled to this Department since 1 May 1997 has taken more than eight weeks to answer.

TREASURY

Construction Industry

Mr. Gibb: To ask the Chancellor of the Exchequer what proportion of GNP the construction industry represents in each OECD and EU country. [34243]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Nick Gibb, dated 12 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your recent question on the construction industry.

The ONS only publishes data relating to the United Kingdom.

Usually, construction is not measured as a percentage of Gross National Product (GNP), this is due to data being unavailable relating to net property income from abroad of the construction industry. The usual convention estimates construction as a percentage of Gross Domestic Product (GDP).

International data is published by the Organisation for Economic Co-operation and Development (OECD). GDP by type of activity, including construction, is published in; *National Accounts Detailed Tables Volume II 1997 edition*. The most recent published data on an OECD basis for the UK relates to the year 1994. For example, in 1994 construction, at current prices, was measured at £31,035 million, this represented 4.67% of GDP.

More recent estimates of UK construction and GDP are available from the *United Kingdom National Account (Blue Book 1997)*. However, this set of data contains revisions to previous estimates and will not be fully consistent with the UK estimates published by OECD. In 1996 construction, at current prices, was measured at £33,746 million, representing 4.55% of GDP.

Copies of both publications are available in the House of Commons library.

Taxation (Qualified Majority Voting)

Mr. Gibb: To ask the Chancellor of the Exchequer if it is Government policy not to concede taxation matters to qualified majority voting in the EU. [34171]

Dawn Primarolo *[holding answer 12 March 1998]:* Decisions on tax are subject to Unanimity.

Gross Domestic Product

Mr. Wigley: To ask the Chancellor of the Exchequer if he will list the estimated gross domestic product per head for *(a)* each United Kingdom nation, *(b)* each English region and *(c)* the UK, expressed in current prices, for (i) 1970, (ii)1979, (iii) 1989 and (iv) the last two years for which figures are available. [34877]

Mrs. Liddell: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tom Holt to Mr. Dafydd Wigley, dated 19 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on gross domestic product (GDP) per head for the countries and regions of the United Kingdom.

The available information is given in the attached table. With effect from April 1997, Government Office Regions (GORs) replaced Standard Statistical Regions (SSRs) as the primary classification for the presentation of statistics for the regions of England. GDP data are available from 1984 for GORs and from 1971 for SSRs. Data have been provided on both bases in the table.

Gross domestic product: United Kingdom, England, Wales, Scotland and Northern Ireland and regions of England

£ per head

	1971	*1979*	*1989*	*1995*	*1996*
United Kingdom	886	3,052	7,702	10,376	10,944
United Kingdom less Continental Shelf	886	2,955	7,585	10,199	10,711
England	905	3,019	7,755	10,352	10,897
Wales	767	2,517	6,582	8,501	8,899
Scotland	831	2,802	7,113	10,224	10,614
Northern Ireland	688	2,334	5,832	8,423	8,700
Government Office Regions of England					
North East	—	—	6,468	8,683	9,026
North West (GOR) and Merseyside	—	—	7,045	9,277	9,735
North West (GOR)	—	—	7,376	9,737	10,246
Merseyside	—	—	5,812	7,513	7,767
Yorkshire and the Humber	814	2,749	6,962	9,300	9,585
East Midlands	803	2,842	7,449	9,791	10,096
West Midlands	912	2,844	7,009	9,567	10,015
Eastern	—	—	8,412	10,974	11,655
London	1,091	3,791	9,440	12,490	13,210
South East (GOR)	—	—	8,437	11,369	12,263
South West	779	2,693	7,170	9,792	10,143
Standard Statistical Regions of England					
North	811	2,694	6,754	8,995	9,354
North West (SSR)	871	2,847	6,960	9,172	9,631
Yorkshire and Humberside	814	2,749	6,962	9,300	9,585
East Midlands	803	2,842	7,449	9,791	10,096
West Midlands	912	2,844	7,009	9,567	10,015
East Anglia	845	2,786	7,694	10,258	10,689
South East (SSR)	1,018	3,425	8,908	11,821	12,641
Rest of South East	961	3,175	8,568	11,395	12,277
London	1,091	3,791	9,440	12,490	13,210
South West	779	2,693	7,170	9,792	10,143

Mr. Baker: To ask the Chancellor of the Exchequer what plans he has to recast GDP to take account of environmental factors. [35318]

Dawn Primarolo: The information requested falls within the responsibility of the Chief Executive of the Office for National Statistics. I have asked him to arrange for a reply to be given.

Letter from Tim Holt to Mr. Norman Baker, dated 19 March 1998:

As Director of the Office for National Statistics (ONS), I have been asked to reply to your parliamentary question on GDP.

The ONS is maintaining an active programme of work on calculating a 'satellite' environmental account. Techniques of environmental valuation are used by officials to assist in informing policy making. There are no current plans to use environmental valuation techniques to recast GDP. GDP is calculated by an internationally agreed procedure set out in the System of National Accounts (SNA68), SNA93 from September 1998, and subsequently in the European Union's European System of National Accounts (ESA93), ESA95 from September 1998.

For further information the ONS published "The pilot UK environmental accounts" in *Economic Trends* in August 1996 and an article "Environmental Accounts—valuing the depletion of oil and gas reserves" published in April 1996. Copies of *Economic Trends* are available in the House of Commons Library.

Smuggling

Mrs. Lait: To ask the Chancellor of the Exchequer what targets he has set Customs and Excise to assess their success rate in confiscating smuggled or bootlegged tobacco and alcohol; and if he will report their success in achieving these targets to Parliament annually. [34800]

Dawn Primarolo: For 1997–98 Customs planned to make detections of cross Channel smuggled excise goods worth £36.7 million in revenue. Results for the first 10 months (up to 31 January 1998) are £40.6 million.

Customs publicise their achievements against plans in their Annual Report, copies of which are placed in the House of Commons Library.

Independent Financial Advisers

Mr. Love: To ask the Chancellor of the Exchequer what steps he is taking to review the independence of independent financial advisers; and if he will make a statement. [35100]

Mrs. Liddell: None. That is a matter for the regulators.

Continence Products

Mr. Burstow: To ask the Chancellor of the Exchequer, pursuant to his oral answer of 12 March 1998, *Official Report*, column 743, concerning continence products, what factors led the VAT Tribunal in July 1996 to rule that such products should be zero rated. [34889]

Dawn Primarolo *[holding answer 17 March 1998]:* The factors which the Tribunal took into account were the precise terms of the individual contracts, and the arrangements under which the supplies actually took place. Based on that examination, the Tribunal decided that VAT relief applied in some cases, but not in others.

Court of Auditors Report

Mr. Letwin: To ask the Chancellor of the Exchequer what position was taken by Her Majesty's Government during the Council of Ministers' discussion of the Court of Auditors' report on 9 March; what conclusions were reached by the Council of Ministers; and if he will make a statement. [34821]

Mrs. Liddell *[holding answer 17 March 1998]:* I refer the hon. Member to the answer given to my hon. Friend the Member for Preseli Pembrokeshire (Ms Lawrence) on 12 March 1998, *Official Report*, column *319*.

As representative of the UK, I additionally noted the unacceptably high level of errors reported in the Statement of Assurance, called on the Commission to work with Member States to improve performance, and welcomed the work already undertaken to improve financial control of the Structural Funds.

Environmental Audit Committee

Mr. Baker: To ask the Chancellor of the Exchequer when he expects to respond to the Pre-Budget report from the Environmental Audit Committee, Session 1997–98, HC 547. [35027]

Dawn Primarolo *[holding answer 17 March 1998]:* The Environmental Audit Committee's report on the implications of the Pre-Budget Report on environmental protection and sustainable development was published on 10 March. I expect to respond to the report within 2 months of that date.

Budget (Environmental Impact)

Mr. Baker: To ask the Chancellor of the Exchequer what is his policy in respect of the environmental impact of his Budget. [35033]

Dawn Primarolo *[holding answer 18 March 1998]:* The Financial Statement and Budget Report includes an environmental assessment of the Budget measures which will have a significant effect on the environment. The Government are committed, more generally, to ensuring that policy appraisal includes an assessment of the environmental impacts.

VAT (Historic and Religious Buildings)

Mr. Cousins: To ask the Chancellor of the Exchequer what was his response to the request by the General Synod to lower the rate of VAT on repairs to historic and religious buildings. [35060]

Dawn Primarolo *[holding answer 18 March 1998]:* The Chancellor has received no direct communication from the General Synod to lower the rate of VAT on repairs to historic and religious buildings, although he is aware that a resolution was passed by the Synod.

A relief of the kind envisaged is not possible under European law.

Resource Accounts

Mr. Quentin Davies: To ask the Chancellor of the Exchequer if he intends that the Resource Accounts to be produced by Government will include an evaluation of the present value of United Kingdom state pension liabilities; and when he intends that these accounts will first be published. [34697]

Mr. Darling: I refer the hon. Member to the reply given by the Paymaster General to the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) on 5 March 1998, *Official Report*, columns *718–19*.

European Single Currency

Mr. Mitchell: To ask the Chancellor of the Exchequer if he will make a statement about his proposals for the design of the banknotes for the proposed European single currency. [34791]

Mrs. Liddell: The EMI is responsible for supervising the technical preparations of euro banknotes, in accordance with Article 109f(3) of the Treaty. The initial designs for euro banknotes were unveiled at the European Council in Dublin in December 1996. Final decisions on the technical specifications of euro banknotes will be taken by the ECB once it is established.

Mr. Redwood: To ask the Chancellor of the Exchequer (1) what estimate he has made of the proportion of British businesses which account to six places of decimals; [35217]

(2) if British companies dealing with European companies which are using the euro will be required to change their accounting systems to use the triangulation method and six places of decimals. [35220]

Mrs. Liddell: I refer the right hon. Member to the answer that I gave on 12 March 1998, *Official Report*, column *309*. Businesses accounting in euro do not need to follow the triangulation method, which only concerns the conversion from one national currency unit of a country participating in the single currency to the national currency unit of another such country. There is no requirement to account in euro to six significant figures.

Mr. Redwood: To ask the Chancellor of the Exchequer (1) what regulations there will be, after the exchange rates of the euro-participating currencies are locked in May, to prevent different prices, spreads or commissions in dealings in these currencies; [35219]

(2) what decisions *(a)* have been taken and *(b)* remain to be taken on the permitted or recommended spread or commission once the European currency rates of euro countries are locked in May. [35218]

Mrs. Liddell: Bilateral conversion rates between currencies of countries participating in the single currency will form the basis for the conversion rates between national currencies and the euro, in accordance with Article 1091(4) of the Treaty on 1 January 1999. These bilateral rates will be announced on 3 May 1998. There will be no regulations on spreads or commissions covering the period from 3 May 1998 to the start of stage three.

Conversions from the euro unit to the national currency units of participating countries from 1 January 1999 and vice versa will be required to use the special conversion rate in accordance with council regulation (EC) No. 1103/97 of 17 June 1997.

Mr. Redwood: To ask the Chancellor of the Exchequer if the Government plan to legislate to abolish the ecu. [35216]

Mrs. Liddell: No. The ecu, as referred to in Article 109g of the EC Treaty and defined in Council Regulation (EC) No 3320/94 of 22 December 1994, will become the single currency on 1 January 1999, in accordance with Article 1091(4) of the EC Treaty, and will be called the euro. Council Regulation (EC) No 1103/97 of 17 June 1997 which will be applicable in all member states, including the United Kingdom, provides confirmation that references to the Ecu in contracts and other legal instruments, including legislation, will be presumed to refer to the euro.

Mr. Redwood: To ask the Chancellor of the Exchequer if the Government plan an Act of Parliament to legalise *(a)* the euro as a foreign currency and *(b)* the compulsory conversion of other European currency contracts into euros. [35215]

Mrs. Liddell: It is a rule of the conflict of laws, applied by courts in the various jurisdictions in the United Kingdom, that a foreign currency has the status accorded to it by the law governing that currency. Courts in the United Kingdom will therefore recognise the status that the euro will have under EC law, including Council Regulation 1103/97 of 17 June 1997 which confirms that references in contracts to national currencies replaced by the euro will be interpreted to refer to the euro. Domestic legislation will not be required in the United Kingdom.

Government Borrowing

Mr. Timms: To ask the Chancellor of the Exchequer if he will give details of the Government's borrowing programme in 1998–99. [35689]

Mrs. Liddell: The Government have today published the 1998–99 Debt Management Report. This sets out the Government's debt management policy, reviews the Government's borrowing programme in 1997–98, and gives details of the Government's borrowing programme in 1998–99, including remits for the Debt Management Office and National Savings. This is the first remit for the UK Debt Management Office, which takes on responsibility for debt management from 1 April 1998, following the decision to transfer Government debt management responsibilities from the Bank of England to the Treasury. Copies have been placed in the Libraries of the House.

Correspondence

Sir Brian Mawhinney: To ask the Chancellor of the Exchequer (1) when he expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 3 February on behalf of Mr. and Mrs. Harradine; [35311]

(2) when he expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 2 February on behalf of Ms Chetwood; [35326]

(3) when he expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 2 February on behalf of Mr. Sandercock. [35319]

Mr. Gordon Brown: Interim replies have been sent today, and I will respond in more detail to the right hon. Member shortly.

INTERNATIONAL DEVELOPMENT

Indonesia

Sir Alastair Goodlad: To ask the Secretary of State for International Development what is her policy towards the funding of police training in Indonesia. [35046]

Clare Short: We are not funding any such training, and have no intention to do so.

Iraq

Mr. Dawson: To ask the Secretary of State for International Development what estimates she has made of the impact of sanctions on *(a)* child mortality and *(b)* child malnourishment in Iraq since 1990. [34958]

Clare Short: The UK Government are not in a position to make reliable estimates of the impact of sanctions on Iraq. However, we take seriously disturbing reports from international humanitarian organisations suggesting that the people of Iraq are suffering deprivation and hardship.

The issue is complex, given the many influences that bear upon the well-being of the population, of which sanctions are one. Numerous attempts have been made, e.g., under the auspices of the UN, to estimate the impact of sanctions on Iraq, but the findings are open to differences of interpretation. In addition, there are practical difficulties. UK missions to Iraq attempt to monitor the situation, but are currently restricted to the north of the country. We do not have independent access to Baghdad-controlled Iraq.

MINISTER WITHOUT PORTFOLIO

Millennium Dome

Mr. Hoyle: To ask the Minister without Portfolio what representations he has received from British theme park owners on the Millennium Dome project. [29864]

Mr. Mandelson: I have received representations from various organisations from the leisure industry, including theme park operators. The New Millennium Experience Company and I will continue to seek advice, as and when necessary, from a range of experts in this field.

Mr. Maude: To ask the Minister without Portfolio when he plans to provide the full details of the contents of the Millennium Experience. [31202]

Mr. Mandelson: On 24 February, my right hon. Friend the Prime Minister presented an outline of the Dome's contents and details of seven zones. The New Millennium Experience Company will announce details of the remaining exhibits in due course.

Mr. Brady: To ask the Minister without Portfolio what assessment he has made of the risk of terrorist attacks on the Millennium Dome at Greenwich. [33993]

Mr. Mandelson: The New Millennium Experience Company have had discussions with the relevant bodies and agencies to ensure that security measures taken during construction and operation minimise this risk.

Mr. Mitchell: To ask the Minister without Portfolio how many works of art he estimates will be exhibited in the Millennium Dome. [34787]

Mr. Mandelson: The New Millennium Experience Company (NMEC) is currently considering its policy and strategy on displaying works of art within the Dome. It is therefore too early to say how many such works might be exhibited.

Millennium Experience

Mr. Maude: To ask the Minister without Portfolio what *(a)* the BAA, *(b)* the Corporation of London, *(c)* Tesco, *(d)* British Telecom, *(e)* BSkyB, *(f)* Manpower, *(g)* British Airways and *(h)* Camelot will receive in return for their sponsorship of the New Millennium Experience. [32231]

Mr. Mandelson: I refer the right hon. Member to the reply I gave to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) on 9 March 1998, *Official Report*, column 59. Details of specific sponsorship arrangements between the New Millennium Experience Company (NMEC) and individual companies are subject to ongoing negotiations and contractual arrangements.

Mr. Maude: To ask the Minister without Portfolio how many bids he received for the staffing contract for the Millennium Experience; whether the contract was advertised in the *Journal of the European Communities;* and what the criteria were for a successful bid. [33835]

Mr. Mandelson *[holding answer 10 March 1998]:* The New Millennium Experience Company (NMEC) have not placed any advertisements for the supply of operational staff at this stage.

Mr. Mitchell: To ask the Minister without Portfolio if he will list the new games which will be included in the Millennium Experience, indicating in each case *(a)* the expenditure by the New Millennium Experience Company on their development, *(b)* the rights acquired by the Company, and *(c)* the individuals, organisations or companies with which the Company has been associated. [34860]

Mr. Mandelson: The New Millennium Experience Company (NMEC) have not taken any final decisions about the inclusion or otherwise of new games within the individual exhibits.

PRIME MINISTER

Focus Groups

Mr. Mullin: To ask the Prime Minister how much his Department *(a)* has spent since 1 May and *(b)* is planning to spend on focus groups. [34969]

The Prime Minister: For the purpose of this answer, my office is part of the Cabinet Office. I refer my hon. Friend to the answer given by my hon. Friend the Parliamentary Secretary, Office of Public Service, to the hon. Member for Gordon (Mr. Bruce) on 5 March 1998, *Official Report*, columns *763–65*.

ATTORNEY-GENERAL

Freemasons

Mr. Mullin: To ask the Attorney-General what steps he has taken to encourage disclosure by freemasons in the Crown Prosecution Service; and if he will make a statement. [33790]

The Attorney-General: The Crown Prosecution Service, in conjunction with other interested parties, will

now be taking forward implementation of the Government's response to the Home Affairs Committee.

Crown Prosecution Service

Mr. Connarty: To ask the Attorney-General what initiatives have been taken to reduce delays within the Crown Prosecution Service. [33781]

The Attorney-General: The Government are determined to tackle delays across the criminal justice system and have in hand a range of measures in the Crime and Disorder Bill. The Crown Prosecution Service is fully involved with the development of these measures which will reduce delay.

Iraq

Mr. Dalyell: To ask the Attorney-General, pursuant to his answer to the hon. Member for Nottingham, South, (Mr. Simpson) on 27 February 1998, *Official Report*, column *394*, if he will review the convention that advice given by Law Officers is not disclosed outside Government. [33789]

The Attorney-General: The convention was considered during the preparation of the White Paper on Freedom of Information. The conclusion in the White Paper is that legal advice to Government from any source should not be covered by the proposed legislation. The Government believe that it is appropriate to continue to observe the convention.

FOREIGN AND COMMONWEALTH AFFAIRS

Kosovo

Sir Alastair Goodlad: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from the Department for International Development concerning the provision of aid to Kosovo. [34857]

Mr. Tony Lloyd: I understand that officials from the Department for International Development (DFID) will be meeting with representatives of those British charities which are already active in the Federal Republic of Yugoslavia today. The meeting will enable DFID officials to assess the current situation in Kosovo and its people's needs. I am further informed that the Department for International Development is currently funding Oxfam's work in providing a centre for disabled children and health education for rural women in Kosovo.

Ethical Investment

Ann Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what advice on ethical issues is available from his Department to individuals, organisations and companies considering trade or investment projects in *(a)* Algeria, *(b)* North Korea, *(c)* Burma, *(d)* Indonesia, *(e)* Libya, *(f)* Colombia, *(g)* Syria, *(h)* Iraq, *(i)* Saudi Arabia and *(j)* China. [35043]

Mr. Tony Lloyd: This Department, together with the DTI, provides advice on all aspects of doing business overseas, including relevant export controls and any commitments made by HMG regarding the application of the controls to the particular country concerned. This Department is ready to offer advice on ethical issues, and regularly provides advice on the political situation in particular markets, to companies considering or involved in trade overseas. This Department works with DTI and DfID to encourage all British companies to set the highest ethical standards in their overseas activities.

EU Accession

Mr. Love: To ask the Secretary of State for Foreign and Commonwealth Affairs what estimate he has made of the completion date of the accession negotiations relating to applicant countries for the EU; and if he will make a statement. [35098]

Mr. Doug Henderson: The Luxembourg European Council established a framework which will allow Cyprus and the ten applicant countries of Central Europe to join the EU as soon as they are ready. We shall launch accession negotiations with six of these countries on 31 March. The speed of each applicant's progress will depend on its preparations for membership. So it would be misleading to set any deadlines for the completion of accession negotiations.

China and Tibet

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the matters in respect of Tibet which he raised with the Chinese Ambassador at their last meeting; and if he will make a statement. [35314]

Mr. Fatchett: The right hon. Friend the Foreign Secretary did not discuss Tibet when he last met the Chinese Ambassador on 9 January. When he met Chinese leaders in Beijing on 19–20 January, he discussed the forthcoming EU Troika Ambassador's visit to Tibet, raised certain individual cases of concern and urged the Chinese authorities to enter into dialogue with the Tibetan people.

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what procedures are in place to monitor Chinese adherence to treaties and agreements signed which have human rights considerations. [35315]

Mr. Fatchett: Amongst the United Nations human rights treaties, China has ratified the International Convention on the Elimination of All Forms of Racial Discrimination (ICERD); the Convention on the Rights of the Child (CRC); the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW); and the Convention against Torture (CAT). States parties are required to submit periodic reports to the respective treaty monitoring bodies of the UN in respect of all of these. These monitoring bodies are responsible for examining states' adherence to their commitments under the treaties.

Mr. Baker: To ask the Secretary of State for Foreign and Commonwealth Affairs what factors he takes into account before deciding to what extent constructive engagement is likely to be bring about an improvement to the human rights situation in *(a)* China and *(b)* Tibet. [35316]

Mr. Fatchett: Since the resumption of the EU-China dialogue in October 1997, China has taken some positive steps towards closer cooperation with the UN's human

rights mechanisms. In addition the EU and China have agreed a programme of assistance designed to improve China's human rights performance in concrete ways. We believe this approach is the best way to bring about real improvements in China, including Tibet.

Public Bodies

Mr. Burns: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish *(a)* the number of places on each of his Department's non-departmental public bodies, *(b)* the number of places that are currently unfilled on each non-departmental public body, *(c)* the total number of members that have resigned since 1 May 1997, *(d)* the total number that have retired since 1 May 1997, *(e)* the total number that have not had their contracts renewed since 1 May 1997, *(f)* the total number that have remained in place since 1 May 1997 and *(g)* the total number that have been appointed since 1 May 1997. [35276]

Mr. Tony Lloyd: The FCO has responsibility for 7 Non Departmental Public Bodies: Marshall Aid Commemorative Committee (MACC), Westminster Foundation for Democracy (WFD), Commonwealth Institute (CI), British Council (BC)[1], Britain Russia Centre (BRC)[2], British Association for Central and Eastern Europe (BACEE)[1,2], Great Britain China Centre[2]—this has no public appointments.

[1] The Secretary of State approves nominations rather than makes appointments to these bodies. He has the power only to veto a nomination.

[2] These three bodies do not fall within the provisions of the OCPA guidance on appointments.

Argentina

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs if there have been any new exceptions to the arms embargo on Argentina. [35500]

Mr. Tony Lloyd: We have recently granted an exception to the embargo relating to the sale of spare parts for the Argentine icebreaker, the Almirante Irizar. This represents an exception but not a change to the embargo.

Afghanistan

Mr. Gapes: To ask the Secretary of State for Foreign and Commonwealth Affairs if the United Kingdom will continue to impose an arms embargo on Afghanistan in line with the EU's Common Position of 17 December 1996. [35501]

Mr. Fatchett: We remain committed to the EU arms embargo against Afghanistan which the UK interprets as covering all goods and technology entered on Part III to schedule 1 to the Export of Goods Order 1994, as amended.

Following consultation with this Department and the Ministry of Defence, the Department of Trade and Industry recently approved a licence for the export of mine clearance equipment for use by the United Nations Office for the Co-ordination of Humanitarian Assistance to Afghanistan in its demining operations. The grant of this licence is for humanitarian purposes, and is consistent with the purpose of the embargo.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 19 January 1998, forwarded to him from the Home Office on 4 February, on behalf of Mr. Johnson. [35324]

Mr. Fatchett: A reply was sent to the right hon. Member on 17 March.

Partners in Europe

Sir Richard Body: To ask the Secretary of State for Foreign and Commonwealth Affairs what factors determined which contact points were listed in the Partners in Europe pamphlet, "Resources and Contacts". [32963]

Dr. Howells: I have been asked to reply.

The Department asked the Central Bureau for Educational Visits and Exchanges to provide details of contact points for the organisations which can provide schools with information and advice; and funding for developing European partnerships and projects.

HOME DEPARTMENT

Persistent Young Offenders

Mr. Allan: To ask the Secretary of State for the Home Department by what date he expects to halve the time from arrest to sentencing for persistent young offenders; what monitoring of timings is undertaken; what representations he has received concerning the definition of persistent young offenders; and if he will make a statement. [34683]

Mr. Michael: Halving the time between arrest and sentence for persistent young offenders is our top law and order priority, and we intend to achieve this objective as soon as possible. We have already encouraged all youth justice agencies to take action within the current statutory framework to tackle unnecessary delays, including establishing fast track arrangements for persistent young offenders.

Ministers from all the relevant Departments joined my right hon. Friend and my right hon. and learned Friend the Lord Chancellor to promote this initiative and it is clear that real efforts are being made at a local level to respond. In addition, the Crime and Disorder Bill, currently before Parliament, includes a range of important measures to streamline the system, improve case management and provide for statutory time limits.

Since coming to office, the Government have carried out a survey of persistent young offenders dealt with by the youth justice system in 1996. That survey indicated that in 1996 the average time between arrest and sentence for persistent young offenders was 142 days. The Government are committed to halving that figure to

71 days. To monitor progress towards that pledge, we are ensuring that systems are put in place to produce regular data on the time between arrest and sentence for persistent young offenders. During this month, we are contacting youth justice agencies to find out what progress has been made locally to tackle delays and to establish fast tracking arrangements for persistent young offenders.

In response to the consultation paper "Tackling Delays in the Youth Justice System" we received 48 representations concerning the Government's proposed definition of persistent young offenders. Nine respondents welcomed the definition of persistent young offender. 25 respondents suggested that a range of different definitions of persistent young offender should be used, or that there should be no standard definition at all. Others commented more generally on the proposed definition. The definition is intended primarily for monitoring purposes, and is not intended to exclude others from being fast tracked. Local areas may use their discretion in deciding which additional cases to fast track, including spree offenders and others.

Tobacco

Mr. Llwyd: To ask the Secretary of State for the Home Department what steps he is taking to prevent the sale of tobacco to those aged under 16 years. [34620]

Mr. Michael: The Government are keen to protect children from the dangers of smoking. A White Paper on tobacco control will be published later this year by the Department of Health, setting out a comprehensive strategy to tackle smoking, particularly among young people.

It is illegal to sell tobacco to a person under the age of 16, whether or not he or she appears to be so. The Children and Young Persons (Protection from Tobacco) Act 1991 places the responsibility on the retailer to take steps to ensure that the individual is aged 16 or over before the sale is made. If in doubt, the retailer should ask for identification. Guidelines were issued to local authorities in 1992 on the application of the Act, including particular types of enforcement activity. Local authority enforcement of the Act is the responsibility of local trading standards officers.

We are monitoring the effectiveness of the Act. In 1996 (the latest year for which figures are available) there were 140 prosecutions of individuals and companies, 119 of which resulted in findings of guilt.

Closed Circuit Television

Mr. Baker: To ask the Secretary of State for the Home Department what regulations govern the placing of CCTV cameras on private property such that passage along a public footpath is monitored. [35317]

Mr. Michael: The Town and Country Planning (General Permitted Development) Order 1995 grants a general planning permission for the installation, alteration or replacement of closed circuit television (CCTV) cameras on shops, flats, houses and other buildings, subject to specified limits on size and numbers. Planning applications are required for development proposals above the limits specified in the Order. Listed building consent may also be required for the installation of a CCTV camera on a listed building.

Asylum Seekers

Mr. Linton: To ask the Secretary of State for the Home Department if he will allow those asylum applicants whose claims have remained undecided for 10 years or more to remain in the UK exceptionally. [35714]

Mr. Mike O'Brien: Whilst each asylum claim is considered on its individual merits, it has been a long-standing practice (since the early 1990s) to consider the grant of exceptional leave, on account of the length of stay here, in those asylum cases where a decision had not been taken seven years after the application was made. There are criteria for considering such cases and the grant of exceptional leave is not an automatic outcome. We will publish the relevant guidance to caseworkers shortly and a copy will be placed in the Library.

Rape

Mr. Campbell-Savours: To ask the Secretary of State for the Home Department what plans he has to amend the law in relation to rape. [33788]

Mr. Michael: The Government keep the law on rape under review to ensure that it is effective in punishing and deterring crime and is fair to victims.

A wide ranging inter-departmental review of the way in which vulnerable and intimidated witnesses are treated by the criminal justice system is currently being conducted. Amongst other things, this review is looking at ways to prevent unrepresented defendants from personally cross-examining victims in rape and other serious sexual offence cases, curbs on cross-examining victims about their previous sexual history and the more widespread use of the power to hear similar fact trials together as well as other measures to assist vulnerable or intimidated witnesses, including victims of rape. The review is nearing completion and we will be considering its recommendations very carefully.

In addition, the Home Office has commissioned a research study to discover what factors influence whether or not a recorded rape leads to a conviction and whether such factors have changed since a similar study of 1985 cases. This arises from concern that despite a significant increase in the number of reported rapes, the proportion of convictions have declined. The final report of this study will be available later this year. The Government will consider whether changes to the law are required in the light of these research findings.

Anti-drugs Campaigns

Mr. Flynn: To ask the Secretary of State for the Home Department, pursuant to his answer of 16 March 1998, *Official Report*, column *514*, for what reasons it was never intended that the Teesside University Criminology Department's research on anti-drugs campaigns should be published. [35289]

Mr. George Howarth: The research was commissioned to inform the development of local prevention activities of the then Newcastle Drug Prevention Team and other local agencies and the report includes the account of interviews which the research team carried out on a confidential basis. I shall, however, write to my hon. Friend with a summary of the report's recommendations.

Mr. Flynn: To ask the Secretary of State for the Home Department what research he has evaluated on the extent to which anti-drug campaigns lead to *(a)* increased and *(b)* decreased levels of drug use. [35290]

Mr. George Howarth: Emerging evidence from work done by the Home Office Drug Prevention Initiative suggests that information can play an important part in drugs prevention when it is tailored to a specific local audience and linked with other ventures.

The Department of Health contracted the Health Education Authority to carry out a national publicity campaign between 1995 and 1998 to raise awareness of the risks associated with drug misuse. This includes provision for evaluation which should be available towards the end of this year.

Mrs. Beatrice Day

Mr. Steen: To ask the Secretary of State for the Home Department when he expects to make a decision following the adjudicator's recommendation in the case of Mrs. Beatrice Day of 24 Garlick Rea, Brixham; and if he will make a statement. [34959]

Mr. Mike O'Brien: A decision was made on 17 February 1998. I am now having it reviewed in the light of the hon. Member's representations and will write to him in due course when representations on this matter have been given full and proper consideration.

Correspondence

Mr. Winnick: To ask the Secretary of State for the Home Department when he expects to reply to the hon. Member for Walsall, North in respect of his letter of 16 February regarding a constituent. [35134]

Ms Quin: I replied to my hon. Friend on 16 March 1998.

SCOTLAND

National Year of Reading

Mr. Maclennan: To ask the Secretary of State for Scotland when he anticipates that the first payments of £1,000 for the purchase of books under the National Year of Reading will be made to schools in Scotland. [32798]

Mr. Wilson *[holding answer 3 March 1998]:* The policy to which the right hon. Member refers relates to schools in England only. I have made separate arrangements reflecting the circumstances that exist in Scotland. On 8 March I announced that grants totalling £400,000 were being made available to education authorities as part of the Early Intervention Initiative. This will enable the purchase of additional reading materials to help reading in primary schools and boost their supply of books in the approach to the National Year of Reading.

Electoral Arrangements

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will list the reports that he has received from the Local Government Boundary Commission for Scotland arising from the third statutory review of electoral arrangements for local council areas; and when he expects to receive reports for the remaining areas. [34233]

Mr. Macdonald: To date the Local Government Boundary Commission for Scotland has submitted reports on two council areas, namely Angus and East Lothian. We expect it to submit reports for all other authorities within the next few months.

Scottish Parliament

Mr. Ancram: To ask the Secretary of State for Scotland (1) what assessment he has made of the effect of the use of split-ticket voting in the election for a Scottish Parliament under the provisions of the Scotland Bill on the objectives of Government policy as set out in the White Paper, Scotland's Parliament (Cm 3658); [34582]

(2) what measures he is taking to prevent or discourage split-ticket voting in the elections for the Scottish Parliament in 1999. [34583]

Mr. McLeish *[holding answer 16 March 1998]:* It will be for the electorate to decide how they wish to use their votes in the elections to the Scottish Parliament and it would be pointless to speculate on whether voters may cast their votes for different parties. Ultimately, it is for the political parties to persuade voters to cast both their votes for the same party.

Hospitality

Mr. Bercow: To ask the Secretary of State for Scotland if he will list planned expenditure on hospitality for April and May, indicating the date, location and purpose of each event. [35125]

Mr. Dewar: The main events planned for April and May are a reception in Edinburgh Castle on 3 April for key overseas delegates attending the Royal College of Nursing International Research Conference in Edinburgh; a reception in Bute House on 7 April to mark the 10th Edinburgh International Science Festival; a reception in Stirling Castle on 16 April for delegates attending a Scottish Office and Department for Education and Employment conference on EU Language Learning; and a reception in Edinburgh Castle on 13 May for delegates attending the Annual Meeting of the Association of Surgeons of Great Britain and Ireland. The total cost of these events is estimated at £7,000. It is not, however, possible to provide a comprehensive estimate of total expenditure on hospitality as some events will not be finalised until nearer the time.

Forestry Commission Land

Mrs. McKenna: To ask the Secretary of State for Scotland what plans he has to increase public access to Forestry Commission land; and if he will make a statement on the future of the moratorium on large-scale sales of Forestry Commission land. [35835]

Mr. Macdonald: We have made it clear that we are determined to increase public access to the countryside, including woodlands. As Britain's largest landholder, and as the country's largest single provider of outdoor recreation, the Forestry Commission has an important role to play in this; one of its key objectives is the development of opportunities for woodland recreation.

We are still considering the Commission's future activities as part of its Comprehensive Spending Review. Nevertheless, we have agreed that in the coming year the Commission should offer to buy suitable areas of land where it can provide additional public access and recreation facilities, especially in the National Forest, the Community Forests and the Central Scotland Forest. In addition, we wish to ensure that as many of the Commission's woods as possible are open to the public, and so the Commission will also offer to buy out freeholds where the leases currently restrict access to its existing woods.

The Forestry Commission, like any large landowner, needs to be able both to buy and to sell land in order to manage its estate efficiently and effectively, and to carry out its activities within its budgetary provision.

For the coming year, therefore, while the moratorium on large scale sales of forest land will stay in place, the Commission will be able to sell a small amount of land which is surplus to its requirements. This will include agricultural land, unplantable land, and relatively small and isolated blocks of forest land which do not make a significant contribution to the Commission's objectives. Areas of forest land which are important for public access will not be sold unless an access agreement is in place. The Commission will also be prepared to sell areas for development where this is in the public interest.

Severe Weather Payments

Mr. Ernie Ross: To ask the Secretary of State for Scotland what assessment he has made of the expenditure incurred by the former Dumfries and Galloway Regional Council after severe weather in early 1996, and for Moray Council as a result of flooding in July 1997; and if he will make a statement. [35836]

Mr. Macdonald: I am glad to announce that Dumfries and Galloway Council is eligible for a payment of £136,553 under the Bellwin Scheme. The Scheme was triggered twice in 1996, firstly for severe weather in late December 1995 and early January 1996 for the whole of Scotland, and again in February 1996 for heavy snowfalls in the Dumfries and Galloway region alone. The Council's costs were in clearing main roads of snow to keep key communications open and in decanting motorists to temporary shelter.

I am also pleased to announce that we have decided that Moray Council is eligible for a payment of £623,206 under the Bellwin Scheme. The Scheme was triggered in July 1997 for severe flooding in the Moray area. For the most part this payment will reimburse the council for the costs of providing alternative accommodation for evacuees made homeless by the flooding and for addressing the immediate effects of flood damage to roadways, footpaths and bridges.

Both Councils' claims have been subject to detailed scrutiny.

Health Service Waiting Lists

Mr. Russell Brown: To ask the Secretary of State for Scotland what plans he has to reduce waiting lists in Scotland; and if he will make a statement. [35529]

Mr. Galbraith: My right hon. Friend the Chancellor of the Exchequer announced on Tuesday 17 March 1998, *Official Report,* column 1112, that additional funds would be allocated to the National Health Service including £44.5 million in Scotland specifically aimed at tackling the problem of waiting lists.

We shall be allocating £20 million of that money at the beginning of April to Health Boards in Scotland with a request that they should draw up comprehensive plans for tackling waiting lists. The initial priority will be to tackle the number of people waiting for in-patient treatment, but I shall also expect them to look at out-patient referrals.

In order to push forward this work, I shall be appointing a Support Force under the Chairmanship of Mr. Tom Divers, General Manager, Lanarkshire Health Board and including as members Mr. Douglas Harper, Medical Director, Falkirk and District Royal Infirmary NHS Trust; Mrs. Lesley Summerhill, Director of Nursing, Dundee Teaching Hospitals NHS Trust; Dr. Erik Jespersen, General Practitioner, Oban; and Mr. Dermot McKeown, Consultant Anaesthetist, Royal Infirmary of Edinburgh NHS Trust. The Support Force will be asked to review the plans to be submitted by Health Boards, to pursue particular problem areas, to monitor the progress of Health Boards and Trusts towards reducing waiting lists and to identify and disseminate good practice in managing waiting lists wherever possible.

Of the remaining resources, £4.5 million will be retained as moneys to be paid to Trusts which perform well and achieve their targets quickly and efficiently. The money would be available for purchases of equipment and other facilities in line with strategic requirements for the Trust.

The remaining £20 million will be used to fund particular initiatives or resolve particular problems identified by the Support Force which require additional funding, and to influence more strategic change in service delivery to achieve long-term reductions in waiting lists.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Wood Recycling

Mr. Öpik: To ask the Secretary of State for the Environment, Transport and the Regions what programmes his Department has initiated since 1 May 1997 to explore the opportunities for wood recycling and to broaden the use of wood as a recyclable raw material. [33887]

Angela Eagle: The Government are keen to see an increase in the amount of waste which is recycled, and are exploring measures to increase collection of recyclable materials and to stimulate and develop the market for recycled goods generally. The Construction Directorate of my Department invests around £4.4 million in a programme of research and innovation aimed at improving the environmental performance of the construction industry and the industry's contribution to sustainable development. One of the initiatives in this area is directed at increasing the usage of renewable materials (mainly timber) in construction. As part of the programme my Department has recently started to fund a project in collaboration with industry which aims to encourage the adoption of best practice in wood residue management by the UK timber industry.

Greenhouse Gases

Dr. Cable: To ask the Secretary of State for the Environment, Transport and the Regions what assumptions the Government have made in their calculations concerning the reduction of greenhouse gases about the growth in air traffic during the next 20 years; and if it is Government policy that other industry sectors shall have to make disproportionate reductions in their greenhouse gas emissions to accommodate the projected increase in air traffic. [34129]

Ms Glenda Jackson: Air traffic is forecast to grow at around 5–6 per cent. per year between 1996 and 2015. The amount of fuel used is expected to increase by about 3–4 per cent.

The Government are developing a balanced package of measures to reduce emissions of greenhouse gases. They expect all sectors, including aviation, to play their part in meeting their climate change targets.

Millennium Compliance

Mr. David Atkinson: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the potential for date-related problems with the Global Positioning Satellite *(a)* during 1999 and *(b)* at the turn of the century; how they are being resolved; and if he will make a statement. [34508]

Ms Glenda Jackson: As the Global Positioning System (GPS) is a US military system, date-related problems with it are primarily a matter for the US Department of Defense. The US GPS Joint Program Office has issued advice about 1999 (known as the GPS End of Week (EOW) rollover issue) and Year 2000 date-related issues. The US maintains that there are no problems with the system but the timing mechanism within GPS satellites may cause a problem with some older generation GPS civil receivers. Although manufacturers are aware of the problems and have taken, or are taking, action to remedy them, users are recommended to check with the manufacturer of the equipment that they own or use.

In the UK, as precautionary measures, the Civil Aviation Authority (CAA) and the Marine Safety Agency (MSA—as from 1 April 1998 the Maritime and Coastguard Agency) are planning to issue advice to the aviation and maritime communities. The CAA is planning to publish an Airworthiness Notice specifically on the 1999 EOW rollover issue and is considering the dissemination of further advice on the Year 2000 issue. The MSA is planning to publish a Marine Guidance Note on issues relating to the Year 2000 and this will include advice about both GPS date-related issues.

Bus Lanes

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will publish his Department's evaluation of the Bristol scheme for allowing motorcycles to use bus lanes. [34248]

Ms Glenda Jackson: The Transport Research Laboratory undertook a short video survey of the Bristol scheme for the then Department of Transport in 1996. This was of course early in the life of the project. The report of this survey was not published at the time, but I have now asked the Laboratory to make it available. A copy will be placed in the Library of the House.

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will undertake a fully monitored experiment to assess the advantages of allowing motorcycles to use bus lanes. [34247]

Ms Glenda Jackson: If a local traffic authority were to come forward with a proposal for such an experiment, my Department would be interested in assisting with the monitoring.

Driving Hours

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions (1) what factors he will take into account when assessing the advantages of extending the use of tachographs to *(a)* drivers and *(b)* vehicles other than those already covered by regulations; [34334]

(2) if he will assess the advantages of tightening the regulations to limit the number of hours per day that a professional courier may drive a vehicle. [34333]

Ms Glenda Jackson: We shall be considering the practical and legal implications of bringing some or all of the types of vehicle operation currently subject to the United Kingdom national rules on drivers' hours within the scope of the European Union rules. Such a change would require primary legislation and we would consult operators and their employees before making it. Any change would need to strike a reasonable balance between road safety and operational flexibility. Subject to the outcome of any consultation, it is unlikely that we would extend the requirement to fit tachographs to vehicles of less than 3.5 tonnes.

There is also the possibility that European Union proposals to extend limits on working time to the road transport sector will apply to vehicles of less than 3.5 tonnes. The aim will be to ensure that workers are protected against adverse effects on their health and safety caused by working excessively long hours, inadequate rest or disruptive working patterns. We expect an initial proposal on working time in road transport from the European Commission later this year.

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions (1) what is the size of the smallest vehicles that are presently required to use tachographs; [34331]

(2) what regulations presently limit the number of hours per day that a professional courier may drive a vehicle, other than those covered by tachograph regulations. [34332]

Ms Glenda Jackson: The European Union regulations which require the fitting and use of tachographs apply to most vehicles used for the carriage of goods where the maximum permissible gross weight of the vehicle, including any trailer, exceeds 3.5 tonnes. Separate UK national legislation contained in Part VI of the Transport Act 1968, as amended, applies to those categories of goods vehicle which are exempt from the European Union regulations but it does not require the fitting of tachographs.

Mr. Levitt: To ask the Secretary of State for the Environment, Transport and the Regions what penalties apply to employers who require employees to drive small vehicles for an unreasonably long period of time in a 24 hour period. [34335]

Ms Glenda Jackson: Part VI of the Transport Act 1968, as amended, details the infringements and penalties that can be incurred on conviction for a drivers' hours related offence. Where it can be proven that an employer caused or permitted an employee to break the drivers' hours rules, that employer is liable to a maximum fine of £2,500 (level 4).

Rural Railway Stations

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the number of rural railway stations that closed *(a)* nationally and *(b)* in Shropshire for each year between 1979 and 1997. [34270]

Ms Glenda Jackson: We do not have station closure statistics broken down into rural and non-rural categories. However, the table gives the total number of railway stations closed between 1979 and 1997.

Year	*Stations closed (nationally)*	*Stations closed (Shropshire)*
1979	—	—
1980	—	—
1981	6	—
1982	—	—
1983	16	—
1984	1	—
1985	7	1
1986	7	—
1987	1	—
1988	2	—
1989	9	—
1990	2	—
1991	3	—
1992	3	—
1993	2	—
1994	3	—
1995	5	—
1996	1	—
1997	1	—

Drax Power Station

Mr. Pike: To ask the Secretary of State for the Environment, Transport and the Regions what recent discussions his Department has had with the Environment Agency regarding emissions from the National Power Drax Power Station; and if he will make a statement. [34242]

Mr. Meacher: The Environment Agency has advised my officials that the flue gas desulphurisation ("FGD") equipment at Drax is currently out of action following the discovery of cracks in the FGD fans. As a consequence, National Power has applied to the Environment Agency for variation of its Integrated Pollution Control authorisation to increase the limit on the power station's sulphur dioxide emissions. The Agency is considering the application and has advised my officials that there will be a public consultation upon it, commencing with a public meeting on 19 March.

Train Services (Lancashire)

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what undertakings he has received from First Group concerning their future intentions for North Western train services in Lancashire. [34462]

Ms Glenda Jackson: Following the offer by First Group PLC to buy out the other shareholders of Great Western Holdings Ltd, the Franchising Director has secured a package of passenger benefits and investments which include, for the North Western Trains network: £1 million to be spent on additional passenger benefits, following consultation with the local Passenger Transport Executives, passengers' representatives and other interested bodies as to what the money should be spent on; CCTV cameras to be fitted to the 70 new trains North Western Trains are providing as part of their franchise commitments; and £100,000 to be spent on providing wheelchair access at core stations by the time that the new trains are introduced.

British Transport Police

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the contributions made by each of the train operating companies to British Transport Police in each of the last two years and their required level of contribution; and if he will make a statement. [34755]

Ms Glenda Jackson: The payments required from the train operating companies for the financial years 1996–97 and 1997–98 to the British Railways Board for the provision of services by the British Transport Police are provided in the table. In 1996–97 the required payments were received. No arrears are expected for 1997–98.

£ million

	1996–97	*1997–98*
LTS Rail	0.8	0.8
Connex South Eastern	3.7	3.8
Connex South Central	3.0	3.0
Thameslink	1.3	1.3
South West Trains	4.0	4.1
Great North Eastern Railway	2.1	2.2
Virgin West Coast	2.6	2.6

£ million

	1996–97	1997–98
Midland Mainline	0.7	0.7
Great Western	1.7	1.7
Virgin Cross Country	2.2	2.2
Regional Railways North East	4.2	4.2
Merseyrail Electrics	1.9	1.9
Scotrail	4.8	4.9
Central Trains	4.0	4.0
South Wales and West Railway	2.6	2.6
Cardiff Railway	0.4	0.4
Gatwick Express	0.3	0.3
Anglia Railways	0.8	0.8
Thames Trains	1.6	1.6
Chiltern Railway	0.6	0.6
Silverlink Trains	1.3	1.4
West Anglia and Great Northern	2.3	2.4
Great Eastern	1.5	1.6
North Western Trains	3.5	3.6
Eurostar	1.1	1.2
Red Star Parcels	0.1	0.1
English Welsh and Scottish	0.3	0.3
Heathrow Express	0.0	0.1
Total	53.4	54.4

Planning Applications

Mr. Nigel Jones: To ask the Secretary of State for the Environment, Transport and the Regions if he will remove the presumption in favour of granting planning applications which is currently enjoyed by applicants to local planning authorities. [34760]

Mr. Caborn: Planning Policy Guidance Note 1, 'General Policy and Principles', explains that

'Owners of land and property properly expect to be able to use or develop their land as they judge best unless the consequences for the environment or the community would be unacceptable.'

The Planning system seeks to strike the right balance between the interests of those wishing to undertake development and the wider community through the 'plan led' system. Under section 54A of the Town and Country Planning Act 1990, planning applications must be decided in accordance with development plans produced by local authorities, unless material considerations indicate otherwise. We have no proposals to change this presumption in favour of the development plan.

Sustainable Development Unit

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the work to date of his Department's Sustainable Development Unit. [34990]

Angela Eagle: The Sustainable Development Unit was set up within ETR in July 1997. It provides advice on sustainable development matters to all parts of DETR and to other Departments. It provides support for the network of Green Ministers and is the focal point for Government contact with the Environmental Audit Committee. It has taken the lead in the consultation, launched on 4 February, which will lead to a new sustainable development strategy; in producing, jointly with the Local Government Association and the Local Government Management Board, the guidance "Sustainable Local Communities for the 21st century", published on 14 January; in preparing Policy Guidance on Environmental Appraisal, to be published very shortly; in responding to the third annual report of the Government Panel on Sustainable Development (published on 18 December) and the second annual report of the UK Round Table on Sustainable Development published on 23 February; and in negotiating for the UK on the UNECE Convention on Access to Information, Public Participation and Access to Justice in Environmental Matters.

Public Carriage Office

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what criteria, with reference to advertising experience, are applied to the appointment of Public Carriage Office employees. [34947]

Ms Glenda Jackson: The appointment of Public Carriage Office staff is an administrative matter for the Assistant Commissioner of the Metropolitan Police to whom the Secretary of State's London taxi licensing function has been delegated.

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions what appeals process is available on decisions taken by the Public Carriage Office not to allow advertisements on licensed taxi vehicles. [34946]

Ms Glenda Jackson: The Public Carriage Office will review any decisions when requested to do so by the advertiser or advertising agency concerned.

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on the Public Carriage Office's policy on licensed taxi advertising in London; and if he will review this policy. [34945]

Ms Glenda Jackson: The Public Carriage Office consider applications for advertisements against the criteria set out in their publication "Advertising On Licensed London Taxis. Consolidated Guidelines". I have no plans to review the matter.

Bus Services

Mr. Brake: To ask the Secretary of State for the Environment, Transport and the Regions if he will assess the impact of wage levels in the bus industry in London on the provision of bus services; and if he will make a statement. [34948]

Ms Glenda Jackson: No. The provision of bus services in London is the responsibility of London Transport.

Child Pedestrian Deaths

Mr. Jim Cunningham: To ask the Secretary of State for the Environment, Transport and the Regions what assessment he has made of the impact of the growth rate of traffic on child pedestrian death rates. [34040]

Ms Glenda Jackson *[holding answer 16 March 1998]:* The death rate for children aged 0–15 has gone down by 66 per cent. between 1981–1985 and 1996. Over the same period the volume of traffic on the road has increased by 38 per cent. Although children are now walking less, there appears to have been an overall reduction in the rate of child pedestrian accidents in that period.

South West Water

Mr. Andrew George: To ask the Secretary of State for the Environment, Transport and the Regions what contributions have been or are being made by his Department towards *(a)* the water authority responsibilities of the Council of the Isles of Scilly and *(b)* the operation of South West Water. [34792]

Angela Eagle: The Water Industry Act 1991 provides for the Secretary of State to pay grant to water and sewerage undertakers, in certain limited circumstances, in respect of the provision of their services. In 1997–98 grants totalling £196,963 have been made to South West Water to help safeguard their water supplies and sewerage services and to help defray the expenses of providing first time water and sewerage services in rural areas. The Department does not make contributions to the Council of the Isles of Scilly, but does make available Supplementary Credit Approvals enabling them to finance capital expenditure on their water and sewerage functions. The Department has issued an Approval of £41,500 in the current financial year.

Bus Routes (Shropshire)

Mr. Paul Marsden: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the number of bus routes in Shropshire for each year since 1979. [34869]

Ms Glenda Jackson: My Department does not collect this information in the form requested.

Focus Groups

Mr. Mullin: To ask the Secretary of State for the Environment, Transport and the Regions how much his Department plans to spend on focus groups. [34978]

Angela Eagle: The Department does not make a forward plan for focus groups. Focus groups are commissioned within the Department to research specific issues as the need arises.

Hedgerows

Mr. Robathan: To ask the Secretary of State for the Environment, Transport and the Regions what estimate his Department has made of the number of miles of hedgerow removed by farmers since the enactment of the Hedgerows Regulations 1997. [34938]

Angela Eagle: The information requested is not available. We are considering, in consultation with representatives of local government, what information should be collected centrally in relation to the operation of the Hedgerows Regulations 1997.

A survey of hedgerow stock will be undertaken this year as part of the Countryside Survey 2000. This will provide a basis for analysing changes which have occurred since the last comparable survey, which covered the years 1990 to 1993.

British Rail Land

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if he will estimate the number of rail projects that have been affected by the sale of British Rail land since 1 May. [35029]

Ms Glenda Jackson *[holding answer 17 March 1998]:* While a number of promoters of schemes have lobbied the Department in respect of planned rail projects using surplus land that British Rail has put up for sale, we are not aware of any case in which a firm proposal has been prevented solely by the sale of that land.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what level of capital receipts is anticipated in 1997–98 from the sale of land held by British Rail; what was the estimated level of receipts in respect of 1997–98; and if he will make a statement. [35030]

Ms Glenda Jackson *[holding answer 17 March 1998]:* The level of capital receipts anticipated in 1997–98 from the sale of land held by British Rail is £75 million. The estimated budget at the beginning of the year was £78 million.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what representations he has received from *(a)* Railtrack, *(b)* English, Welsh and Scottish Railways and *(c)* train operating companies in respect of his decision to continue to dispose of land held by British Rail. [35026]

Ms Glenda Jackson *[holding answer 17 March 1998]:* A number of representations have been received at both Ministerial and official level from Railtrack and from English, Welsh and Scottish Railways (EWS) in respect of the decision to continue to dispose of land held by British Rail. EWS have confirmed that they accept the principle that British Rail land and property should be offered on the open market, and Railtrack are working closely with British Rail to identify individual sites which may be relevant for their future development of the network.

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions if it is his policy to generate a level of income from sales of British Rail land commensurate with the plans established before May 1997. [35271]

Ms Glenda Jackson: Yes. The receipts from the disposal of BR Land are part of the expenditure programme of the previous administration, to which the Government are committed.

Single Regeneration Budget

Mr. Love: To ask the Secretary of State for the Environment, Transport and the Regions what responses he has received to his discussion paper on the Single Regeneration Budget; what impact they will have on regeneration policy and possible changes to the structure of the Single Regeneration Budget; and if he will make a statement. [35091]

Angela Eagle: We have received around 150 comments on the discussion paper "Regeneration Programmes—the Way Forward" from public, private and voluntary groups. This paper was published following the launch of the Comprehensive Spending Review of Regeneration and the comments are being considered alongside the spending review to inform the future development of regeneration policy and programmes.

North Wales Main Line

Dr. Marek: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on plans for improvement of the North Wales main line. [34317]

Ms Glenda Jackson *[holding answer 17 March 1998]:* Virgin Trains has completed a study into the viability of electrification of the Crewe-Chester route. The findings are currently being reviewed and Virgin will submit a report to the Franchising Director by the end of March. To provide better connections with fast ferries at Holyhead, Virgin's Summer 1998 timetable will include re-timed North Wales services.

Civil Aviation Authority

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions what action the Civil Aviation Authority is taking following reports on incidents involving electronic equipment interfering with flight equipment. [34751]

Ms Glenda Jackson *[holding answer 18 March 1998]:* The Civil Aviation Authority requires all aircraft systems and equipment to have a high degree of immunity from interference. In the reported cases of possible interference from 'passenger carry on electronic devices' (PEDs) it has not been possible to reproduce or substantiate the reported effects. While these incidents are more of a nuisance than a hazard, they are taken seriously by CAA. The CAA has consequently issued specific information and instructions to aircraft operators regarding the use of mobile phones and PEDs in Aeronautical Information Circulars and a Notice to Air Operator Certificate Holders. However, it remains the responsibility of the aircraft operator to ensure that any equipment carried on or stowed in the aircraft cannot impair the airworthiness of the aircraft.

In addition, the CAA has initiated research through the Defence Evaluation Research Agency's Electro Magnetic Compatibility Club. This research is comparing the levels and frequencies of the signals produced by PEDs with aircraft systems and the equipment interference immunity and susceptibility standards with the aim of establishing whether any coupling to aircraft systems could occur. While the research is not yet complete, the indications are that PEDs cannot interfere with flight safety and management systems but there may be a theoretical possibility of indirect coupling to VHF radio equipment.

Coastguard Stations

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions, pursuant to his answer of 4 March 1998, *Official Report*, columns *643–45*, on coastguard stations, for what reasons watch levels at (i) Aberdeen and (ii) Stornoway coastguard stations have been persistently below assessed levels; and what measures he has put in place to address the problem. [34753]

Ms Glenda Jackson *[holding answer 18 March 1998]:* The watch levels set out in "Focus for Change" are suggested and are not therefore prescriptive. Watch complements which fall below the suggested levels through staff vacancies and unplanned absences are allowed to prevail subject to operational risk assessment by local management. Risk assessment are kept under review and contingency arrangements are in place at co-ordination centres should the need arise to increase watch levels. Both stations have been in the process of recruiting staff. At Aberdeen new Coastguard Watch Assistants (CWAs) are currently being trained; at Stornoway two serving CWAs have been selected for promotion to Watch Officer and the resultant CWA posts will be filled through local recruitment. These measures will address vacancy issues at these stations.

Computer System (Swanwick)

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions (1) if he will place in the Library copies of the reports produced following internal audits of the Swanwick NERC computer system since the start of the project; [34733]

(2) if he will place in the Library details of the outstanding 5 per cent. of bugs that cannot be rectified in the new en-route centre computer system at Swanwick. [34732]

Ms Glenda Jackson *[holding answer 18 March 1998]:* No. A number of internal audits of the NERC software systems have been undertaken by National Air Traffic Services Ltd. (NATS) and by the prime contractors developing the Air Traffic Management systems. Those reports contain information that is commercially sensitive, and therefore it would not be appropriate to place copies in the Library.

NATS are confident that there are no bugs within the NERC software systems that cannot be rectified. There is no question of NATS management bringing the new centre into operation until they have full confidence in the safety and integrity of the Air Traffic Management systems.

Counterfeit Aircraft Parts

Mrs. Dunwoody: To ask the Secretary of State for the Environment, Transport and the Regions on how many occasions UK-registered aircraft have been found to contain counterfeit parts in each of the last five years; and if he will list the airlines involved. [34752]

Ms Glenda Jackson *[holding answer 18 March 1998]:* None.

Visual Information (Public Transport)

Mr. Oaten: To ask the Secretary of State for the Environment, Transport and the Regions if he will make it a requirement in law to provide visual information inside and outside buses, tubes and coaches to assist deaf people travelling; and for what reasons he is proposing a voluntary code. [34840]

Ms Glenda Jackson *[holding answer 18 March 1998]:* We will shortly be publishing the draft Disability Discrimination Act Rail Vehicle Accessibility Regulations which will require all new trains, including those used on the London Underground, to be fitted with internal and external visual information systems.

We are still consulting on our proposals for Buses and Coaches but, subject to the views expressed in response to the consultation I propose that the draft regulations for

PSVs should require all new buses and coaches used on scheduled services to be fitted with internal and external visual information systems.

Agencies

Mr. Swinney: To ask the Secretary of State for the Environment, Transport and the Regions if he will list the *(a)* location of, *(b)* maintenance costs of, *(c)* number of staff employed at and *(d)* salary bill for the headquarters of (i) the Driving Standards Agency, (ii) the DVLA, (iii) the Highways Agency, (iv) the Coastguard Agency, (v) the Marine Safety Agency, (vi) the Vehicle Certification Agency, (vii) OPRAF, (viii) the Office of the Rail Regulator and (ix) the Vehicle Inspectorate. [34780]

Ms Glenda Jackson *[holding answer 18 March 1998]:* The details for the respective headquarters are set out in the table. The figures relate to the 1996–97 financial year.

Organisation	*Location*	*Maintenance costs (£000)*	*Number of staff employed*	*Salary bill (£000)*
Driving Standards Agency	Stanley House, 56 Talbot Street, Nottingham NG1 5GU	89	184	3,782
DVLA	Longview Road, Swansea SA6 7JL	1,945	2,518	38,500
Highways Agency	St. Christopher House, Southwark Street, London SE1 0TE	86	24	1,089
Coastguard Agency	Spring Place, 105 Commercial Road, Southampton SO15 1EG	98	63	2,177
Marine Safety Agency	Spring Place, 105 Commercial Road, Southampton SO15 1EG	Maintained by the Coastguard Agency	148	4,454
Vehicle Certification Agency	1 Eastgate Office Centre, Bristol BS5 6XX	10	57	1,498
OPRAF	Goldings House, 2 Hays Lane, London SE1 2HB	19	124	4,294
Office of the Rail Regulator	1 Waterhouse Square, 138–142 Holborn, London EC1N 2ST	152	91	2,996
Vehicle Inspectorate	Berkeley House, Croydon Street, Bristol BS5 0DA	223	235	5,248

Traffic Area Offices

Mr. Swinney: To ask the Secretary of State for the Environment, Transport and the Regions what are *(a)* the number of staff employed by, *(b)* the salary bill for and *(c)* the administrative costs of each traffic area office in (i) London, (ii) the South East of England and (iii) Scotland. [34778]

Ms Glenda Jackson *[holding answer 18 March 1998]:* In the current financial year the average number of staff employed is 44 at the South Eastern and Metropolitan Traffic Area Office (which includes the London area) and 37 at the Scottish Traffic Area Office. From outturn figures available it is estimated that the salary bill and administrative costs of these offices this financial year will be as follows:

£

Area office	*Salary bill*	*Administrative costs*
South Eastern and Metropolitan Traffic	730,100	325,420
Scottish Traffic	662,000	302,409

Road Traffic

Mr. Chope: To ask the Secretary of State for the Environment, Transport and the Regions for what reasons the publication of the six working papers referred to in the publication National Road Traffic Forecasts (Great Britain) 1997, has been delayed; and when they will be published. [35304]

Ms Glenda Jackson: Publication of the six working papers has been delayed, the team responsible for their preparation having been redeployed temporarily to assist in the current review of transport policy, the outcome of which will be published in the White Paper.

I understand that four of the six working papers will be available by the end of March, and that the remaining two will be available at end April at the latest.

BSE

Dr. Gibson: To ask the Secretary of State for the Environment, Transport and the Regions what research he has evaluated into the presence of the BSE prion in water samples. [33770]

Angela Eagle: The Environment Agency is responsible for the regulation of waste disposal in England and Wales. Last year the Environment Agency published a number of quantitative assessments of the risks to public health from BSE via environmental pathways. This included the risk of the infective agent being ingested via drinking water. It was concluded that the risk to human health was very low, negligible compared to other risks in daily life. The reports, which were published on 25 June 1997 incorporated expert advice from the Government's independent advisory committee, the Spongiform Encephalopathy Advisory Committee (SEAC), were

commissioned by the Agency and undertaken by Det Norse Veritas (DNV), an independent specialist risk assessment consultancy.

Heathrow Airport

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions what has been the cost to public funds to date of the Terminal 5 Inquiry. [35307]

Mr. Caborn: The estimated cost to date of the Terminal 5 Inquiry to the Department of the Environment, Transport and the Regions, including its agencies, is £8 million. It is estimated that the local authorities involved in the Inquiry have spent about £7 million so far.

Planning Inspectorate

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions when he intends to visit the headquarters of the Planning Inspectorate. [35308]

Mr. Caborn: I will be visiting the Planning Inspectorate on Wednesday 17 June 1998.

Planning Gain

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions if he will make a statement on his Department's policy towards planning gain. [35306]

Mr. Caborn: The policy on planning gain is set out in DOE Circular 1/97. This states that, where appropriate, local planning authorities may seek to enter into planning obligations with a developer regarding the use of the land concerned or other land or buildings, provided all the policy tests are met.

In accordance with the Modernising Planning initiative I announced in January, seminars will be held shortly with a number of stakeholders in the planning system to encourage debate on the current use of planning obligations.

Planning (call-ins)

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many call-ins he is currently considering. [35305]

Mr. Caborn: There are currently 31 call-ins under consideration following receipt of the Inspector's report in each case.

Local Authority Housing

Mr. Heppell: To ask the Secretary of State for the Environment, Transport and the Regions when he will publish the names of the local authorities to be included in the programme for housing transfers by councils in 1998–99; and if he will make a statement. [35690]

Ms Armstrong: I am today announcing the names of the twenty three authorities which will be able to proceed, on a voluntary basis and subject to the approval of their tenants, with proposals to carry out 28 transfers of all or part of their housing stock to Registered Social Landlords (RSLs) in 1998/99. The programme will involve over 85,000 dwellings in large scale voluntary transfers, generating capital receipts of over £482 million. Sixteen of the transfers will be supported by Estates Renewal Challenge Funding.

This reflects the Government's commitment to a continuing programme of transfers as a means of generating private finance to repair and improve the condition of social housing.

The authorities who have successfully gained a place on the programme, together with the intended recipient RSL, are as follows:

(a) disposals by Allerdale Borough Council of not more than 3,899 dwelling-houses to Derwent and Solway Housing Association and not more than 1,002 dwelling-houses on the Salterbeck estate to Impact Housing Association;

(b) a disposal by Bath and North East Somerset Council of not more than 10,200 dwelling-houses to a registered social landlord;

(c) a disposal by Birmingham City Council of not more than 2,643 dwelling-houses on the Central Area estate to a registered social landlord;

(d) a disposal by Bradford City Council of not more than 598 dwelling-houses on the Thorpe Edge estate to a registered social landlord;

(e) a disposal by East Lindsey District Council of not more than 5,179 dwelling-houses to a registered social landlord;

(f) a disposal by London Borough of Greenwich of not more than 1,246 dwelling-houses on the Charlton Triangle estate to a registered social landlord;

(g) disposals by London Borough of Hackney of not more than 1,157 dwelling-houses on the Morningside estate to Sanctuary Housing, not more than 661 dwelling-houses on the Haggerston estate to Metropolitan Housing Trust and Community Housing Association and not more than 1,000 dwelling-houses on the Upper Clapton estate to Clapton Community Consortium;

(h) a disposal by London Borough of Hammersmith and Fulham of not more than 703 dwelling-houses on the Old Oak estate to Family Housing Association;

(i) a disposal by London Borough of Lambeth of not more than 681 dwellings on the Lansdowne Green estate to South London Family Housing Association;

(j) disposals by Liverpool City Council of not more than 800 dwelling-houses on the Pinehurst estate to CDS Housing;

(k) disposals by Manchester City Council of not more than 1,272 dwelling-houses on the Darnhill estate to Guiness Trust and not more than 6,900 dwelling-houses on the East Wythenshawe estate to Willow Part Trust;

(l) a disposal by Rother District Council of not more than 3,180 dwelling-houses to Rother Homes, a subsidiary of South London Family Housing Association;

(m) a disposal by St. Helens Borough Council of not more than 789 dwelling-houses on the Wargrave estate to Wargrave Community Housing Association;

(n) a disposal by South Hams District Council of not more than 3,212 dwelling-houses to a registered social landlord;

(o) a disposal by South Somerset District Council of not more than 9,133 dwelling-houses to a registered social landlord;

(p) a disposal by Tameside Metropolitan Borough Council of not more than 904 dwelling-houses on the West Ashton estate to West Ashton Pioneer Homes;

(q) a disposal by Tewkesbury Borough Council of not more than 3,105 dwelling-houses to Severn Vale Housing Society;

(r) a disposal by the London Borough of Tower Hamlets of not more than 2,887 dwelling-houses on the Poplar estates to Poplar Housing and Regeneration Community Association;

and not more than 2,322 dwelling-houses on the Cityside estates to Cityside Housing and Regeneration Community Association;

(s) a disposal by West Devon Borough Council of not more than 1,439 dwelling-houses to West Devon Homes;

(t) a disposal by Wirral Metropolitan Borough Council of not more than 1,108 dwelling-houses of the Leasowe estate to Leasowe Community Homes, a subsidiary of Liver Housing Association;

(u) a disposal by Wokingham Borough Council of not more than 3,101 dwelling-houses to a registered social landlord;

(v) a disposal by Worthing Borough Council of not more than 2,579 dwelling-houses to a registered social landlord;

(w) a disposal by Wrekin District Council of not more than 13,495 dwelling-houses to a registered social landlord.

City Challenge

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions what proposals he has for a replacement for City Challenge. [35310]

Angela Eagle: The Government will be considering in the light of the Regeneration Comprehensive Spending Review and the consultation on their paper 'Regeneration—the Way Forward', issued in November 1997, how to take forward the development of regeneration policy. In practice, the Single Regeneration Budget (SRB) Challenge Fund has already carried forward the principles of City Challenge. The results of the fourth round of the SRB Challenge Fund are expected to be announced shortly.

Local Government Settlement

Mr. Vaz: To ask the Secretary of State for the Environment, Transport and the Regions how many representations he has received from local councils concerning the last local government settlement. [35309]

Ms Armstrong: The Department received 406 written representations within the deadline for responses. I, and other Ministers at the Department, also met delegations from 95 local authorities and one special interest group during the consultation period. We then met the Local Government Association and the Association of London Government.

HEALTH

Multiple Sclerosis

Mr. Gordon Prentice: To ask the Secretary of State for Health how many persons are suffering from relapsing-remitting MS in each health authority area in England; and what number and percentage have been prescribed beta interferon for the last 12 months for which figures are available. [34460]

Mr. Boateng: Information on the number of people suffering from relapsing-remitting multiple sclerosis is not available. Information available is for in-patient treatment and is shown in the table and is based on finished consultant episodes, which represent the number of episodes of care under individual consultants. It is possible that a patient has more than one episode.

Information on the number of people receiving treatment with beta-interferon is not available. 806 prescriptions for the medicine were dispensed by community pharmacists in England during 1996, the latest whole year for which data are available. This does not include prescriptions prescribed and also dispensed in hospitals.

Ordinary admissions and day cases combined; completed episodes by primary diagnosis (ICD-10 code "G35": Multiple Sclerosis) and DHA of treatment

NHS hospitals in England, 1995/96

DHA of treatment	*FCEs*
A11 Northumberland	10
A16 Sunderland	142
A30 North Durham	84
A31 South Durham	34
A32 Tees	226
A33 Gateshead and South Tyneside	32
A34 North Cumbria	155
A35 Newcastle and North Tyneside	443
B11 East Riding	264
B16 Grimsby and Scunthorpe	58
B21 North Yorkshire	195
B31 Bradford	130
B51 West Yorkshire	59
B61 Leeds Health Authority	232
B71 Wakefield Health Care	206
C01 North Derbyshire	65
C02 South Derbyshire	146
C03 Leicestershire	134
C08 Nottingham	170
C09 Barnsley	183
C10 Doncaster	64
C11 Rotherham	71
C12 Sheffield	460
C14 North Nottinghamshire	60
C15 Lincolnshire	300
D01 Cambridge	244
D05 North West Anglia	53
D12 Suffolk	113
D13 East Norfolk	111
D14 Bedfordshire	35
E05 NW Hertfordshire	27
E06 SW Hertfordshire	22
E07 Barnet	30
E09 Hillingdon	19
E18 East and North Hertfordshire	175
E19 Brent and Harrow	51
E20 Ealing, Hammersmith and Hounslow	142
E21 Kensington, Chelsea and Westminster	63
F31 North Essex	170
F32 South Essex	35
F33 Barking and Havering	89
F34 Redbridge and Waltham Forest	48
F35 East London and The City	86
F36 New River	106
F37 Camden and Islington	119
G12 Bromley	13
G21 East Sussex, Brighton and Hove	113
G22 East Kent	84
G23 West Kent	163
G24 Bexley and Greenwich	64
G26 South East London	174
H09 Croydon	13
H17 Merton, Sutton and Wandsworth	214
H19 Kingston and Richmond	7
H20 West Surrey	290
H21 East Surrey	53
H22 West Sussex	297
J10 Dorset HA	283
J21 Portsmouth and South East Hampshire	129
J22 Southampton and South West Hampshire	208

Ordinary admissions and day cases combined; completed episodes by primary diagnosis (ICD-10 code "G35": Multiple Sclerosis) and DHA of treatment

NHS hospitals in England, 1995/96

DHA of treatment	*FCEs*
J25 North and Mid Hampshire	40
J30 Wiltshire	57
J41 Isle of Wight	25
K13 Berkshire	195
K24 Buckinghamshire	254
K33 Northamptonshire	157
K41 Oxfordshire	364
L10 Bristol and District	270
L21 Cornwall and Isles of Scilly	375
L35 Exeter and North Devon	228
L36 Plymouth and Torbay	107
L40 Gloucestershire	146
L51 Somerset	59
M02 Herefordshire	38
M04 Worcester and District	61
M05 Shropshire	77
M07 North Staffordshire	171
M17 Coventry	127
M18 Dudley	20
M19 Sandwell	8
M20 Solihull	9
M21 Walsall	15
M22 Wolverhampton	86
M25 South Birmingham	422
M26 North Worcestershire	12
M27 South Staffordshire	127
M28 Warwickshire	54
M29 North Birmingham	161
N17 North Cheshire	28
N18 South Cheshire	43
N21 Liverpool	215
N31 St. Helens and Knowsley	21
N43 Sefton	27
N51 Wirral	48
P16 Stockport Health	14
P20 North West Lancashire	243
P21 East Lancashire	39
P22 South Lancashire	16
P23 Wigan and Bolton	37
P24 Bury and Rochdale	22
P25 West Pennine	29
P26 Manchester Health	845
P27 Salford and Trafford	201
P28 Morecambe Bay	31
Total	13,290

Note:

Data in this table are grossed for both coverage and unknown/invalid clinical data.

Sports Injuries

Mr. Gordon Prentice: To ask the Secretary of State for Health what estimate he has made of the number of persons injured in the last 12 months as a result of pursuing a hazardous sport; and what was the cost to the NHS. [34458]

Ms Jowell: Estimates from the leisure accident database, administered by the Department of Trade and Industry, suggest that there were 801,499 sporting injuries in 1996. The estimate was based on a sample of 18 hospitals in the United Kingdom. However, it is not possible to distinguish those resulting from "hazardous" sports from others. No estimate has been made of the cost of sporting accidents to the NHS. Accidents, generally, cost the National Health Service around £1.2 billion per annum.

Mental Health Act

Mrs. Ballard: To ask the Secretary of State for Health what plans he has to review the provisions of the Mental Health Act 1983. [34625]

Mr. Boateng: I refer the hon. Member to the reply I gave to the right hon. Member for South-West Surrey (Mrs. Bottomley) on 4 March 1998, *Official Report*, column *676*.

Tobacco

Mr. Cotter: To ask the Secretary of State for Health when representatives from the Police, HM Customs and Excise and the National Weights and Measures Laboratory and Ministers from his Department last met to discuss the issue of tobacco imported from Belgium and illegally resold in the United Kingdom. [34702]

Ms Jowell: There have been no such meetings.

Mr. Cotter: To ask the Secretary of State for Health when he last discussed with his EU counterparts the issue of health warnings on cigarettes sold in other EU member states being printed in English as well as the other major European languages; and what plans he has to raise it at the next such meeting. [34698]

Ms Jowell: No discussion of this issue has taken place. There are no plans to raise it at the next meeting of European Union health ministers.

Prescription Charges

Mr. Efford: To ask the Secretary of State for Health (1) what proportion of NHS prescriptions issued are exempt from any charge to the patient; [34750]

(2) what has been the income from prescription charges in each year since 1979; [34749]

(3) what would have been the annual increase in prescription charges each year since 1979 if they had been increased in line with inflation; what the proposed increase for the current year on that basis would be; and what the proposed new charge would be. [34748]

Mr. Milburn: The annual income from prescription charges, and the charge if it had been increased in line with inflation in each year from 1979 is in the table. In 1996–97, 86 per cent. of prescription items dispensed by community pharmacists and appliance contractors[1] in England were free of charge.

Financial year	*Total income from prescription charges (£ million)*	*Prescription charge if increased in line with inflation*[2]
		0.20
1979–80	38.646	0.23
1980–81	70.753	0.27
1981–82	86.620	0.30
1982–83	102.792	0.32
1983–84	110.044	0.33
1984–85	120.748	0.35
1985–86	127.756	0.37
1986–87	147.884	0.38
1987–88	157.540	0.40
1988–89	176.928	0.43
1989–90	189.342	0.46
1990–91	205.892	0.50
1991–92	215.215	0.53

Financial year	Total income from prescription charges (£ million)	Prescription charge if increased in line with inflation[2]
1992–93	242.041	0.55
1993–94	265.279	0.57
1994–95	287.155	0.58
1995–96	298.746	0.60
1996–97	295.680	0.62
1997–98	—	0.64
1998–99	—	0.66

[1] The analysis is based on a 1 in 20 sample of all prescriptions submitted to the Prescription Pricing Authority by community pharmacists and appliance contractors. Items dispensed by dispensing doctors and personal administration prescriptions are not included in the sample. (Dispensing doctor prescriptions are not analysed into exempt, non exempt, or other categories; personally administered items are free of charge). Items dispensed to holders of prepayment certificates are not counted as free in this calculation.
[2] GDP deflators have been used.

Medical Specialists

Ms Drown: To ask the Secretary of State for Health if he will amend the European Specialist Medical Qualifications Order 1995, to permit experienced and qualified doctors with Irish specialist qualifications to gain access to the Specialist Register. [34942]

Mr. Milburn: Extending the transitional provisions in Article 12 of the European Specialist Medical Qualifications Order 1995 to doctors holding qualifications awarded in the Irish Republic would be difficult to justify as it would amount to discrimination against European Economic Area (EEA) nationals holding other EEA qualifications.

The effect of extending the transitional provisions in the Order to include all EEA qualifications would be to allow a large number of doctors holding EEA qualifications which do not meet the requirements of the European Commission Medical Directive (93/16/EEC) to gain access to specialist practice in the United Kingdom. This would represent a significant inroad into the principles upon which the Order was drafted, and could potentially compromise the standard of clinical practice in the UK.

General Practitioners (Shropshire)

Mr. Paul Marsden: To ask the Secretary of State for Health if he will list the number of GPs in Shropshire for each year since 1979. [34868]

Mr. Milburn: The information requested is shown in the table:

Year	Number of unrestricted principals
Shropshire	
1996	239
1995	234
1994	218
1993	219
1992	222
1991	220
1990	216
1989	205
1988	203
1987	202
1986	195
1985	185
1984	184
1983	185
Salop	
1982	178
1981	176
1980	173
1979	170

Note:
Pre 1983 data refer to Salop.

Source:
General Medical Services Statistics, Department of Health, October Census, 1 October 1979 to 1 October 1996.

Netherton Park Assessment Centre

Mr. Peter Atkinson: To ask the Secretary of State for Health if he will institute an inquiry into the management of Netherton Park Assessment Centre in Northumberland. [35067]

Mr. Boateng: No. It is, in the first instance, a matter for Northumberland County Council to decide what action they propose to take in the light of complaints they have received about the management of the Centre. We will monitor the position carefully.

Methicillin-resistant Staphylococcus Aureus

Mr. Corbett: To ask the Secretary of State for Health what progress has been made on revising guidance on the control of methicillin-resistant staphylococcus aureus in hospitals. [35146]

Ms Jowell: Clinical guidelines on the management of patients affected by methicillin-resistant staphylococcus aureus, published in 1990 and commended by the Department to the National Health Service in 1994, have recently been revised by the professional working group that originally produced them. It is expected that the final version of the revised guidelines will be published in the Journal of Hospital Infection in the next few months. The Department will then consider whether they should subsequently be issued to the NHS as Department of Health guidance.

Mr. Corbett: To ask the Secretary of State for Health (1) when he expects the first results from the pilot system of national surveillance from the 40 hospitals taking part on the control of methicillin-resistant staphylococcus aureus; [35144]

(2) when the reporting of *(a)* bloodstream infections and *(b)* wound infections of patients suffering from methicillin-resistant staphylococcus aureus was introduced; and whether he will make a statement. [35145]

Ms Jowell: The Nosocomial Infection National Surveillance Scheme (NINSS) is a new national surveillance system for hospital acquired infection. It is based at the Public Health Laboratory Service. NINSS will consist of a number of modules, each relating to a particular type of infection and/or group of patients.

Data from the hospitals are collected using a standard methodology and are collated and analysed by the Nosocomial Infection Surveillance Unit. Each hospital is given information about its own results together with anonymised aggregate data from the other participating hospitals. Individual results remain confidential to the particular hospital but once sufficient data have been accumulated to permit meaningful interpretation, the aggregated data will be published.

Two modules—blood stream infection and wound infections following certain surgical procedures—have so far been developed. These were successfully piloted in 1996–97 by 16 hospitals for bloodstream infections and by 34 hospitals for surgical site infection. Initial data have been fed back to these hospitals. Over 100 hospitals have now taken part in these surveillance schemes.

Data collected by NINSS include information about the causative organism of infection (where this has been isolated by the hospital's own laboratory) and its sensitivity or resistance to different types of antibiotics, including, in the case of staphylococcus aureus, sensitivity to methicillin.

Neuroleptic Drugs

Mr. Flynn: To ask the Secretary of State for Health for the latest year for which figures are available, how many NHS prescriptions have been made *(a)* to all people and *(b)* to people aged over 60 years for each of the following neuroleptic drugs (1) chloropromaine (largactil), (2) thioridazine (melleril), (3) haloperidol (seranace, haldol, dozic), (4) promazine (sparine), (5) flupenthixol (depixol, fluanxol), (6) olanzapine (zyprexa), (7) pericyazine (neulactil), (8) risperidone (risperdol), (9) sulpiride (dolmatil, sulpitil), (10) trifluoperazine (stelazine) and (11) clozapine (clozaril); and if he will estimate the cost to the NHS of prescribing each of them. [33902]

Mr. Milburn: *[holding answer 12 March 1998]:* The information requested has been placed in the Library.

LORD CHANCELLOR'S DEPARTMENT

Public Bodies

Mr. Burns: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will publish *(a)* the number of places on each of his Department's non-departmental public bodies, *(b)* the number of places that are currently unfilled on each non-departmental public body, *(c)* the total number of members that have resigned since 1 May 1997, *(d)* the total number that have retired since 1 May 1997, *(e)* the total number that have not had their contracts renewed since 1 May 1997, *(f)* the total number that have remained in place since 1 May 1997 and *(g)* the total number that have been appointed since 1 May 1997. [35273]

Mr. Hoon: The following is a table showing the requested information.

NDPBs: Non-judicial appointments

	a[1]	b	c	d	e[2]	f	g
Executive							
Legal Aid Board	15	2	—	2	1	12	—
Authorised Conveyancing Practitioners Board (now inactive)	5–9	—	—	—	—	—	—
Advisory							
Insolvency Rules Committee	8	1	—	—	1	4	3
County Court Rule Committee	11	3	—	—	3	8	1
Supreme Court Rule Committee	10	1	—	—	1	3	—
Land Registration Rule Committee	5	—	—	—	—	5	—
Family Proceedings Rule Committee	9	—	—	—	2	8	—
Crown Court Rule Committee	9	1	—	—	2	7	—
Civil Procedure Rule Committee	14	—	—	—	—	—	14
ACs on General Commissioners of Income Tax	559	14	4	19	—	506	39
ACs on Justices of the Peace in England (exc. the Duchy of Lancaster) and Wales	1,042	4	21	102	—	899	139
Judicial Studies Board	[3]18	1	1	1	—	12	5
Advisory Council on Public Records	16	—	1	—	—	11	5
Advisory Committee on Legal Education and Conduct	17	3	4	—	—	14	1
Council on Tribunals	22	1	—	5	—	17	4
Law Commission	5	—	—	—	—	5	—
Honorary Investment Advisory Committee	6	—	—	—	—	6	—
Advisory Board on Family Law	12	—	—	—	—	[4]12	—
Civil Justice Council	22	—	—	—	—	—	22
Northern Ireland:							
ACs on JPs in Northern Ireland	56	2	—	—	—	54	—
AC on Juvenile Court Lay Panel	11	—	—	1	1	10	2
Legal Aid Advisory Committee (NI)	11	—	—	—	—	11	—
ACs on GCITs	16	—	—	—	6	10	6

[1] Many of the NDPBs do not have a specific number of places. The figure given is the number normally looked for.

[2] Not on contracts, generally interpreted as not re-appointed.

[3] This does not include the members of the various committees of the Board, who are not appointed by the Lord Chancellor.

[4] The appointment of one of whom is suspended until 30 October 1998.

Law Commission

Miss Melanie Johnson: To ask the Parliamentary Secretary, Lord Chancellor's Department what were the results of the quinquennial review of the Law Commission. [35693]

Mr. Hoon: A review was begun during the first part of 1997, and was completed, following the General Election, in July of that year. It concluded that a managed programme of law reform remained an essential part of a modern democracy's responsibilities and that the Law Commission remained a vital part of that process.

In the course of the review the need for a number of changes of approach to the initiation and management of law reform projects was identified.

An action plan based on the review's conclusions, agreed between the Lord Chancellor's Department and the Law Commission and approved by the Lord Chancellor in December last, is now in large part complete. The action plan has today been placed in the Libraries of both Houses.

Miss Melanie Johnson: To ask the Parliamentary Secretary, Lord Chancellor's Department what decisions he has reached on the unimplemented Law Commission reports within the responsibility of his Department. [35694]

Mr. Hoon: As previously indicated, the Government intend to bring forward legislation on "Delegation by Individual Trustees" (Law Com No 220) and the first part of "Restitution for Mistake of Law: Ultra Vires Public Authority Receipts and Payments Law" (Com No 227) when time permits. It will also bring forward legislation on "Privity of Contract: Contracts for the Benefit of Third Parties" (Law Com No 242), again when time permits. The Government's Green Paper on mental incapacity includes proposals in "Mental Incapacity" (Law Com No 231); the consultation period ends on 31 March.

The Government have decided not to implement "Transfer of Land—the Law of Positive and Restrictive Covenants" (Law Com No 127), but will ask the Law Commission to consider, in the context of its other priorities, how future developments in property law might affect the recommendations in this report. The Government have also decided not to implement the remaining part of "Overreaching: Beneficiaries in Occupation" (Law Com No 188), or "Land Mortgages" (Law Com No 204), as these proposals have not been supported sufficiently widely. However, we will invite the Law Commission to reconsider their proposals in "Law Com No 204" after they have finished their current work on land registration.

Decisions on other reports will, where possible, be reached by Easter and will be announced. All Law Commission reports, even though some remain unimplemented, play a valuable role in the clarification and development of the law. The Government are most grateful to the Law Commission for the extensive contribution it makes to producing a modern and effective legal framework for England and Wales.

TRADE AND INDUSTRY

Surveys

Mr. Forth: To ask the President of the Board of Trade if she will list each information, promotional, marketing and opinion survey contract, with its value, concluded by her Department and its agencies for the years *(a)* 1997–98, *(b)* 1998–99, *(c)* 1999–2000, *(d)* 2000–2001 and *(e)* 2001–2002. [32012]

Mrs. Beckett: Information of these types of contracts is not held centrally, and could be provided only at disproportionate cost.

The above information does not include contracts let by the Department's Executive Agencies, and I have asked the Chief Executive to reply separately to this question.

Letter from Michael Osborne to Mr. Eric Forth, dated March 1998:

I have been asked to reply on behalf of The Insolvency Service Executive Agency to your question regarding information promotional, marketing and opinion survey contracts tabled on 26 February.

I can advise you that The Insolvency Service has concluded no such contracts for the period 1997–2002.

Letter from Ian Jones to Mr. Eric Forth, dated March 1998:

I have been asked by the President of the Board of Trade to reply, in respect of the Employment Tribunals Service (ETS), to your question about expenditure on information contracts.

Expenditure on information contracts in the financial year 1997–98 has so far amounted to £51,980.00.

This figure is made up of the following three contracts:

B & B Press, to the value of £49,030, for the design and printing of information leaflets for Industrial Tribunal users;

Unicorn Press, to the value of £1,605, for customer information leaflets eg, Introduction to the Industrial Tribunals; and

Trafford Print, to the value of £1345, for the printing of Citizen Charter Statements for the Industrial Tribunals and the Employment Appeal Tribunal (EAT) and EAT Appeal leaflets.

I hope this is helpful.

Letter from Jim Norton to Mr. Eric Forth, dated March 1998:

CONTRACTS FOR INFORMATION, PROMOTIONAL, MARKETING AND OPINION SURVEYS

Margaret Beckett, President of the Board of Trade, has asked me to reply to your Parliamentary Question about contracts let by the Radiocommunications Agency for information, promotional, marketing and opinion surveys.

2. The Agency has let two contracts. The first with MORI Ltd for a series of customer satisfaction surveys (01/11/94–30/03/98) valued at £151,400, and the second with Meeting Deadlines Ltd for a series of regional seminars and road shows (01/01/97–31/12/99) valued at £164,660.

Letter from John Holden to Mr. Eric Forth, dated March 1998:

I have been asked to reply to your question to the President of the Board of Trade regarding information, promotional, marketing and opinion survey contracts.

For 1997/98, the value of contracts of an information, promotional, marketing or opinion survey nature amounts to £323k to date. Major contributors to this total are:

Central Office of Information £107k

Golley Slater £97k

Zenith Media £21k

Martin Hopkins £13k

Research & Marketing £12k

The remaining £73k is accounted for by small contracts with 27 different organisations.

There is no firm forward commitment to such contracts by Companies House for the years 1998/99 et seq.

Letter from Dr. Seton Bennett to Mr. Eric Forth, dated March 1998:

The President of the Board of Trade has asked me to reply on behalf of the National Weights and Measures Laboratory to your question about information, promotional, marketing and opinion survey contracts.

NWML currently has no plans to enter into any contract of this kind in the years in question.

Letter from J. C. Octon to Mr. Eric Forth, dated March 1998:

In the absence of the Chief Executive on official business, I am replying for the Patent Office to your Parliamentary Question to the President of the Board of Trade on information, promotional, marketing and opinion survey contracts.

The contracts concluded by the Patent Office for the years 1997/98 to 2001/01 are:

i. a media relations contract with Peter Prowse Associates. This contract comes to an end in March 1998 and has in this financial year cost £65,000;

ii. a contract with Advance Multimedia Ltd for support of our marketing operations. This contract comes to an end in May 1998 and has in this financial year cost £95,000;

iii. a contract with Nimtech Ltd for the organisation of workshops and seminars on intellectual property rights. This contract comes to an end in May 1998 and has in this financial year cost £70,000;

iv. a contract with Mid Wales Litho Ltd for the printing and supply of promotional literature. This contract, which runs until April 2000, has cost £150,000 in this financial year and is expected to cost £175,000 in the years 1998–99 and 1999–2000.

The media relations contract is currently being retendered. The contracts with Nimtech Ltd and Advance Multimedia Ltd are to be retendered as a single contract later in the year.

Civil Servants

Mr. Jenkins: To ask the President of the Board of Trade if she will estimate the number and percentage of civil servants in her Department, at each grade including and above higher executive officer who *(a)* attended university and *(b)* attended either Oxford or Cambridge University. [33074]

Mrs. Beckett *[holding answer 9 March 1998]:* I have asked Chief Executives of the Department's Agencies to reply to my hon. Friend separately.

For the headquarters area of the Department, excluding Agencies and the Government Offices, accurate data are not available in the form requested and could be provided only at disproportionate cost.

Letter from Jim Norton to Mr. Brian Jenkins, dated March 1998:

I have been asked by the President of the Board of Trade to reply to the above Parliamentary Question with information about the Radiocommunications Agency.

From the information retained on staff in the radiocommunications Agency, the estimated number and percentage who attended university is as follows:

	Number	*Percentage*
HEO	9	21
HTTO/HPTO	34	48
SEO	2	12
STTO/SPTO	18	48
Grade 7 and equivalent	13	42
Grade 6 and equivalent	4	80
Senior Civil Service	5	71

Of the above staff, one Grade 7 equivalent and one Senior Civil Servant attended Cambridge University and one Senior Civil Servant attended Oxford University.

Letter from John Holden to Mr. Brian Jenkins, dated March 1998:

I have been asked to reply to your question to the President of the Board of Trade regarding the number of civil servants who attended university.

Companies House personnel records show that 52 staff, at all levels, attended university, of which one attended Cambridge. This is approximately 5% of total staff numbers.

Records are not maintained by grades and to identify those in former grades HEO and above could only be undertaken at disproportionate cost.

Letter from Ian Jones to Mr. Brian Jenkins, dated March 1998:

The number of ETS Civil Servants at each DTI Band at HEO equivalent or above who (a) attended university and (b) attended Oxford or Cambridge is shown below:

Band B HEO Level: 2(6.3%) out of 32

Band C SEO+G7: 7(50%) out of 14

SCS: 1(100%) out of 1

Band B and C: Nil out of 36

SCS: 1(100%) out of 1.

Letter from Peter Joyce to Mr. Brian Jenkins, dated March 1998:

The President of the Board of Trade has asked me to reply to your question about the number of staff at each grade at and above Higher Executive Officer in The Insolvency Service who have (a) attended university, and (b) attended either Oxford or Cambridge University.

I regret that the information held by The Service on its staff is not maintained in a form which would provide the details you have asked for except at disproportionate cost.

Letter from P. R. S. Hartnack to Mr. Brian Jenkins, dated March 1998:

I am replying for the Patent Office to your Parliamentary Question about the number of Patent Office staff at HEO (B3) level and above who attended university and attended either Oxford or Cambridge University. The information relates to grades that fall within the Office's grading structure (B3-D1) and excludes staff in the Senior Civil Service and its analogues.

Staff who attended university:

B3: 12 (21%)

C1: 24 (56%)

C2: 124 (94%)

D1: 2 (67%)

Staff gaining degrees at Oxford or Cambridge University:

B3: 1 (2%)

C1: 2 (5%)

C2: 10 (8%).

Letter from Dr. Seton Bennett to Mr. Brian Jenkins, dated March 1998:

The President of the Board of Trade has asked me to reply on behalf of the National Weights and Measures Laboratory to your question about the numbers of civil servants at each grade including and above higher executive officer who have attended university.

The information is not easily available in the form requested and could only be retrieved at disproportionate cost.

Mr. Jenkins: To ask the President of the Board of Trade if she will estimate the number of civil servants in her Department, at each grade, who received their schooling in the independent school sector. [33075]

Mrs. Beckett *[holding answer 9 March 1998]:* I have asked the Chief Executives of the Department's Agencies to reply to my hon. Friend separately.

For the headquarters area of the Department, excluding Agencies and the Government Offices, the information requested is not readily available and can be provided only at disproportionate cost.

Letter from Jim Norton to Mr. Brian Jenkins, dated March 1998:

I have been asked by the President of the Board of Trade to reply to the above Parliamentary Question with information about the Radiocommunications Agency.

From the information retained on staff in the Radiocommunications Agency, it is not possible to identify how many received their schooling in the independent school sector.

Letter from John Holden to Mr. Brian Jenkins, dated March 1998:

I have been asked to reply to your question to the President of the Board of Trade regarding the number of civil servants who received schooling in the independent school sector.

No information on schooling is maintained on Companies House personnel database and to derive this information otherwise could be undertaken only at disproportionate cost.

Letter from Ian Jones to Mr. Brian Jenkins, dated March 1998:

I have been asked to reply to your Question of 4 March 1998 to the President of the Board of Trade concerning Civil Servants who were educated in the Independent School sector.

ETS could obtain this information only at disproportionate cost.

Letter from Peter Joyce to Mr. Brian Jenkins, dated March 1998:

The President of the Board of Trade has asked me to reply to your question about the number of staff in the Insolvency Service who received their schooling in the independent school sector.

I regret that the information held by the Service on its staff is not maintained in a form which would provide the details you have asked for except at disproportionate cost.

Letter from P. R. S. Hartnack to Mr. Brian Jenkins, dated March 1998:

I am replying for the Patent Office to your Parliamentary Question about the number of Patent Office staff that received their schooling in the independent school sector. I am sorry to inform you that the information is not readily available.

Letter from Dr. Seton Bennett to Mr. Brian Jenkins, dated March 1998:

The President of the Board of Trade has asked me to reply on behalf of the National Weights and Measures Laboratory to your question about the numbers of civil servants who received schooling in the independent school sector.

The information is not easily available in the form requested and could be retrieved only at disproportionate cost.

Mr. Jenkins: To ask the President of the Board of Trade if she will estimate for each of the last five years, the number and percentage of new civil servants in her Department who attended Oxford or Cambridge University, broken down into the number of entrants joining the Department from *(a)* the regular Civil Service entrance procedure, *(b)* the fast stream and *(c)* the private sector. [33076]

Mrs. Beckett *[holding answer 9 March 1998]:* The table shows the estimated number of new civil servants in DTI headquarters who attended Oxford or Cambridge university through regular or fast stream entry procedures. Statistics on those with previous private sector experience are not readily available (there would be a disproportionate cost in producing the information).

			of which	
Stream	*Number of new civil servants*	*Number and percentage attending Oxford/ Cambridge*	*non fast stream*	*fast*
1993	91	11 (12%)	4	7
1994	54	7 (13%)	0	7
1995	65	10 (15%)	1	9
1996	56	10 (18%)	1	9
1997	34	9 (26%)	1	8
Total	300	47 (16%)	7	40

I have asked the Chief Executives of the Department's Agencies to reply to my hon. Friend separately.

Letter from Jim Norton to Mr. Brian Jenkins, dated March 1998:

I have been asked by the President of the Board of Trade to reply to the above Parliamentary Question with information about the Radiocommunications Agency.

From the information retained on staff in the Radiocommunications Agency, there are no staff who fall into these categories.

Letter from John Holden to Mr. Brian Jenkins, dated March 1998:

I have been asked to reply to your question to the President of the Board of Trade regarding the number of new civil servants who attended Oxford or Cambridge University joining the Department from a) the regular Civil Service entrance procedure, b) the fast stream or c) the private sector.

In response, over the last five years only one person having attended Cambridge University has joined Companies House. The individual concerned was from the private sector.

Letter from Peter Joyce to Mr. Brian Jenkins, dated March 1998:

The President of the Board of Trade has asked me to reply to your question about estimating the number and percentage of new staff in The Insolvency Service who attended Oxford or Cambridge University and joined The Service from (a) the regular Civil Service entrance procedure, (b) the fast stream and (c) the private sector.

I regret that the information held by The Service on its staff is not maintained in a form which would provide the details you have asked for except at disproportionate cost. I should explain, however, that all new entrants to The Service are recruited on merit in fair and open competition in accordance with the Civil Service Commissioners' Recruitment Code. The Service does not directly recruit staff for the fast stream.

Letter from J. C. Octon to Mr. Brian Jenkins, dated March 1998:

In the absence of the Comptroller General on official business, I am replying for the Patent Office to your Parliamentary Question to the President of the Board of Trade about the recent recruitment of graduates from Oxford and Cambridge Universities. You asked for an estimate over the last five years of the number and percentage of new civil servants who attended Oxford or Cambridge University broken down into the number of entrants joining the Patent Office from a) the regular civil service entrance procedure, b) the fast stream and c) the private sector.

Over the past five years we have recruited from Oxford or Cambridge the following numbers:

1996: 3(14%)

1997: 2(4%)

All were recruited through regular civil service procedures.

Letter from Dr. Seton Bennett to Mr. Brian Jenkins, dated March 1998:

The President of the Board of Trade has asked me to reply on behalf of the National Weights and Measures Laboratory to your question about an estimate for each of the last five years, of the number and percentage of new civil servants in the Agency who attended Oxford or Cambridge University.

The information is not easily available in the form requested and could be retrieved only at disproportionate cost.

Letter from Martin Wilson to Mr. Brian Jenkins, dated March 1998:

I have been asked by the President of the Board of Trade to reply, in respect of the Employment Tribunals Service (ETS), to your question about new civil servants who obtained degrees from Oxford or Cambridge.

ETS was established as an executive agency within the Department of Trade and Industry on 1 April 1997. Since that date we recruited 63 staff to permanent posts in administrative grades in the Agency. All staff were recruited in line with Office of Public Service principles of openness, fairness and on the basis of merit. None was recruited to a post requiring a university degree. We are not aware of any new recruits who attended Oxford or Cambridge Universities. There would be a disproportionate cost in researching this information in full.

Previous to our establishment as an Agency, recruitment was under the authority of the Department and we do not have separate records for that period.

Compact Discs

Mr. Ieuan Wyn Jones: To ask the President of the Board of Trade what representations she has received regarding the retail price of compact discs. [34492]

Mr. Nigel Griffiths: My Department has received 7 complaints about the retail price of compact discs since 1 May 1997.

These have been forwarded to the Director General of Fair Trading who is responsible for considering allegations of abuse of monopoly position, anti-competitive behaviour and restrictive trade practices. The Director General can act if he considers that a particular price is the result of anti-competitive practices.

Cars

Mrs. Dunwoody: To ask the President of the Board of Trade (1) what action she intends to take to remove trade barriers which prevent United Kingdom car buyers purchasing right-hand drive cars elsewhere in the European Union; [34771]

(2) what action she is taking to require car manufacturers to make available new right-hand drive cars to United Kingdom citizens elsewhere in the European Union; [34772]

(3) if she will use the UK's presidency of the European Union to ensure that new car buyers from the UK are given the right to buy a car in any country within the Union. [34773]

Mr. Nigel Griffiths *[holding answer 18 March 1998]:* I am determined to ensure that there are not such barriers to UK consumers. EC competition law prohibits manufacturers from restricting the freedom of consumers to obtain new right-hand drive cars from whichever authorised dealer they choose within the European Community.

In January the European Commission, which enforces EC competition law, fined Volkswagen ecu 102 million (about £67 million) for prohibiting its dealers in Italy from selling cars to buyers from Germany and Austria. DTI officials are currently discussing with the Commission what the implications of this case are for UK consumers wishing to buy right-hand drive cars elsewhere in the European Community.

Kenyan Security Units

Mr. Harvey: To ask the President of the Board of Trade what training has been provided for Kenyan security units in *(a)* internal control and *(b)* internal security by the United Kingdom; and if she will make a statement. [28840]

Mr. Tony Lloyd: I have been asked to reply.

The Department for International Development fund one training project for police officers which aims to improve management skills and human rights awareness of senior officers. They intend to evaluate the impact of this project. No other assistance for the police is currently planned. No training in riot control has been provided to the Kenyan police or armed forces by the British Government.

We have expressed our concern over the excessive use of force by Kenyan police in dispersing crowds taking part in protests last year.

The only military training that we offer the Kenyan Armed Forces is focused on raising professional standards for tasks such as peace keeping duties throughout Africa.

EDUCATION AND EMPLOYMENT

Public Bodies

Mr. Burns: To ask the Secretary of State for Education and Employment if he will publish *(a)* the number of places on each of his Department's non-departmental public bodies, *(b)* the number of places that are currently unfilled on each non-departmental public body, *(c)* the total number of members that have resigned since 1 May 1997, *(d)* the total number that have retired since 1 May 1997, *(e)* the total number that have not had their contracts renewed since 1 May 1997, *(f)* the total number that have remained in place since 1 May 1997 and *(g)* the total number that have been appointed since 1 May 1997.[35277]

Dr. Howells: The numbers of *(a)* places and *(b)* vacancies on the Boards of the Non-Departmental Bodies sponsored by this Department are as follows:

NDPB	*Places (a)*	*Current vacancies (b)*
Centre for Information on Language Teaching and Research (CILT)	13	0
Construction Industry Training Board (CITB)	18	0
Education Assets Board (EAB)	11	0
Engineering Construction Industry Training Board (ECITB)	18	0
Equal Opportunities Commission (EOC)	15	2
Funding Agency for Schools (FAS)	15	0
Further Education Funding Council (FEFC)	14	0
Higher Education Funding Council for England (HEFCE)	15	0
Investors in People (UK) (IiPUK)	15	1
British Educational Communications and Technology Agency (BECTA formerly known as NCET)	6	0
Qualifications and Curriculum Authority (QCA)	14	0
Remploy	12	2
Student Loans Company (SLC)	7	3
Teacher Training Agency (TTA)	11	0

The total number of *(c)* resignations from the Boards of these bodies since 1 May 1997 is 3. The total number of *(d)* retirements from the Boards of these bodies since 1 May 1997 is 8. The total number of *(d)* members of the Boards of these bodies who have not been re-appointed since 1 May 1997 is 19 (some of these were not eligible for further re-appointment under the guidance issued by the Office for the Commissioner for Public Appointments (OCPA)). The total number of *(e)* Board members of these bodies who have remained in post since 1 May 1997 is 128. The total number of *(g)* appointments of these bodies since 1 May 1997 is 63, of which 15 have been re-appointments.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Education and Employment when he expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 23 January on behalf of Mr. Lee.[35325]

Dr. Howells: A letter was dispatched to the right hon. Member on 17 March.

School Achievement Targets

Mr. David Davis: To ask the Secretary of State for Education and Employment (1) for what reasons, in setting achievement targets for primary and secondary schools, he uses data based on pupils' eligibility for, or take-up of, free school meals; [35330]

(2) what reasons, in setting achievement targets for primary and secondary schools, he does not use data based on pupils' prior achievement. [35331]

Mr. Byers: It is for schools themselves, rather than for the Secretary of State, to set achievement targets. In doing so they will draw on relevant data, including socio-economic characteristics of their intake and the prior attainment of their pupils. School targets should take account of the 1997 benchmark information and other comparative data set out in the Performance and Assessment reports recently provided to each school. School targets should also take account of the national targets for English and Mathematics at age 11.

Coventry Intermediate Labour Market Company

Mr. Jim Cunningham: To ask the Secretary of State for Education and Employment what representations he has received from the Coventry Intermediate Labour Market Company. [34181]

Mr. Alan Howarth *[holding answer 16 March 1998]:* My right hon. Friend the Secretary of State has not received any representations from Coventry Intermediate Labour Market Company.

New Deal

Mr. Derek Foster: To ask the Secretary of State for Education and Employment how many of the New Deal personal advisers to be trained by April 1998 will be recruited *(a)* from within the Employment Service and *(b)* externally. [32292]

Mr. Alan Howarth: Responsibility for the subject of the question has been delegated to the Employment Service agency under its Chief Executive. I have asked him to arrange for a reply to be given.

Letter from Leigh Lewis to Mr. Derek Foster, dated 19 March 1998:

The Secretary of State has asked me to reply to your question about the recruitment and training of New Deal Personal Advisers. This is an operational issue which falls within my responsibility as Chief Executive of the Employment Service.

The Employment Service has recruited, through internal means, almost 2,000 New Deal Personal Advisers who will be fully trained by April 1998. We have not ourselves recruited externally.

However, we will in all cases be working with partner organisations in the delivery of the Gateway, all of whom will be deploying their own staff on these programmes.

Within the Employment Service, New Deal Personal Advisers have been carefully selected from amongst the most experienced members of our current advisory teams. All of them either hold an NVQ III in guidance or will be working towards this qualification.

I hope this is helpful.

Student Grants

Mr. Alan Williams: To ask the Secretary of State for Education and Employment how many undergraduate students are in receipt of the maximum maintenance grants. [33800]

Dr. Howells: In academic year 1995–96, the latest year for which information is available, 350,000 mandatory award holders from England and Wales received a full maintenance grant.

Further Education

Mr. Illsley: To ask the Secretary of State for Education and Employment how many further education places he expects to be offered to participants in the Government's New Deal schemes following his decision to make available extra money to allow further education colleges to recruit students in the New Deal group above their targets. [33579]

Dr. Howells: The £6.05 million made available by my right hon. Friend the Secretary of State may benefit up to 12,000 unemployed people in England who might otherwise be unable to access further education.

Mr. Illsley: To ask the Secretary of State for Education and Employment (1) what plans he has in respect of the balance of funding between employers and the public purse in respect of further education provided through franchised arrangements with partnership organisations; [33577]

(2) what assessment he has made of the impact of increasing to 50 per cent. the contribution made by partnership organisations to franchised schemes managed by further education colleges on the subject availability of those schemes and the number of places provided on them. [33578]

Dr. Howells: We are seeking a fairer balance between state and employer contributions to the cost of employer-led provision in further education, against the principle that employers should be meeting at least half the cost. Last November, my right hon. Friend the Secretary of State asked the Further Education Funding Council (FEFC) to make arrangements to secure next year an extra £20 million in employer contributions. In response, for 1998–99, the FEFC has decided to reduce by one third the rate of funding available for college provision delivered for an employer, normally on the employer's premises, either by direct or collaborative provision, in the expectation that colleges will seek a greater contribution from employers. There will still be significant public funding for such provision. We have had no evidence that this change will have an impact on subject availability.

Mr. Illsley: To ask the Secretary of State for Education and Employment what allowance he has made in the annual funding of further education colleges to accommodate the 500,000 extra students planned to enter further education by 2002. [33576]

Dr. Howells: We are taking forward our plans to expand further education opportunities in the context of the Department's Comprehensive Spending Review.

Mr. Illsley: To ask the Secretary of State for Education and Employment what estimate he has made of the financial surplus or deficit of further education institutions in England at the end of the current academic year; and what were the figures for *(a)* 1995, *(b)* 1992 and *(c)* 1987. [33583]

Dr. Howells: The Further Education Funding Council's current estimate of the expected net deficit of the further education sector this academic year (1997–98) is £3 million.

The net deficit incurred by the further education sector in 1994–95 was £93 million. It is not possible to give figures for 1992 and 1987 on a comparable basis.

Mr. Chaytor: To ask the Secretary of State for Education and Employment if he will list the total number of staff who left further education colleges during 1996–97 through *(a)* redundancy, *(b)* retirement and *(c)* premature retirement within categories (i) teaching staff, (ii) support staff and (iii) management staff. [33606]

Dr. Howells: Information on the number of redundancies in further education colleges is not available. The number of retirements during financial year 1996–97 from further education colleges is set out in the table.

Type of retirement	*Total*
Age	460
Infirmity	710
Premature	3,630
Total	4,800

Note:
Figures have been rounded to the nearest 10.

These figures are produced from the Teachers' Pension Scheme: they include some management staff, but no support staff.

HOUSE OF COMMONS

Office Cost Allowance

Mr. Baker: To ask the President of the Council, pursuant to her answer of 16 March 1998, *Official Report*, column *433*, if she will list the total amount paid out in office costs allowances for 1992–93 to hon. Members who retired at the 1992 Dissolution or were defeated at the 1992 General Election, indicating the average sum per hon. Member. [35224]

Mrs. Ann Taylor: No—the information available is not held in a form that would permit provision of the details relating to defeated and retiring Members only.

Mr. Baker: To ask the President of the Council, pursuant to her answer of 16 March 1998, *Official Report*, column *433*, on office costs allowances for 1997–98, if she will list the total amount paid out to hon. Members who retired at the 1997 Dissolution or were defeated at the 1997 General Election, indicating the average sum per hon. Member. [35225]

Mrs. Ann Taylor: During 1997–98 the total amount of Office Costs Allowance paid out to those Members who left the House at the last Election was £2,923,827.48. Because of the cash accounting requirements this figure includes amounts relating to the previous allowance year. The average sum paid to each hon. and right hon. Member was £11,602.49.

DEFENCE

NATO Enlargement

Ms Squire: To ask the Secretary of State for Defence what assessment he has made of the leading estimates of the costs of NATO enlargement. [35688]

Mr. George Robertson: I have today placed in the Library of the House a paper prepared by the Ministry of Defence which describes various previous studies of the costs of NATO enlargement and explains why all NATO countries accept the official NATO assessment as a realistic estimate.

Gulf War

Mr. Kidney: To ask the Secretary of State for Defence what are the results of his Department's investigation of the incident in which suspected Iraqi CW agent was found in Kuwait after the end of the Gulf War; and if he will make a statement. [35687]

Dr. Reid: I am today making public the results of a joint UK-US review of what has become known as the "Sabahiyah" incident, in which a large tank of liquid, initially thought to contain Iraqi mustard agent, was found in Kuwait after the end of the Gulf conflict. The review has concluded that the tank did not contain chemical warfare agent, but rather inhibited red fuming nitric acid to fuel Iraqi Silkworm anti-ship missiles.

This is the first of three reviews of events during the Gulf conflict which we pledged to carry out last July. Preparation of the case narrative, which is also being published today in the US, has involved close and detailed cooperation between the MOD and the US Department of Defense. A copy of the case narrative will be placed in the Library of the House.

US Visiting Forces

Mr. Baker: To ask the Secretary of State for Defence, pursuant to his answer of 2 March 1998, *Official Report*, column *490*, how many of his Department's personnel are based at (i) Abbey Wood, (ii) RAF Alconbury, Molesworth and Upwood, (iii) RAF Bentley Priory, (iv) Boscombe Down, (v) RAF Bracknell, (vi) RAF Brampton, (vii) RAF Brize Norton, (viii) RAF Coltishall, (ix) RAF Cranwell, (x) RAF Croughton, (xi) RAF Digby, (xii) RAF Daws Hill, Hythe and West Ruislip, (xiii) Eastcote, (xiv) RAF Fairford, (xv) RAF Farnborough, (xvi) RAF Fylingdales, (xvii) RAF High Wycombe, (xviii) RAF Honnington, (xix) RAF Lakenheath and RAF Feltwell, (xx) RAF Leuchars, (xxi) Landwater, (xxii) RAF Lyneham, (xxiii) RAF Morham, (xxiv) RAF Menwith Hill, (xxv) RAF Mildenhall, (xxvi) RAF Oakhanger, (xxvii) RAF Spadeadam, (xxviii) RAF Uxbridge, (xxix) RAF Valley, (xxx) RAF Waddington, (xxxi) Waterbeach, (xxxii) RAF Wittering, (xxxiii) RAF Wyton, (xxxiv) Ipswich and (xxxv) London. [33574]

Dr. Reid *[holding answer 9 March 1998]:* The numbers of MoD Personnel based at the requested locations are given in the table. Data are at 1 February 1998.

All MoD personnel within London and other selected locations as at 1 February 1998

	Number
Abbey Wood	4,324
RAF Alconbury, Molesworth and Upwood	32
RAF Bentley Priority[1]	440
RAF Boscombe Down	907
RAF Bracknell	351
RAF Brampton	1,520
RAF Brize Norton	3,497
RAF Coltishall	1,571
RAF Cranwell	2,048
RAF Croughton	13
RAF Digby	892
RAF Daws Hill, Hythe and West Ruislip	174
Eastcote[1]	8
RAF Fairford	11
RAF Farnborough	1,734
RAF Fylingdales	155
RAF High Wycombe	2,041
RAF Honnington	1,389
RAF Lakenheath and RAF Feltwell	50
RAF Leuchars	1,656
Landwater[2]	—
RAF Lyneham	2,874
RAF Marham	2,000
RAF Menwith Hill	25
RAF Mildenhall	37
RAF Oakhanger	218
RAF Spadeadam	124
RAF Uxbridge[1]	794
RAF Valley	516
RAF Waddington	2,487
Waterbeach	181
RAF Wittering	1,776
RAF Wyton	2,522
Ipswich	1,330
London	17,139
Total	54,836

[1] Personnel within these areas, although within London, are not counted within the London total, to avoid double counting

[2] Further to my answer to the hon. Member for Lewes (Mr. Baker), 2 March 1998, *Official Report*, column *490*, I regret that Landwater was erroneously typed as Loudwater.

Green Transport Co-ordinator

Mr. Baker: To ask the Secretary of State for Defence when he appointed a Green Transport co-ordinator; and on what date the appointment took effect. [32476]

Mr. Spellar *[holding answer 3 March 1998]:* We have not appointed a Green Transport co-ordinator. The formulation of Green Transport Plans will be co-ordinated by my Department's environmental committee and their proposals submitted to me as the Department's Green Minister.

Salisbury Plain

Mr. Key: To ask the Secretary of State for Defence if he will list the annual quarry returns for each of the past five years relating to organisations, licensed or unlicensed, which have been permitted to take birds and animals at Salisbury Plain Army Field Training Centre. [34849]

Dr. Reid: I will write to the hon. Member and a copy of my letter will be placed in the Library of the House.

Mr. Key: To ask the Secretary of State for Defence if he will list the clubs and organisations, civilian and military, which are licensed to use *(a)* Schedule 3 land and *(b)* other land at Salisbury Plain Army Field Training Centre. [34851]

Dr. Reid: The civilian and military clubs and organisations licensed to use land at Salisbury Plain Training Area are as follows:

Licensee	*Purpose of licence*
(a) Schedule III Land	
Yearly licences for occasional use—1997/98	
Salisbury and District Gun Club	Clay Pigeon Shooting
Castledown School	Cross Country Runs
Flying Druids Model Aircraft Club	Model Aircraft Flying
Southern Pointer Club	Dog Training
Newport/Bailey (Model Aircraft Club)	Model Aircraft Flying
Licences to exercise sporting rights—1997/98	
Avon Vale Hunt	Fox Hunting
West Wiltshire Hunt	Fox Hunting
Royal Artillery Hunt	Fox Hunting
The Services Dry Fly Fishing Association	Fishing
The Durrington Shoot	Game Shooting
Licences for single events—1997/98	
SPC Promotions	Mountain Biking (x 3 events)
Netheravon Parish Council	Sponsored Walk
Wiltshire Wildlife Trust	Sponsored Walk
English Heritage	Battle Re-enactment
Bourne Valley Riding School	Riding Competition
Tedworth Hunt	Hunter Trials
Frome and District Pistol Club	Field Firing
RSA Hot Air Balloon Club	Balloon Meeting
Aardvark Clear Mine Ltd	Equipment Demonstration
Southern Counties Off Roaders	Motorised Navigation
Sarum Orienteering Club	Orienteering
RA Saddle Club	Equestrian Events
(b) Other SPTA land	
Yearly licences for occasional use—1997/98	
Wilts Shooting Centre (Tunnel Rifle and Pistol Club)	Use of Shooting Ranges
Boscombe Down Rifle and Pistol Club	Use of Firing Ranges
Salisbury Vintage Rifle and Pistol Club	Use of Firing Ranges
Tidworth Garrison Gun Club	Use of Firing Ranges
Muzzle Loaders Association of Great Britain	Use of Firing Ranges
Frome and District Pistol Club	Use of Firing Ranges
North Wilts Rifle and Pistol Club	Use of Firing Ranges
Avon and Wilts Shooting Club	Use of Firing Ranges
Warwickshire Firearms Club	Use of Firing Ranges
Licences for single events 1997/98	
Southern Counties Off Roaders	Safari (x 2 events)
All Wheel Drive Club	Promotional Day (x 4 events)
Cranston Brig DA	Car Parking
Chrysler Jeep Imports UK	Vehicle Demonstration
Imperial Cancer Research Fund	Use of Assault Course
All Wheel Drive Club	Southern Hill Rally
SETRA	Motor Cycle Event (x 2 events)
RSA Hot Air Balloon Club	Balloon Meeting
Aardvark Clear Mine Ltd	Equipment Demonstration
Southern Counties Off Roaders	Motorised Navigation
Sarum Orienteering Club	Orienteering
RA Saddle Club	Equestrian Events

Joint Service Publications

Mr. Key: To ask the Secretary of State for Defence if he will place in the Library a copy of Joint Service Publication No. 362. [34850]

Mr. Spellar: A copy of JSP 362 Defence Lands Handbook will be placed in the Library of the House.

Smart Procurement

Mr. Keith Simpson: To ask the Secretary of State for Defence if he intends to publish a White Paper on Smart Procurement before the end of March; and if he will make a statement. [35199]

Mr. George Robertson: The Smart Procurement initiative is part of the Strategic Defence Review. I envisage publishing the Review White Paper in the first part of this year.

Anti-personnel Mines

Mr. Menzies Campbell: To ask the Secretary of State for Defence if Her Majesty's Government will have destroyed all HB876 anti-personnel mines within two years of signing the Ottawa Treaty. [34848]

Dr. Reid: I will write to the hon. and learned Gentleman and a copy of my letter will be placed in the Library of the House.

Trident

Ms Roseanna Cunningham: To ask the Secretary of State for Defence if he will make a statement on the development and deployment of a lower-yield variant of the Trident warhead for the sub-strategic role. [35198]

Mr. George Robertson: The UK has some flexibility in the choice of yield for the warheads on its Trident missiles.

NORTHERN IRELAND

Sinn Fein

Mr. McNamara: To ask the Secretary of State for Northern Ireland what guidance her Department gave to the delegation of Sinn Fein representatives at the ministerial meeting on 5 November 1997 concerning the protection of individuals who have become vulnerable

following the loss or theft of personal files held by the security forces; and what steps have been taken *(a)* to assess the number of individuals currently at risk, *(b)* to provide greater access to information for individuals at risk and *(c)* to prevent breaches of security in the future. [32809]

Mr. Ingram *[holding answer 11 March 1998]:* I met a delegation from Sinn Fein on 5 November, following which I wrote to Mr. Adams. It would not be appropriate to disclose the details of either the discussion or my subsequent letter. However, my hon. Friend may wish to consider making contact with Mr. Adams personally.

In answer to part *(c)* of his question I can advise my hon. Friend that instructions have been issued to the RUC by way of a Code Regulation.

Institute of Public Health

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland what factors led to the all-Ireland Institute of Public Health being sited in Dublin; how many jobs are being funded there from UK public funds; at what annual cost; and if she will make a statement. [34616]

Mr. Worthington: The key factor influencing the initial location of the Institute of Public Health in Ireland was the opportunity to work in close proximity to the Royal College of Physicians of Ireland which will provide suitable accommodation and essential support for the new body. It is anticipated that the Institute will have seven staff and that the contribution to core funding from UK public funds will be approximately £100,000 per annum.

The Institute will be required to demonstrate that its activities in support of existing public health bodies benefit people throughout both Northern Ireland and the Republic of Ireland. The location of the Institute in the long-term will be guided by the needs of the body in carrying out its work programme effectively.

Sex Abuse

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland if she will increase funding for the counselling of sex abuse survivors; and if she will make a statement on the waiting times presently experienced for such counselling at the Nexus Institute. [34617]

Mr. Worthington: The Department of Health and Social Services does not allocate funds to Health and Social Services Boards specifically for the purposes of counselling victims of sexual abuse. The amounts to be committed for such purposes are matters for the Boards to decide within the context of their overall resource allocations and their priorities for the provision of services within their areas.

The lengths of the waiting lists for counselling by the NEXUS Institute are a matter of concern to the Department. However, a new counsellor training programme was launched by NEXUS in 1997 and it is hoped that this will have a significant impact later this year in reducing the waiting lists.

Restorative Justice

Mr. Gunnell: To ask the Secretary of State for Northern Ireland if she will publish the papers on restorative justice that have been the subject of discussion in the talks process. [35691]

Marjorie Mowlam: I have arranged for "Restorative Justice and a Partnership against Crime", based on Government papers tabled for the multi-party talks, to be placed in the Library.

AGRICULTURE, FISHERIES AND FOOD

Farm Incomes

10. **Mr. Baldry:** To ask the Minister of Agriculture, Fisheries and Food what evaluation his Department has made of the impact of the current levels of the green pound on farms incomes. [33762]

Dr. John Cunningham: The Government recognise the impact of currency movements on agriculture, but it is difficult to assess these effects precisely. UK farmers receive a substantial degree of protection from the impact of currency movements on their receipts under the CAP through the EU agrimonetary system.

Welsh Livestock Industry

18. **Mr. Edwards:** To ask the Minister of Agriculture, Fisheries and Food what representation he has received from farming representatives in Wales about the crisis in the Welsh livestock industry. [33772]

Mr. Morley: My right hon. Friend met hon. Members representing Welsh constituencies as recently as 19 February to discuss the state of the livestock sector in the Principality.

Sheep Prices

19. **Mr. Livsey:** To ask the Minister of Agriculture, Fisheries and Food what measures he is prepared to take to alleviate the fall in prices for sheep in the United Kingdom. [33774]

Mr. Rooker: Government action in this sector is constrained by the rules of the CAP regime for sheepmeat. In recognition of the depressed state of the sheepmeat market, I recently instructed my officials to ask the Commission to open tenders for Private Storage Aid in the UK. The Commission responded promptly to our request, fixing a flat-rate Private Storage Aid of 1,400 ecu per tonne for a maximum of 3,000 tonnes of sheepmeat to be placed into storage in the Republic of Ireland and the UK.

Farmers

20. **Mrs. Spelman:** To ask the Minister of Agriculture, Fisheries and Food what estimate he has made of the percentage of farmers who will leave agricultural production in the next five years. [33775]

Mr. Morley: I have not made such an estimate. The numbers of farmers leaving agricultural production will depend on the decisions they take in the light of economic circumstances.

Beef on the Bone

22. **Mr. Bercow:** To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on enforcement of the regulations banning the sale of beef on the bone. [33778]

Mr. Rooker: The Government believe that the Regulations are enforceable in accordance with existing food safety and consumer protection enforcement procedures.

Beef Export Ban

23. **Mr. Hinchliffe:** To ask the Minister of Agriculture, Fisheries and Food what progress has been made on lifting the export ban on British Beef. [33779]

Mr. Rooker: I refer my hon. Friend to the answer given by my right hon. Friend to my hon. Friend the Member for Selby (Mr. Grogan) earlier today.

Urban Farms

Mr. Simon Hughes: To ask the Minister of Agriculture, Fisheries and Food what support his Department gives to urban farms. [33758]

Mr. Morley: Urban farms have a role based more on education than production. The Department gives no specific support to farms simply because they are situated in an urban area.

Organic Farming

Mr. Kidney: To ask the Minister of Agriculture, Fisheries and Food when he last met organic farming groups to discuss the future of organic farming. [33777]

Mr. Morley: My right hon. Friend last met individuals concerned with organic farming on 9 February. I met the Board of the UK Register of Organic Food Standards today.

Cattle Cull

Mr. Levitt: To ask the Minister of Agriculture, Fisheries and Food what progress has been made with the selective cull of cattle; and if he will make a statement. [35686]

Mr. Rooker: In Great Britain, we have contacted all the herds in which BSE cases were born and sought to identify animals which were exposed to the same feed as these cases. Where these animals have been sold off the farm of origin, we have tried to trace and locate them. Not surprisingly, given the age of the animals, we have found that about 156,000 animals have already been slaughtered, including those taken under the Over Thirty Months Scheme. But under the selective cull we have identified and slaughtered about 66,000 animals to date. A further 10,000 animals have been traced but not yet slaughtered, including a number for which the owner has the option to offer them but has not so far done so.

In addition, in Northern Ireland all the 1,461 animals to be taken under the cull have been slaughtered. As a result, the total to date for the United Kingdom is over 67,000. All these animals attract the special rates of compensation payable under this scheme.

It is now estimated that the total number slaughtered under the selective cull will be about 80,000–85,000. We are determined to finish the cull as quickly as we can and are continuing to treat it as a high priority. The last stages will focus on tracing animals which have moved from their natal herd. This is a time-consuming and difficult task, made more difficult by the lack of the computerised cattle tracing system which we are now developing. Progress on the cull will inevitably become slower, as increasingly often it is single animals that have to be tracked down. However we expect to complete the whole work by the autumn.

The selective cull has been an enormous task. Farmers themselves have made a substantial contribution. It has been an unwelcome and for many a distressing task. We are grateful for their co-operation and their recognition that this has been an essential step in fulfilling the Florence preconditions.

Ministerial Visits

Mr. Nicholls: To ask the Minister of Agriculture, Fisheries and Food how many counties in the South West of England he has visited since 1 May 1997. [32064]

Dr. John Cunningham: I have not visited the South West. However, my noble Friend Lord Donoughue, the Parliamentary Secretary, has specific responsibility for the MAFF South West region and he has visited Devon twice and Cornwall once since 1 May 1997. He hopes to visit both again in the forthcoming months. In addition, my hon. Friend the Parliamentary Secretary has made the same number of visits to Devon and Cornwall since 1 May 1997.

Ministerial Meetings

Mr. Randall: To ask the Minister of Agriculture, Fisheries and Food how many meetings have been requested with his Department's Ministers by *(a)* Labour and *(b)* Conservative hon. Members; and how many meetings have been granted in each category. [31298]

Dr. John Cunningham: I and my colleagues receive many requests for meetings from individual, and groups of, hon. Members, about numerous issues, many of which cut across party boundaries. To seek to identify those requests on the basis of party allegiance would be misleading and would serve no useful purpose. However, I can confirm that I and my Ministerial team have held meetings with hon. Members from both the Government and the majority of Opposition parties, including the Conservative Party.

Central Science Laboratory

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food if he will publish the individual estimates his Department has made of the financial and personnel impact of relocating Norwich-based scientific staff of the Central Science Laboratory to York. [33985]

Mr. Rooker *[holding answer 11 March 1998]:* No decision has been taken regarding the future location of the Norwich-based staff of the Central Science Laboratory. In considering this matter, current best estimates indicate that the relocation costs involved would be £2.8m and efficiency savings resulting from the move

would amount to £1.5m per annum. Eligible staff would then be offered a full relocation package in accordance with Civil Service rules and assistance would be provided for non-mobile staff not relocating.

Food Standards Agency

Mrs. Curtis-Thomas: To ask the Minister of Agriculture, Fisheries and Food what discussions his Department held with *(a)* the Engineering Council and *(b)* the Institution of Agricultural Engineers prior to the publication of the White Paper on the Food Standards Agency (Cm 3830); and if he will make a statement. [35039]

Mr. Rooker: The Department held no discussions with either organisation prior to the publication of the White Paper 'The Food Standards Agency: *A Force for Change*'. The Engineering Council has, however, commented on the White Paper on behalf of the engineering profession (including the Institution of Agricultural Engineers). Their views will be carefully considered, along with all other responses to this consultation.

Anthrax

Mr. Dalyell: To ask the Minister of Agriculture, Fisheries and Food what research his Department has evaluated into anthrax, separately identifying that relating to Gruinard Island. [33773]

Mr. Rooker: Research funded by the Department and published last year evaluated the public health risks from pigs killed following an outbreak of anthrax infection. The Department has also gained information on decontamination of land following the successful project carried out by the Ministry of Defence on Gruinard Island.

Beef Farmers

Mr. Sawford: To ask the Minister of Agriculture, Fisheries and Food how much agrimonetary compensation was paid to beef farmers between 1979 and 1997. [33765]

Dr. John Cunningham: None.

Common Fisheries Policy

Mr. Blizzard: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement about his objectives for reform of the Common Fisheries Policy. [33757]

Mr. Morley: The Government are pursuing a wide-ranging agenda of improvements to the Common Fisheries Policy. Our priorities include making the CFP a more effective instrument for conservation, improving community wide enforcement and introducing a greater regional dimension into decision-making.

Departmental Assets

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food what plans he has to make better use of his Department's assets in accordance with the guidelines set out by the Chief Secretary to the Treasury on 24 November 1997 by generating receipts from commercial activity and developing relationships with the private sector to bring in necessary skills and expertise. [35135]

Mr. Rooker: The guidelines to which my hon. Friend refers puts the onus on Departments to maximise the value they secure from the assets they retain. The Executive Agencies of the Ministry undertake commercial activities where appropriate, and along with the rest of the Department will continue to seek new possible opportunities in the market. The operating, commercial and legal aspects will require careful consideration, along with the need to ensure that the independence of those undertaking regulatory functions is not compromised.

Mr. Charles Clarke: To ask the Minister of Agriculture, Fisheries and Food what plans he has to dispose of surplus assets of his Department in accordance with guidelines set out by the Chief Secretary to the Treasury on 24 November 1997. [35136]

Mr. Morley: In accordance with HM Treasury guidelines, over the next three years my Department aims to dispose of as many as possible of those assets in the National Asset Register which are or will be identified as surplus.

WALES

Local Government

Mr. Flynn: To ask the Secretary of State for Wales when he will publish his proposals for modernising local government in Wales; and if he will make a statement. [35834]

Mr. Ron Davies: I have today placed in the Library of the House copies of the first two consultation papers in a series inviting views on the options for modernising local government in Wales.

The first paper sets the broad policy in the context of Wales and the Assembly. The second, on local democracy and community leadership, makes proposals for developing new ways in which councils can listen to their local communities and involve them in their decisions for devising new ways of working, for strengthening councils' roles as community leaders and for modernising local electoral arrangements.

Later papers in the series will deal with best value, aspects of the local government finance system and a new ethical framework for local government.

Responses to the consultation exercise will be drawn on to prepare a White Paper on Local Government in Wales, which will be published in the summer.

National Assembly

Mr. Ancram: To ask the Secretary of State for Wales if he will publish the comparative costs of the bids for accommodating the National Assembly for Wales. [33892]

Mr. Ron Davies: I have already placed a brief summary of the local authority bids for accommodating the National Assembly for Wales in the Library of the House. Once negotiations for the site of the Assembly are complete I intend to place a brief summary of the remaining bids in the Library of the House.

Millennium Celebrations

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Wales what plans his Department has to celebrate the millennium in Wales; and at what estimated cost. [34509]

Mr. Ron Davies: The celebrations of the Millennium in Wales, as for other parts of the UK, will be co-ordinated by the New Millennium Experience Company (NMEC). My Department will work closely with NMEC and in particular with the office which they intend to open in Cardiff within the next month. The amount of lottery funding to be devoted to the celebrations in Wales will be announced soon: this will be supplemented by the sponsorship funding which NMEC intends to raise.

Hospitality

Mr. Bercow: To ask the Secretary of State for Wales if he will list planned expenditure on hospitality for April and May, indicating the date, location and purpose of each event. [35122]

Mr. Ron Davies: It is not possible to provide a comprehensive estimate for total expenditure on Ministerial hospitality as the majority of events and meetings will not be finalised until nearer the time.

However, while there are currently no major events planned for April and May, I do plan to host a meeting of the Central Local Partnership on Wednesday 8 April at the Cabinet Office.

Rural Schools

Mr. Gareth Thomas: To ask the Secretary of State for Wales if he will make a statement on his Department's policy in relation to small schools in rural areas. [34871]

Mr. Hain: I refer my hon. Friend to the reply I gave to the hon. Member for Montgomeryshire (Mr. Öpik) on 18 March 1998, *Official Report*, column *655*.

Telecommunications

Mr. Gareth Thomas: To ask the Secretary of State for Wales what steps his Department is taking to ensure that all rural communities in Wales obtain the benefit of high-quality telecommunication services including ISDN. [34801]

Mr. Hain: The provision of telecommunications is a matter for the infrastructure companies. However, the wider provision of ISDN and digital services to rural communities should become a practical and cost-effective reality in the relatively near future through the use of radio fixed access technology and the roll-out of more comprehensive digital mobile networks. In addition, support from the European Regional Development Fund is being made available to assist the development of advanced services in parts of rural Wales. I will continue to press for Wales to benefit from high grade telecommunications links.

Public Bodies

Mr. Burns: To ask the Secretary of State for Wales if he will publish *(a)* the number of places on each of his Department's non-departmental public bodies, *(b)* the number of places that are currently unfilled on each non-departmental public body, *(c)* the total number of members that have resigned since 1 May 1997, *(d)* the total number that have retired since 1 May 1997, *(e)* the total number that have not had their contracts renewed since 1 May 1997, *(f)* the total number that have remained in place since 1 May 1997 and *(g)* the total number that have been appointed since 1 May 1997. [35283]

Mr. Ron Davies: My department does not gather centrally precise data on the number of seats and vacancies on non-departmental public bodies since many of them have some flexibility in the total number of members. Neither does it hold central data on whether members have retired, resigned or not been reappointed. Information on the public appointments which I make in Wales is collated and published quarterly. The December edition, a copy of which is in the library of the House, shows that 622 of those currently serving on public bodies were appointed before 1 May 1997 and the remaining 90 were appointed subsequently.

Tram Scheme (Llandudno)

Mr. Evans: To ask the Secretary of State for Wales (1) which signatories authorised the bid by Conwy County Borough Council for Government funding for its proposed tram scheme in Llandudno; [34841]

(2) how much funding his Department has made available for Conwy County Borough Council's proposed tram scheme in Llandudno; and if he will make a statement; [34842]

(3) what measures he has taken to ensure that the Government grant to Conwy County Borough Council for the purpose of establishing a tram scheme in Llandudno has not been allocated to another local authority scheme; [34843]

(4) if he will establish which organisations have made a financial contribution towards the proposed tram scheme in Llandudno; and if he will make a statement; [34844]

(5) under which Government scheme his Department supported the proposed Conwy County Borough Council bid for a tram scheme in Llandudno. [34845]

Mr. Hain: I refer the hon. Member to the reply I gave him on Tuesday 17 March 1998, *Official Report*, column *550*.

Crickhowell House

Mr. Rhodri Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 16 March 1998, *Official Report*, columns *459–60*, if he will estimate the cost to WHCSA reserves of the void office space at Crickhowell House. [35336]

Mr. Ron Davies: The cost of WHCSA reserves of empty space at Crickhowell House, including rent, reduced and other associated costs, is estimated at £1,005,000 per year.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales if the defects period pertaining to his lease of Crickhowell House remains in operation; and if he will make a statement. [35338]

Mr. Ron Davies: The defects liability period expires on 31 March 1998. Discussions are taking place with the landlord regarding an extension.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 16 March 1998, *Official Report*, columns *459–60*, if privity of contract applies to his lease and to sub-leases of Crickhowell House; and if he will make a statement. [35339]

Mr. Ron Davies: The Secretary of State for Wales being party to the lease, I am presently advised that I would retain privity of contract in the event of the leases for Crickhowell House being assigned or sub-let.

Civil Servants

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what grades of civil servants have been responsible for negotiating the potential sites or buildings for the National Assembly for Wales; and if the same civil servants were responsible for negotiating the lease of Crickhowell House. [35335]

Mr. Ron Davies: A range of civil servants, from Permanent Secretary to junior management grades, have been involved in the siting of the Assembly. One of these officials had some involvement in the process of acquisition of Crickhowell House, but not in the direct lease negotiations.

Cardiff Bay Development Corporation

Mr. Rhodri Morgan: To ask the Secretary of State for Wales, pursuant to his answer of 16 March 1998, *Official Report*, columns *459–60*, what payments have been made by Associated British Ports to Cardiff Bay Development Corporation under the development agreement; if he will give the dates of such payments; and if he will make a statement on future payments under the development agreement for which Associated British Ports would be liable. [35337]

Mr. Ron Davies: Payment details are an operational matter for the Corporation and I have asked the Chief Executive to reply. A copy of his reply will be placed in the Library of the House.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales what allowance he has made in setting the budget of the Cardiff Bay Development Corporation for the *(a)* present year and *(b)* 1998–99, of expected income from Associated British Ports under the development agreement. [35334]

Mr. Ron Davies: Total estimated income receipts from various sources included in the budget for 1997–98 was around £13 million. The budget figure for 1998–99 has yet to be agreed. Details of receipts from Associated British Ports under the development agreement with the Corporation are operational matters for the Corporation and I have asked the Chief Executive to reply. A copy of his reply will be placed in the Library of the House.

Mr. Rhodri Morgan: To ask the Secretary of State for Wales under what authority rental guarantees were given by Cardiff Bay Development Corporation to Associated British Ports for the Scott Harbour office development; and what is the maximum public financial liability under such guarantees. [35328]

Mr. Ron Davies: The Scott Harbour rental agreement with a maximum financial liability of £1.4 million was approved by the Department and the Treasury in May 1995. This liability does not extend beyond the lifetime of the Corporation.

SOCIAL SECURITY

Public Bodies

Ms Roseanna Cunningham: To ask the Secretary of State for Social Security if she will list the bodies within the responsibility of her Department currently required by legislation to lay a report before Parliament. [33563]

Mr. Field *[holding answer 9 March 1998]:* There are three bodies who are required by legislation to lay a report before Parliament. These are the Occupational Pensions Regulatory Authority, the Pensions Compensation Board and Social Security Advisory Committee.

Mr. Burns: To ask the Secretary of State for Social Security if she will publish *(a)* the number of places on each of her Department's non-departmental public bodies, *(b)* the number of places that are currently unfilled on each non-departmental public body, *(c)* the total number of members that have resigned since 1 May 1997, *(d)* the total number that have retired since 1 May 1997, *(e)* the total number that have not had their contracts renewed since 1 May 1997, *(f)* the total number that have remained in place since 1 May 1997 and *(g)* the total number that have been appointed since 1 May 1997. [35286]

Mr. Field: The information is set out in the table using the headings *(a)* to *(g)* as set out in the question.

Name of Non-departmental public body (NDPB)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*
Central Advisory Committee on War Pensions (CACWP)	[1]no set number	3	4	[2]n/a	[3]n/a	18	1
Chief Adjudication Officer	1	none	none	none	none	1	none
Child Support Disability, Medical & Social Security Appeal & Vaccine Damage Tribunals	[4]no set number	[5]n/a	[6]311	83	[7]n/a	7,255	170

Name of Non-departmental public body (NDPB)	*(a)*	*(b)*	*(c)*	*(d)*	*(e)*	*(f)*	*(g)*
Disability Living Allowance Advisory Board (DLAAB)	[8]no set number	[9]n/a	none	1	2	17	2
Industrial Injuries Advisory Committee (IIAC)	[10]no set number	none	none	none	[11]n/a	15	[17]2
Occupational Pensions Regulatory Authority (OPRA)	[12]no set number	[13]none	none	none	none	6	3
Pensions Compensation Board	3	none	none	none	none	3	none
Pensions Ombudsman	1	none	none	none	none	1	none
Social Security Advisory Committee	14	1	none	none	none	13	[17]2
War Pensions Committees (WPCs)	858	56	48	[14]n/a	[15]n/a	759	54
Women's National Commission (WNC)[16]	52	none	—	—	—	—	—

[1] Legislation requires that CACWP should comprise of not less than 12 War Pensions Committee Chairmen and 1 war disabled pensioner. Currently there are 22 Members excluding ex-officio members and a Departmental official.
[2] There is no distinction between members of CACWP who have retired or resigned as members are generally over retirement age. One Member has died since 1 May 1997.
[3] Members of CACWP have no formal contracts.
[4] There are no prescribed maximum or optimum numbers of Tribunal Chairmen and Members. Numbers are maintained at levels which are considered appropriate in view of current and predicted work-loads and sitting-patterns.
[5] There are currently no significant shortages of Tribunal Chairmen and Members.
[6] Figures at *(c)* and *(d)* have been compiled by interrogating a number of separate databases which are not identically configured. It is not possible to distinguish if some Tribunal Chairmen and Members have resigned or retired.
[7] Members of the Tribunals are not employed under contracts of employment. They are appointed for set periods, at the expiry of which are considered for re-appointment. Figures of those re-appointed since 1 May 1997 are not readily available.
[8] Legislation requires that DLAAB should comprise 1 Chairman and between 11 and 20 Members. Currently there is 1 Chairman and 18 Members.
[9] As DLAAB do not have a set number of places members are not recruited for a particular vacancy.
[10] Legislation does not provide for an exact number of IIAC places, it is for my right hon. Friend the Secretary of State to decide how many members are appointed. Currently there are 15 Members.
[11] Members of IIAC do not have formal contracts.
[12] Legislation requires that OPRA should comprise 1 Chairman and not less than 1 Chairman and 6 Members. Currently there is 1 Chairman and 8 Members.
[13] It is not proposed to recruit above the current OPRA membership of 9.
[14] There is no distinction between members of WPCs who have retired or resigned as members are generally over retirement age. The information given at *(c)* does not take account of any deaths.
[15] Members of WPCs have no formal contracts.
[16] The WNC has 50 member organisations, each of which is represented by a senior woman, who is nominated by the organisation which they represent. My right hon. Friend the Secretary of State has no responsibility for appointing member organisations or their representatives. As changes in representative are determined by the individual member organisations no records are held by this Department.
[17] Reappointments.

National Insurance Contributions

Mr. Cousins: To ask the Secretary of State for Social Security (1) on what date the Contributions Agency decided not to pursue arrears of national insurance contributions on allowances paid to Crown employees serving overseas from 1975; and if this decision was approved by Ministers; [35058]

(2) on what date advice was received by her Department that arrears of national insurance contributions on allowances of Crown employees serving overseas should be waived; and by what means this decision has been implemented; [35196]

(3) if he will make a statement on the number of cases and departments involved in respect of the waiving of arrears of national insurance contributions relating to allowances of Crown employees. [35197]

Mr. Denham: Regulations (SI 1997/820) came into force on 6 April 1997, amending regulations 19(1) (payments to be disregarded) of the Contributions Regulations 1979 by adding a new disregard in respect of allowances which are not taxable income by virtue of Section 319 of the Income and Taxes Act 1988 and similar allowances paid to those in the service of Commonwealth War Graves Commission and the British Council.

In a written answer to the hon. Member for South Dorset (Mr. Bruce), 18 March 1997, *Official Report*, column 572, the previous Government announced their decision to make this and other changes. This brought the treatment of overseas allowances for crown servants under national insurance legislation into line with their tax treatment, which had remained unchanged since 1943, and into line with the understanding of the legislation the Government had held previously. Ministers of the day decided that the Contributions Agency should not pursue arrears.

From the information available from the Departments concerned it is not possible to establish the number of cases involved. In the course of assisting the National

Audit Office with its Report on the National Insurance Fund Account 1996–97 (HC 465) the Department, from the information available to it about the amounts paid in the form of these allowances, estimated that arrears of £530 million had not been collected over the period since 1975. The large majority of such payments had been made to service personnel and members of the foreign service by the Ministry of Defence and the Foreign and Commonwealth Office. The collection of arrears would have involved a considerable administrative cost and produced no additional Government revenue.

Pensions

Mr. Quentin Davies: To ask the Secretary of State for Social Security what would have been the estimated cost to public funds in each of the financial years *(a)* 1998–99, *(b)* 1999–2000, *(c)* 2000–2001 and *(d)* 2001–2002 if contracted-out salary-related pension scheme and contracted-out money purchase pension schemes had been compensated for the abolition of the dividend tax credit at the same rate as appropriate personal pensions. [34696]

Mr. Denham: The information is not available in the format requested. Such information as is available is set out in the tables.

No estimates have been carried out for the tax year 1998–99 as the rebates could not be altered before April 1999.

Additional estimated amount of revenue forgone from the national insurance fund should the rebate in respect of contracted out salary-related schemes be adjusted to take account of the changes to tax credits on advance corporation tax

Year	*£ million*
1999–2000	225
2000–2001	250
2001–2002	250

Note:
This assumes an annual real rate of investment return in excess of earnings of 2 per cent., the same as that used for calculating the rebate levels for appropriate personal pensions from April 1999.

Additional estimated amount of revenue forgone from the national insurance fund should the recently announced rebates in respect of contracted out money purchase schemes be adjusted to take account of the changes to tax credits on advance corporation tax

Year	*£ million*
1999–2000	5
2000–2001	5
2001–2002	5

Note:
This assumes an annual real rate of investment return in excess of earnings of 2 per cent.

No estimates have been carried out for the tax year 1998–99 as the rebates could not be altered before April 1999.

Parliamentary Questions

Mr. Burns: To ask the Secretary of State for Social Security when he plans to reply to the three questions tabled by the hon. Member for West Chelmsford for named day answer on 2 March on the New Deal for Lone Parents. [35226]

Mr. Field: I refer the hon. Member to my written answer on Thursday 19 March 1998.

Correspondence

Sir Brian Mawhinney: To ask the Secretary of State for Social Security (1) when she expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 22 December 1997 on behalf of Mrs. Baldock; [35322]

(2) when she expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 19 January on behalf of Mrs. Ebbage; [35320]

(3) when she expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 26 January on behalf of Mrs. Brooks; [35323]

(4) when she expects to reply to the letter from the right hon. Member for North-West Cambridgeshire of 21 January on behalf of Mrs. Lindgren. [35321]

Ms Harman: Replies were sent to the right hon. Member's letters on behalf of Mrs. Baldock, Mrs. Brooks and Mrs. Lindgren on 16 March 1998. A reply to the right hon. Member's letter on behalf of Mrs. Ebbage was sent on 18 March 1998.

Lone Parents

Mr. Burns: To ask the Secretary of State for Social Security (1) how many of the 431 lone parents who gained employment through the New Deal between 23 October and 30 November 1997 are now in receipt of income support and have no earnings; [33349]

(2) how many of the 151 lone parents who gained employment through the New Deal between 1 and 31 December 1997 are now in receipt of income support and have no earnings; [33350]

(3) how many of the 98 lone parents who gained employment through the New Deal between 1 and 31 January are now in receipt of income support and have no earnings. [33351]

Mr. Field *[holding answer 9 March 1998]:* It is not possible to use the data from the New Deal for Lone Parents to draw conclusions about the lone parents' exit rate from employment because the data sample is small, and provides only a snapshot of lone parents in short-term work. It is also not possible to draw comparisons between the exit rates of these lone parents and that of different groups in society based on this information. However, analysis and comparison of exit rates will be made when the New Deal for Lone Parents is evaluated by the independent Social and Community Planning Research, which will report in 1999.

The number of lone parents who gained employment through the New Deal for Lone Parents between 23 October and 30 November 1997 was 391. Of that number, 66 have reclaimed Income Support and have no earnings.

The number of lone parents who gained employment through the New Deal for Lone Parents between 1 and 31 December 1997 was 141. Of that number, 19 have reclaimed Income Support and have no earnings.

The number of lone parents who gained employment through the New Deal for Lone Parents between 1 and 31 January 1998 was 228. Of that number, 26 have reclaimed Income Support and have no earnings.

Note:

The discrepancy between the figures quoted in the hon. Member's question results from a change in the method of counting: up to 31 December 1997 results on the New Deal for Lone Parents were obtained clerically, but from 1 January 1998, results on the New Deal for Lone Parents have been obtained directly from the Lone Parent Adviser (LPA) Database. Due to certain anomalies in the clerical records it is not possible to reconcile the numbers obtained clerically with the number obtained through the LPA system. The source of the figure quoted in the last question is not clear.

Income Support

Mr. Rendel: To ask the Secretary of State for Social Security what percentage and number of people aged over 60 years received income support by each Benefit Agency district for the latest year for which figures are available. [35200]

Mr. Field: The information has been placed in the Library.

Benefit Integrity Project

Mr. Love: To ask the Secretary of State for Social Security how many cases of *(a)* fraud, *(b)* customer error and *(c)* departmental error have been identified by the Benefit Integrity Project; of those cases in which fraud is suspected how many have been referred to the Benefit Fraud Investigation Service; and what estimate her Department has made of the number in which there is a realistic prospect of a conviction. [35109]

Mr. Denham: The Benefit Integrity Project aims to ensure that those in receipt of Disability Living Allowance are entitled to it. While it is right to check that people are receiving the correct amount of benefit, we are determined that those checks should be undertaken as sensitively as possible. Also, we should ensure all decisions taken as a result of the project are right. We have, therefore, acted to introduce an extra safeguard to improve the quality of, and confidence in, benefit decisions made by the Project.

The administration of this programme is a matter for Peter Mathison, Chief Executive of the Benefits Agency. He will write to my hon. Friend.

Letter from David Riggs to Mr. Andrew Love, dated 18 March 1998:

The Secretary of State for Social Security has asked Peter Mathison to reply to your recent Parliamentary Question concerning how many cases of *(a)* fraud; *(b)* customer error and *(c)* departmental error have been identified by the Benefit Integrity Project (BIP); of those cases in which fraud is suspected, how many have been referred to the Benefit Fraud Investigation Service; and what estimate her Department has made of the number in which there is a realistic prospect of a conviction. As Mr. Mathison is away from the office on leave, I am replying.

The BIP aims to ensure that those people in receipt of Disability Living Allowance are entitled to it and are receiving the correct amount. While the Project has, broadly, sustained the estimated level of incorrectness, it has not sustained the level of fraud estimated by the Benefit Review.

The information is not available in the format requested. As at 31 January 1998, the BIP had identified 157 cases in which fraud was suspected, of which 49 have been referred to the Benefit Fraud Investigation Service for further investigation. These investigations are still ongoing. In the remaining 108 cases, fraud staff in the Disability Benefits Directorate decided that there was no realistic prospect of determining whether fraud had occurred and the files were closed without further action.

Information in respect of customer and Departmental error is not routinely available.

A monthly report covering a range of statistics can be found in the House of Commons Library.

I hope you find this reply helpful.

Written Answers to Questions

Friday 20 March 1998

PRIME MINISTER

Ministerial Interests

Mr. Forth: To ask the Prime Minister on how many occasions since 1 May 1997 Cabinet Ministers have instructed their permanent secretary to investigate matters involving the Secretary of State's personal, family or constituency interests. [34529]

The Prime Minister: None.

INTERNATIONAL DEVELOPMENT

Co-operatives

Mr. Love: To ask the Secretary of State for International Development how much of her overall bilateral aid budget in *(a)* 1997–98, *(b)* 1998–99 and *(c)* 1999–2000 will be delivered through local co-operative, mutual or community-owned organisations. [35104]

Clare Short: I regret that my Department does not allocate or record expenditure in this way. Many bilateral aid projects work with and through local NGOs, groups and people.

Hospitality

Mr. Bercow: To ask the Secretary of State for International Development if she will list planned expenditure on hospitality for April and May, indicating the date, location and purpose of each event. [35126]

Clare Short: Neither I nor the Under-Secretary of State has planned any major events which will involve hospitality for April or May.

Burundi

Mr. Timms: To ask the Secretary of State for International Development if she will make a statement on the assistance her Department is providing to projects in Burundi. [35205]

Clare Short: Since October 1993, the UK has provided over £38.6 million in humanitarian assistance to Burundi; including our share of assistance provided through the European Commission. Our bilateral assistance is channelled through UN agencies and international Non-Governmental Organisations. We also continue to be a major supporter of human rights work in Burundi. This month, we pledged a further £0.8 million to the UN's human rights operation.

HOME DEPARTMENT

Victim Compensation

Ms Perham: To ask the Secretary of State for the Home Department what plans he has to review the enforcement of compensation orders; and what assessment he has made of the advantages of establishing a victim compensation fund. [35064]

Mr. Michael: The Government have implemented provisions in the Crime (Sentences) Act 1997, currently being piloted in Norfolk and Manchester, which will allow courts to impose community service orders, curfew orders or a disqualification from driving for up to 12 months on those in default of paying fines or compensation orders. This Act also enables courts to impose an attendance centre order on such a defaulter aged under 25 where this had previously been possible only for those under 21. The Working Group on the Enforcement of Financial Penalties, set up by the Lord Chancellor's Department, continues to look for improvements in the enforcement of financial penalties and has issued good practice guidance to magistrates' courts on the subject.

The question of whether those awarded compensation by the courts should receive payment from some sort of central compensation fund is being reconsidered as part of the current comprehensive spending review.

Roisin McAliskey

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department when he discussed with the Secretary of State for Northern Ireland his consideration of the case for refusal of extradition in respect of Ms R. McAliskey. [34531]

Mr. Straw: No such discussion took place.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department (1) if he will agree to set in motion consideration of a prosecution of Ms R. McAliskey if requested to do so by the German authorities; [34536]

(2) if he will list the matters he will take into consideration before deciding whether a prosecution of Ms R. McAliskey in this country is justified. [34535]

Mr. Straw: Article 7 of the European Convention on the Suppression of Terrorism requires that any such matter be referred to the United Kingdom prosecuting authorities for consideration. Article 7 also requires that their decision to prosecute be taken in the same manner as in the case of an offence of comparable seriousness alleged to have been committed in the United Kingdom.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department at what precise time on 9 March the Irish Government *(a)* Ministers and *(b)* officials were informed that he had decided not to extradite Ms R. McAliskey to Germany. [34538]

Mr. Straw: I spoke to the Irish Minister of Justice at 5.30pm on 9 March, and my right hon. Friend the Secretary of State for Northern Ireland spoke to the Irish Minister for Foreign Affairs at 6pm. Irish officials were also informed.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department at what precise time on 9 March he released to the press his decision not to extradite Ms R. McAliskey to Germany. [34537]

Mr. Straw: A Home Office press statement was issued at 6pm on 9 March.

Sir Brian Mawhinney: To ask the Secretary of State for the Home Department if he will publish the medical advice on which he based his decision not to extradite Ms R. McAliskey. [34530]

Mr. Straw: No. It is confidential material.

TREASURY

Budget

Mr. Baker: To ask the Chancellor of the Exchequer what account he took of the Pre-Budget report of the Environmental Audit Committee Session 1997–98, HC 547 in framing the proposals for his Budget. [35034]

Dawn Primarolo *[holding answer 18 March 1998]:* The Environmental Audit Committee's report was published on 10 March. It was not possible to give detailed consideration to the Committee's recommendations at that late stage of the Budget preparations. The Government will, however, formally respond to the Committee's report in due course.

Public Private Partnerships

Mr. Charles Clarke: To ask the Chancellor of the Exchequer what proposals he has received from the Ministry of Agriculture, Fisheries and Food for improvements to the efficiency with which that Department conducts its business and delivers services to the public, including the scope for extending the use of public and private partnerships. [35138]

Mr. Darling *[holding answer 19 March 1998]:* Proposals for efficiency improvement in all departments are being addressed in the context of the Comprehensive Spending Review. The results of this review will be announced this summer.

Correspondence

Mr. Jenkin: To ask the Chancellor of the Exchequer what factors governed the length of time taken to answer the letter from the hon. Member for North Essex of 28 November 1997 relating to Government policy on EMU. [35417]

Mrs. Liddell: Inquiries have revealed that the hon. Member's letter was mislaid during an accommodation move in the Treasury and only recently came to light. This is regrettable; steps have been taken to ensure no other correspondence has been affected in this way.

Credit Unions

Mr. Love: To ask the Chancellor of the Exchequer (1) what proposals he has to permit credit unions greater control over the definition of their common bond and to permit the merger of credit unions; and if he will make a statement; [35048]

(2) what consultations he has held with the Credit Union Movement regarding changes to the Credit Unions Act 1979; and if he will make a statement; [35050]

(3) what proposals he has to introduce a share protection plan for credit unions; and if he will make a statement; [35049]

(4) what consultations have been held with the Credit Union Movement regarding changes to the regulatory regime consequent on the creation of the Financial Services Authority; and if he will make a statement. [35051]

Mrs. Liddell: I have met with the Association of British Credit Unions. The Government support fully the credit unions' ethos of self help and thrift, and the encouragement they give people to save. We are currently examining ways—including some of those which the hon. Member has raised—to promote further growth, whilst continuing the movement's current focus on poorer communities. We will announce our intentions once the deliberations are complete.

DEFENCE

Defence Bills Agency

Mr. Borrow: To ask the Secretary of State for Defence if he intends to undertake a review of the Defence Bills Agency. [35892]

Mr. Spellar: The Defence Bills Agency, DBA, which was launched in 1995, is responsible for:

(a) paying and accounting for bills submitted by MOD's suppliers and contractors;

(b) raising invoices and pursuing moneys receivable for goods and services sold by MOD;

(c) maintaining accounting records for the MOD central ledger;

(d) providing accounting and management information on all these activities to MOD managers.

In accordance with the DBA's framework document, a periodic review of the Agency is underway. The performance of the DBA since its launch will be evaluated and a review of the options for the best management of its functions will be undertaken. Comments and contributions from those with an interest in DBA and its work will be welcomed. They should be sent by 31 May 1998 to:

DBA Review Team
Room 60
Northumberland Avenue
London WC2N 5BP
Telephone: 0171 218 6915.

Arms Exports

Mr. Hancock: To ask the Secretary of State for Defence what is his policy in respect of selecting national champions from amongst United Kingdom suppliers bidding for defence export orders; and if he will make a statement. [34710]

Mr. Spellar: As a general policy the Ministry of Defence, by means of the Defence Export Services Organisation, DESO, provides equal support to all United Kingdom suppliers bidding for defence export orders.

However, both Government and industry accept that, where there is a likelihood of competing British firms damaging each others' prospects and thereby jeopardising British success, DESO should concentrate its support on the company most likely to win.

In adopting this approach we aim to work by mutual agreement with industry and the following general principles are applied:

(a) MOD (DESO) will not intervene, unless it is considered necessary to avoid damage to British prospects;

(b) The assessment of this must be well founded but not become a ponderous bureaucratic exercise;

(c) While HMG will focus their support behind a single British firm, we have no powers to, and do not seek to, instruct other British firms to withdraw; nor of course, will we comment adversely on the companies or products upon which our support is not being focused;

(d) Any case for focusing Government support in this way is subject to Ministerial endorsement. The companies concerned are informed of the action to be taken and are provided with the reasons.

Official Residence

Mr. Bercow: To ask the Secretary of State for Defence what has been the cost of the refurbishment of his official residence since 1 May. [25183]

Mr. George Robertson *[holding answer 23 January 1998]:* The total amount paid for the repair and refurbishment of my official residence in Admiralty House was £16,546.53.

Car Parking

Mr. Baker: To ask the Secretary of State for Defence what plans he has *(a)* to reduce the number of car parking spaces available for use by staff and *(b)* to introduce charges for staff using workplace car parking spaces. [32457]

Mr. Spellar *[holding answer 3 March 1998]:* In line with the Guide to green transport plans circulated last September by my hon. Friend the Parliamentary Under-Secretary of State at the Department of the Environment, Transport and the Regions, my Department will be considering this issue in preparing Green Transport Plans for its key buildings.

Service Personnel Executions (World War I)

Mr. Lansley: To ask the Secretary of State for Defence what representations he has receiving concerning a pardon for service personnel executed in the First World War; and if he will make a statement. [35141]

Dr. Reid: I have received a number of written representations and am holding meetings with a number of leading contributors to the debate as part of my ongoing consideration of this matter. It was in this context that, on Wednesday 18 March, I met at my request, two of the foremost experts in the field, Judge Anthony Babington and Julian Putkowski.

Mr. Keith Simpson: To ask the Secretary of State for Defence when he intends to publish his review of the cases involving the execution of soldiers during the First World War; and if he will make a statement. [35401]

Dr. Reid: The review is in progress. No final decisions have yet been taken. I will announce my conclusions when the review is complete.

Field Sports

Mr. Baker: To ask the Secretary of State for Defence what factors led his Department's personnel to donate a tour of RAF Leeming to the British Field Sports Society; what guidance his Department issues on such matters; and if he will ensure that similar tours are provided on request for groups opposed to field sports. [35222]

Mr. Spellar *[holding answer 19 March 1998]:* Visits to RAF Stations by local organisations and local residents are made generally at the discretion of station commanders. They are designed primarily to maintain and promote good relations with the local communities and to raise awareness and understanding of the Royal Air Force, and particularly of the functions of a station and the reasons why its operational activities, which can be intrusive, are nevertheless necessary. All requests for such visits should and will be judged in this overall context.

It is in this context that RAF Leeming donated a tour of the Station as a prize for a charity auction being run by a local landowner, the proceeds of which went to the British Field Sports Society.

Ethnic Minorities

Mr. Brazier: To ask the Secretary of State for Defence what proportion of the armed forces are from the ethnic minorities, broken down into percentage figures for *(a)* officers and *(b)* other ranks for each of the following categories (i) RN/RM, (ii) Regular Army, (iii) RAF, (iv) RNR/RMR, (v) Territorial Army and (vi) RAAF. [35552]

Dr. Reid: The latest available figures show that at 1 January 1998, personnel from the ethnic minorities represented about 1 per cent. of the total Regular Armed Forces strength. Ethnic minorities represented: 0.94 per cent. officers and 0.72 per cent. other ranks in the Naval Service; 0.94 per cent. officers and 1.05 per cent. other ranks in the Army; and 1.12 per cent. officers and 1.27 per cent. other ranks in the RAF. No information is collected at present about the number of people from ethnic minorities in any of the Reserve Forces. I hope, however, to be able to make an announcement shortly about the introduction of ethnic monitoring among the Reserve Forces.

Land Mines

Mr. Menzies Campbell: To ask the Secretary of State for Defence what stocks of anti-personnel mines the United Kingdom holds outside United Kingdom territories. [35070]

Dr. Reid: None.

ENVIRONMENT, TRANSPORT AND THE REGIONS

Castle Cement

Mr. Gordon Prentice: To ask the Secretary of State for the Environment, Transport and the Regions what is

the source of the thallium cited in tables 4.65–4.66 of the Government Agency's volume, "Monitoring at Castle Cement"; what was the total thallium content, gas phase and particulate phase of emissions to air on 28 and 29 October 1996; and what factors underlie the difference in thallium inputs and outputs between the No. 5, No. 6 and No. 7 stacks. [34455]

Angela Eagle: The Environment Agency has advised my officials that some 75–80% of thallium emitted in the cement manufacture process comes from the raw material used, with the remainder emanating from the fuel. The Agency further advises that Tables 4.65 and 4.66 of the Air Quality Monitoring Report indicate that the total amount of thallium released to air from kilns 5 and 6 was 0.02kg on each of 28 and 29 October 1996, with 95% being emitted in the particulate phase. The Environment Agency has explained that kilns 5 and 6 use the "wet" production process, whilst kiln 7 use the "dry" process. The two types of process differ in many characteristics including releases. Differences in thallium releases are a feature of the difference in process technology and are higher in the "dry" process. A wet scrubber due to be installed on kiln 7 in April will reduce emissions of thallium from that kiln. The Environment Agency has advised that it is in the process of making further investigations into thallium and that it would be happy to provide further information direct.

Footways

Mrs. May: To ask the Secretary of State for the Environment, Transport and the Regions what is the Government's policy on the designation of footways for the use of shared facilities in respect of pedestrians and cyclists. [34547]

Ms Glenda Jackson: Shared use facilities do not offer a ubiquitous solution to providing better conditions for cyclists. They are very much a last resort measure, where there is a safety problem which cannot be solved on the road.

Conversion of a footway to a cycle track may be feasible in ensuring the continuity of a cycle route where numbers of pedestrians are low, or where there is a road safety problem which cannot be solved on the carriageway. Decisions on what is appropriate in particular cases fall to individual local highway authorities, who are able to take account of local circumstances.

The Department intends to review existing guidance to local authorities, and to update it so that it fully reflects policies for promoting both cycling and walking. The review process will involve consultation with interested organisations.

Single Regeneration Budget

Mr. Love: To ask the Secretary of State for the Environment, Transport and the Regions what is the timescale for completion of the informal review of the Single Regeneration Budget; and if he will make a statement. [35090]

Angela Eagle: The review of regeneration policy, including the Single Regeneration Budget, is part of the input to the Government's comprehensive spending review. The outcome of the comprehensive spending review is expected to be announced in the summer.

M6 (Widening)

Ms Walley: To ask the Secretary of State for the Environment, Transport and the Regions if the concession agreement between the Highways Agency and Midland Expressway contains provisions relating to the M6 and M6 widening; and if he will make a statement. [35053]

Ms Glenda Jackson: No, except to the extent that the agreement deals with the engineering and operational links of the BNRR to the M6.

Agencies

Mr. Swinney: To ask the Secretary of State for the Environment, Transport and the Regions what are *(a)* the number of staff employed at, *(b)* the salary bill for and *(c)* the administrative costs of (i) the Marine Accident Investigation Branch and (ii) the Air Accident Investigation Branch at each office in (1) London, (2) the South East of England and (3) Scotland. [34777]

Ms Glenda Jackson *[holding answer 18 March 1998]:* The information requested is as follows:

	1996–97 outturn	*1997–98 outturn forecast*
Marine Accident Investigation Branch (MAIB)[1]		
Number of staff	20	20
Pay costs	618,000	650,000
Non-pay costs	153,000	180,000
Programme costs	71,000	180,000
Total costs	842,000	1,010,000
Air Accident Investigation Branch (AAIB)[2]		
Number of staff	43	43
Pay costs	2,116,000	2,160,000
Non-pay costs	851,000	474,000
Programme costs	447,000	474,000
Total costs	3,414,000	3,549,000

[1] The MAIB are located at a single site in Southampton
[2] The AAIB are located at a single site in Farnborough

Roads (A27)

Mr. Baker: To ask the Secretary of State for the Environment, Transport and the Regions what would be the saving in construction costs if the planned split-level roundabout proposal for the western end of the A27 Polegate bypass were to be replaced by an at-grade one. [35223]

Ms Glenda Jackson *[holding answer 19 March 1998]:* I have asked the Chief Executive of the Highways Agency to write to the hon. Member.

Letter from Lawrie Haynes to Mr. Norman Baker, dated 20 March 1998:

The Transport Minister, Glenda Jackson, has asked me to reply to your parliamentary question asking what would be the saving in construction costs if the planned split level roundabout proposal for the western end of the A27 Polegate Bypass were to be replaced by an at-grade one.

No detailed analysis has been carried out, but we estimate that the savings would be in the order of £2.5 million. However, there could be additional costs to offset this. For example, if we were to put the junction at ground level the surplus material from the excavation of the split level roundabout would not be available for use as say, noise screens, and material would probably need to be brought in. There would also be the cost of designing the revised scheme.

The Polegate Bypass has completed the statutory procedures and major changes now, such as making the Cophall junction at-grade, may require further orders (because of a knock-on effect to a side road and on the alignment of slip roads).

The scheme is at present subject to the Review of the place of trunk roads in an integrated transport system.

Human Rights (Tibet and China)

Dr. Tonge: To ask the Secretary of State for the Environment, Transport and the Regions if he will discuss *(a)* human rights and *(b)* Tibet with the Chinese Government during his visit in June; and if he will report the results of his visit to the House on his return. [35543]

Mr. Prescott: I refer the hon. Member to my reply of 3 March 1998, *Official Report*, column *546*.

Conservation Areas

Mr. Leslie: To ask the Secretary of State for the Environment, Transport and the Regions when the Government will announce the submission of further areas to the European Commission as candidate special areas of conservation. [36013]

Mr. Meacher: A further list of UK proposals has today been sent to the European Commission. This consists of 24 new candidate Special Areas of Conservation, boundary extensions to 13 existing sites already submitted to the Commission as candidate SACs and the addition of further qualifying interests on another 10 candidate SACs. This represents a significant step forward in the implementation of the Natura 2000 network in the UK.

Consideration continues to be given to the few remaining sites included in the two consultation exercises carried out in March 1995 and October 1997 which have not yet been submitted to the Commission. I hope to announce the submission of further sites in the near future.

The list of proposals sent to the Commission is as follows.

New sites	*Boundary changes to existing sites*	*Changes to interest of existing sites (within existing boundary)*
England		
Lower Bostraze and Leswidden	Isles of Scilly Complex	Dartmoor
Newlyn downs	The Lizard	Chesil and the Fleet Asby Complex
South Devon Shore Dock	Rooksmoor	Roudsea Woods and Mosses
River Ehen	St. Albans Head to Durlston Head	Norfolk Valley Fens
Wast Water	Border Mires (Kielder to Butterburn)	Wasdale Screes
Rook Clift	Morecambe Bay Pavements	
Grimsthorpe	Blean Complex	
Barnack Hills and Holes	East Hampshire Hangers	
Devils Dyke	North Northumberland Dunes	
Ellers Wood and Sand Dale	Mole Gap to Reigate Escarpment	
Bollihope, Pikestone and Egglestone Fells	Thursley, Ash, Pirbright and Chobham	
North Somerset and Mendip Bats	Dungeness	
Mendip Woodlands		
River Itchen		
River Avon		
River Eden		
Exmoor Heaths		
Wales		
Glan-traeth	Berwyn	Eryri/Snowdonia
Llyn Cwellyn		Limestone Sea Cliffs of S.W. Wales/ Clogwyni Calchfaen De-orllewin Cymru
Morfa Harlech a Morfa Dyffryn		Preseli
River Usk/Afon Wysg		
Northern Ireland		
Rathlin Island		Garron Plateau
Lough Melvin		
Largalinny		

A further announcement about sites in Scotland will follow shortly.

NORTHERN IRELAND

Welfare Groups (Funding)

Mr. Trimble: To ask the Secretary of State for Northern Ireland if she will list the financial assistance provided in each of the last three years to groups interested in the welfare of *(a)* prisoners and *(b)* victims of crime. [33791]

Mr. Ingram: The information requested is as follows.

The Department of the Environment provides the following support to prisoners and victims of crime all of which are supported by the 26 EU district partnerships.

Project	*Grant amount £*
(a) Prisoners	
Armagh Ex-prisoners Association	1,875.00
Ex-prisoners Interpretative Centre	3,750.00
Prison Arts Foundation	3,084.00
South Belfast Prisoners Enterprise Project	2,250.00
Prisoners Aid Post Conflict Resettlement Group	2,250.00
Tar Anall Drop-in-Centre	3,750.00
Tar Anall Drop-in-Centre	1,500.00
North Belfast Prisoners Aid	3,750.00
Prison Arts Foundation	750.00
Teacht Na Failte, Prisoner Dependent Welfare	1,500.00
Prison Arts Foundation	3,750.00
NIACRO Omagh Workshop	19,332.00
NIACRO	19,382.00
NIACRO	19,932.00
Derry Taxi Association	18,000.00
Lisburn Enterprise Organisation Ltd	7,050.00
Prison Arts Foundation	60,000.00
LINC Resource Centre	13,750.00

Project	Grant amount £
Prison Arts Foundation	2,600.00
Lisburn Prisoners' Support Project	35,000.00
North Down Development Organisation	11,220.00
Prison Arts Foundation	4,950.00
NIACRO	18,392.00
Prison Arts Foundation	2,100.00
North Belfast Prisoners Aid Post Conflict Resource Centre	54,000.00
Belfast Self Build	50,000.00
Prisoners' Enterprise Project	70,000.00
Prison Arts Foundation	2,025.00
Tar Abhaile	60,000.00
Prison Arts Foundation	3,850.00
Prison Arts Foundation	3,000.00
Fermanagh Prisoners' Dependent Association	11,100.00
Tar Isteach	5,000.00
North Belfast Prisoner Aid Post Conflict and Resettlement	30,000.00
Total	548,892.00
(b) Victims of Violence	
Centre for Survivors of Trauma	3,750.00
Disabled Police Officers Association	2,250.00
Victim Support Northern Ireland	2,250.00
WAVE Towards Healing	3,750.00
Victim Support North Down	2,250.00
Lough Neagh South Victim Support	2,048.00
Foyle Women's Aid	60,000.00
Lisburn Victim Support	4,500.00
Newtownabbey and Carrickfergus Victims Support	15,000.00
WAVE Towards Healing	100,000.00
Erne, Strule and Colgher Valley Victim Support	12,400.00
Newry Women's Aid	60,000.00
Ballymena Victim Support	8,762.00
Stabane and District Victim Support	24,117.00
Newry/Amagh Victim Support	30,000.00
WAVE Towards Healing	30,000.00
Limavady Victim Support	4,000.00
Coleraine Women's Aid	22,000.00
Cookstown and Dungannon Women's Aid	17,515.50
Ballymena Women's Aid	25,141.00
Cookstown and Dungannon Women's Aid	15,000.00
Women's Aid	38,551.00
Fermanagh Women's Aid	27,500.00
North Down and Ards Women's Aid	43,439.00
Fermanagh Women's Aid	20,000.00
North Down and Ards Women's Aid	10,600.00
Cunamh	50,000.00
Total	634,823.50

Figures are not available for the whole of the last three years, as the partnership Board was only formed in February 1996. The figures stated are therefore from February 1996 to date.

The Northern Ireland Prison Service has provided financial assistance to each of the following groups who are interested in the welfare of prisoners:

£

Group	1995/96	1996/97	1997/98
(a) Prisoners			
Probation Board (NI)	[1]—	810,000.00	810,000.00
NIACRO	65,000.00	—	75,000.00
Save the Children	—	72,000.00 [2]12,100.00	—
Total	65,000.00	894,100.00	885,000.00

[1] No figure is available for the year 1995/1996, as prior to year 1996/1997 payment was not the responsibility of NIPS.
[2] This was a one off payment made to Save the Children Fund in respect of staff redundancies at the Visitors Centre in HMP Belfast at the time of the prison's closure.

Under the Probation Board (Northern Ireland) Order 1982, the Probation Board for Northern Ireland (which receives grant-in-aid from the NIO) has a statutory duty to provide social welfare services in prisons. At the beginning of 1996/97 the budget for these services was transferred from PBNI to the Northern Ireland Prison Service.

The NIO core funds two voluntary organisations (NIACRO and Extern) who work towards the rehabilitation of offenders. In addition the NIO acts as a conduit for Making Belfast Work projects aimed at reducing the incidence and fear of crime. The NIO is also responsible for monitoring peace and reconciliation money paid through the Department's Intermediary funding body, the Northern Ireland Voluntary Trust. Figures for the past 3 years are as follows:

£

Group	1995/96	1996/97	1997/98
(a) Prisoners			
Northern Ireland Association for the care and Resettlement of Offenders (NIACRO)	415,000.00	415,000.00	436,000.00
Extern Organisation	314,950.00	275,000.00	355,000.00
Probation Board for Northern Ireland	[1]810,000.00	0	0
Making Belfast Work (MBW) projects	252,500.00	515,080.00	543,100.00
EU Special Support Programme for Peace and Reconciliation	35,000.00	539,424.00	578,260.00
Total	1,827,450.00	1,744,504.00	1,912,360.00
(b) Victims of Crime			
Victim Support Northern Ireland (Grant)	270,000.00	398,000.00	480,000.00
MBW Projects	177,000.00	112,000.00	125,000.00
EU Special Support Programme for Peace and Reconciliation	0	169,980.00	368,503.00
Women's Aid	0	36,575.00	48,570.00
Newry Elderly and Vulnerable	0	6,680.00	6,620.32
AMARC—Domestic Violence	0	491.26	0
Extern	2,970.00	0	0
Total	449,970	723,726	1,028,693.32

[1] Budget transferred to the Northern Ireland Prison Service at the end of 1995/96.

In addition money is spent on crime prevention, research and other services relevant to the victims of crime.

The Department of Health funds the following groups which support victims of crime.

£

Group	1995/96	1996/97	1997/98 (to date)
NEXUS Institute	72,663.00	60,505.00	71,274.00
Rape Crisis and Sexual Abuse Centre	29,330.00	33,265.00	19,885.00
Childline	14,679.00	24,850.00	24,967.00
Northern Ireland Women's Aid Federation	87,636.00	105,684.00	128,776.00
Total	204,308.00	224,304.00	244,902.00

Standing Advisory Commission on Human Rights

Mr. Robert McCartney: To ask the Secretary of State for Northern Ireland, pursuant to her answer of 26 February 1998, *Official Report*, columns *336–37*, on what statutory authority she authorised to the Standing Advisory Commission on Human Rights to provide advice on issues beyond those set out in its statutory remit; and on what statutory basis it is permitted to expend moneys in such circumstances. [34615]

Marjorie Mowlam: Given the broad terms in which it is cast, the advisory role which the Standing Advisory Commission on Human Rights has under section 20 of the Northern Ireland Constitution Act 1973 is wide. Successive Governments have acted on this basis, but have also sought advice on other issues from SACHR on an extra-statutory basis. All of SACHR's functions are paid for by moneys provided by Parliament from the Northern Ireland Office Administrative, Law, Order, Protective and Miscellaneous Services, Class XV Vote 1.

Wimbledon Football Club

Mr. Keith Simpson: To ask the Secretary of State for Northern Ireland if it is the Government's policy to encourage Wimbledon football club to relocate to Northern Ireland. [35270]

Mr. Paul Murphy *[holding answer 19 March 1998]:* I believe that, in general, major sporting and cultural events can bring significant direct and indirect economic benefits to Northern Ireland, help to bring the two sides of the community together, and assist in projecting a more positive image of the area to an international audience. The relocation of any football or other sporting club to Northern Ireland is, however, a matter for that club and the relevant governing bodies in the sport concerned.

Mr. Keith Simpson: To ask the Secretary of State for Northern Ireland which Minister authorised civil servants in her Department to seek to persuade Wimbledon football club to relocate to Northern Ireland. [35269]

Mr. Paul Murphy *[holding answer 19 March 1998]:* There has been some exploratory correspondence and discussion at both Ministerial and official level initiated by a group of Northern Ireland business people about their outline concept for building a new sports stadium in Belfast. There has been no contact between civil servants and Wimbledon football club seeking to persuade that club to relocate to Northern Ireland.

Work-related Injuries

Mr. William Ross: To ask the Secretary of State for Northern Ireland if she will list the number of *(a)* claims brought and *(b)* occasions when compensation was paid, by courts in Northern Ireland in respect of injuries received at work in each of the last five years indicating the number of injuries recorded per 100,000 persons at work in Northern Ireland in each year or as much information as is readily available to her. [34574]

Mr. Hoon: I have asked to reply. The information requested is not immediately available and could be provided only at disproportionate cost.

EDUCATION AND EMPLOYMENT

Hospitality

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what is his current estimate of the expenditure of his Department, its agencies and non-departmental public bodies on hospitality since 1 May 1997. [27785]

Dr. Howells *[holding answer 5 February 1998]:* Expenditure by the Department, and reported by its agency and non-departmental public bodies (NDPBs) on hospitality since May 1997 is shown in the table:

	£
DfEE	12,000
Employment Service	3,000
NDPBs	
Educational Communications and Technology Agency	'500
Centre for Information on Language Teaching & Research	0
Construction Industry Training Board	'2,000
Education Assets Board	0
Engineering Construction Industry Training Board	'15,000
Equal Opportunities Commission	'2,700
Funding Agency for Schools	0
Further Education Funding Council	'6,300
Higher Education Funding Council	'8,000
Investors in People UK	'200
Qualifications and Curriculum Authority	10,000
Remploy Ltd	45,000
Students Loan Company	0
Teacher Training Agency	500
Special Educational Needs Tribunal	0

' NDPBs that could provide only estimated figures are highlighted.

Conferences

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment if he will list the conferences held by his Department since 1 May 1997, giving in each case the *(a)* purpose and *(b)* estimated cost. [27784]

Dr. Howells *[holding answer 5 February 1998]:* Details of the conferences held by the Department since 1 May 1997, giving *(a)* their purpose and *(b)* their estimated cost, are shown in the table.

Title	*Purpose*	*Cost (£)*
Employment Service—Way Ahead Conference (May 1997)	A planning conference for ES staff	27,280
Launch of White Paper 'Excellence in Schools' (7 July 1997)	The national launch of the 'Excellence in Schools' White Paper	15,386
Skills and Enterprise Network Conference (9–10 July 1997)	To disseminate information and network with those working in the field of labour market information	7,100
Excellence in Schools—White Paper (9–18 September)	A series of seven regional conferences held in London, Birmingham, Newcastle, Sheffield, Bristol and Manchester to consult on the proposals contained in the Excellence in Schools White Paper	129,000
Disabilities Services National Conference (August 1997)	To promote Employment Service disability services	550
New Deal—Consultation Conferences (August 1997)	A series of consultation conferences for potential 'New Deal' partners	88,335
Additional New Deal—Consultation Conference (September 1997)	A further consultation conference for potential 'New Deal' partners	27,000
Employment Service—Way Ahead Conference (September 1997)	A further series of planning conferences for ES staff	47,335
Emotional and Behavioural Difficulties (September-October 1997)	A series of regional workshops for practitioners and specialists in emotional and behavioural difficulties, to disseminate good practice	12,000
National Literacy Strategy Conference (20 October 1997)	To encourage Local Education Authorities and the Department of Education and Employment to work together on the national literacy strategy and to launch the bidding guidance and discuss content	49,888
Special Educational Needs—Green Paper Conferences (October 1997)	Series of regional consultation conferences	31,000
Disability Discrimination Act (October-November 1997)	Series of regional conferences covering disability in the context of the Disability Discrimination Act	32,000
Early Years Development Plans—Conferences (October-November 1997)	A series of conferences to advise Local Educational Authorities on developing Early Years Development Plans	35,000
Qualifying for Success (October-December 1997)	A series of conferences to consult schools and Higher Educational Institutions on the proposals for reforming 16–19 qualifications	115,000
Careers Service Conference (3–4 November 1997)	A guidance through partnership conference for chief executive and chairmen of Careers Service, disseminating good practice, the event included a Ministerial announcement on the future of the Careers Service	100,000
National Vocational Qualifications/Scottish Vocational Qualifications International Conference (4–5 November 1997)	To promote National Vocational Qualifications and Scottish Vocational Qualifications abroad, to interested countries	128,121
National Vocational Qualifications—Awarding Bodies (2–3 December 1997)	A conference aimed at working towards a united approach to qualifications	38,600
Race for the Future (December 1997)	A conference to encourage employers to take action to develop race equality policies within their organisation	24,000
UK Skills Conference (3 December 1997)	To celebrate the achievements gold medal award of the UK team at the Youth Skills Olympics	4,932
Towards Equality (Disability on the Agenda) (5 December 1997)	A conference concentrating on the broad issue of what is being done within the United Kingdom to move towards equality for people with disabilities	20,000
Employment Zones (28 January 1998)	A working conference for Employment Zones prototype partners to exchange ideas before going live. The conference included a ministerial speech	20,000
Equal Opportunities Conference (29 January 1998)	A conference promoting equal opportunities and best practice in Industry Training Organisations/ National Training Organisations	10,200
National Year of Reading (30 January 1998)	A conference to celebrate the launch of the National Year of Reading	85,161
National Training Organisations Partner Conference (25 February 1998)	A conference National Training Organisations amongst the business sector	7,817
School Governors Conference (12–14 February 1998)	Providing the opportunity for OPSTED, Local Educational Authorities, Department for Education and Employment and School Governors to work together to raise standards in schools	12,500
Numeracy Matters (11–12 February 1998)	A conference to discuss the preliminary report of the numeracy task force, which was published for consultation in January 1998	49,000

Theft and Fraud

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment what is his estimate of the cost of theft and fraud to *(a)* his Department, *(b)* its agencies and *(c)* non-departmental public bodies in (i) 1995–96, (ii) 1996–97 and (iii)1997–98 to date. [27782]

Dr. Howells *[holding answer 5 February 1998]:* Details of the information provided to compile the Department's 1995–96 and 1996–97 annual returns to Treasury and that collected for 1997–98 to date is as follows:

£

	1995–96	*1996–97*	*1997–98 to date*
DfEE			
Internal	41,147	21,195	18,750
External	201,000	8,600	118,931
Its agencies			
Internal	26,144	549,729	3,900
External	1,020,000	275,500	25,800
NDBP			
Internal	22,995	3,254	11,886
External	463,964	149,245	127,150

Lost and Stolen Items

Mr. Malcolm Bruce: To ask the Secretary of State for Education and Employment if he will list those items valued at more than £25 stolen or lost from his Department since 1 May 1997; and if he will make a statement. [27783]

Dr. Howells *[holding answer 5 February 1998]:* Details of items stolen or lost from this Department since 1 May 1997 which have been reported for recording in the losses register are as follows:

Items	*Circumstances*	*Value (£)*
Lap top computers (2)	Lost/stolen in the post	2,531
Lap top	Stolen from car of visiting officer	2,200
All thefts from Sanctuary Buildings		
Palm top computer		400
Lap top computers (3)		3,900
Answering Machine		30
Portable Printer		300
Lap top computer		1,200
Notebook computer		1,200
Hayes Optima		80
Lap top computers		4,000
Flat bed scanner		680
Total		18,021

The level of reported thefts from Sanctuary Buildings has given cause for concern. As a result guidance has been issued by the Director of PSSD to all staff on increased vigilance in the safeguarding of assets. If the thefts continue, further security measures will be considered.

Mature Students

Mr. Jenkin: To ask the Secretary of State for Education and Employment how many applications from mature students were received in the year 1997–98; and how many there are for the forthcoming year. [35413]

Dr. Howells: Centrally held information on applications to higher education courses covers only those applying through the Universities and Colleges Admissions Service (UCAS) for full-time and sandwich degree, DipHE and HND courses. It therefore excludes those applying for part-time and post-graduate courses and also those who apply direct to the institutions rather than through UCAS.

The UCAS data for the 1997–98 academic year show that 97,400 or 24% of home applicants to full-time and sandwich undergraduate courses in the UK were mature students. Final figures for the 1998–99 academic year will not be available until the autumn, but the latest figures published by UCAS show that, as at 15 December, the number of applications from mature students was 18% down compared with the same point in 1997–98. This fall in part reflects trends in demographics and the numbers of potential entrants with the relevant entry qualifications. Even so, these figures are not a particularly good guide to final numbers for mature applicants as typically only 50% apply as at that date. More recent evidence suggests some recovery in mature applicant numbers.

Mr. Jenkin: To ask the Secretary of State for Education and Employment what provision will be made for childcare for children of mature students whose spouses are in full-time work. [35414]

Mr. Alan Howarth: FE Colleges are often ideally placed to help parents, including those who are taking vocational and other courses to further their employment prospects, by providing on-site childcare. The Government have allocated £5 million to the Further Education Funding Council for 1998–99 to increase the out of school childcare provision available in FE colleges.

Mr. Jenkin: To ask the Secretary of State for Education and Employment what was the ratio of mature students to non-mature students in higher education in each of the past five years; and what are the figures for the forthcoming year. [35412]

Dr. Howells: The figures for the five years up to 1996–97 are given in the table. Figures for 1997–98 are not yet available. Although the Department produces projections of total student numbers these are not disaggregated by age.

Full-time and part-time home postgraduate and undergraduate students in Great Britain (excluding the Open University)

Academic year	*All students (000)*	*Percentage mature*[1]
1992–93	1,197.4	55
1993–94	1,305.6	57
1994–95	1,423.2	58
1995–96	1,473.2	60
1996–97	1,521.2	60

[1] Mature undergraduates are defined as those aged 21 or over. Mature postgraduates are defined as those aged 25 and over.

Student Loans

Mr. Jenkin: To ask the Secretary of State for Education and Employment what plans he has to change the repayment schedules of existing student loans. [35415]

Dr. Howells: We have no plans to change the repayment schedules of loans taken out under the existing scheme. The Education (Student Loans) Act 1998 which came into force on 1 March 1998 fixed the repayment terms of existing loans and they cannot unilaterally be changed by the Government or any other party involved in the administration of student loans.

The Education (Student Loans) Regulations 1998 have improved the repayment terms for some disabled borrowers who can now qualify for an extended repayment schedule or deferment period if they are in receipt of certain disability benefits.

Funding Agency for Schools

Mr. Fallon: To ask the Secretary of State for Education and Employment how many people are employed at each of the offices of the Funding Agency for Schools; and on what contractual terms. [35544]

Mr. Byers: The information requested is presented in tabular form:

Head count by contract type (as at 28 February 1998)

	York	*Darlington*	*London*	*Total*
Permanent	146	88	8	242
Loan	14	32	0	46
Fixed Term contract	27	24	0	51
Casual/Long Term temps	12	14	0	26
Total	199	158	8	365

New Deal (Colchester)

Mr. Jenkin: To ask the Secretary of State for Education and Employment what targets he has set for the New Deal in the Colchester Employment Service District; and if he will estimate the cost of achieving them. [35416]

Mr. Andrew Smith: National targets for the New Deal will be included in the 1998–99 Annual Performance Agreement with the Employment Service, which will be published soon. The ES will then set its own targets at District level to reflect local circumstances. The programme has been designed to meet the individual needs of unemployed people within each locality and as a result it is not possible to predict what type of help will be most suitable for everyone, or what its cost will be.

CULTURE, MEDIA AND SPORT

Television (Listed Events)

Mr. Grogan: To ask the Secretary of State for Culture, Media and Sport what plans he has to publish the report of the Review Committee on Listed Events. [35715]

Mr. Chris Smith: The independent advisory group under the chairmanship of Lord Gordon of Strathblane has completed its deliberations and submitted its report to me. I have today placed copies in the Libraries of the House. The final decision on what changes, if any, to make to the current list is mine, and I expect to announce that decision within the next few weeks.

Cricket

Dr. Tonge: To ask the Secretary of State for Culture, Media and Sport what grants have been given to the England and Wales Cricket Board in each of the last five years from *(a)* the Sports Council, *(b)* the National Lottery and *(c)* other public funds. [35329]

Mr. Banks *[holding answer 19 March 1998]:* The information requested is as follows:

(a) the England and Wales Cricket Board was established in 1997 and was awarded £212,750 exchequer funding in that year by the English Sports Council, which included funding for the development of cricket for women and young people.

In previous years, the then GB Sports Council made exchequer awards to the Cricket Council for similar purposes, as follows:

Year	*£*
1996	216,700
1995	150,000
1994	150,000
1993	130,000

(b) neither the ECB, nor the Cricket Council, has received an award from the Lottery Sports Fund; and

(c) the ECB has received 2 awards from Sportsmatch, totalling £65,000.

LORD CHANCELLOR'S DEPARTMENT

Ministerial Travel

Mr. David Atkinson: To ask the Parliamentary Secretary, Lord Chancellor's Department, pursuant to his answer to the hon. Member for Lewes (Mr. Baker) of 19 February 1998, *Official Report*, column *851*, on ministerial travel, what was the purpose of his visit to Leigh Day & Co., Solicitors, London on 15 January; what has been the outcome; and if he will make a statement. [34540]

Mr. Hoon: I was invited on 4 November by Leigh Day & Co. solicitors to visit their firm to discuss the Government's proposals regarding legal aid. As with all visits to practitioners, I found the discussion very useful.

Legal Aid

Mr. Cox: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the largest sum of money granted towards legal aid costs in a single case in 1997. [34713]

Mr. Hoon: It is not possible to answer the question in the form requested as our records contain only closed cases. The most expensive closed case in 1996/97 financial year was R. v. Maxwell & Others which concluded in September 1996. The costs to the Legal Aid fund of this case to date are £14.85 million. Although all claims have now been determined, eight bills remain to be re-determined and therefore it is not yet possible to give the final cost of the case.

Mr. Cox: To ask the Parliamentary Secretary, Lord Chancellor's Department what was the total amount of money granted in legal aid in 1997. [34714]

Mr. Hoon: The total of Gross payments (including payments on account) made during 1996/97, the last full year for which records are available, from the Legal Aid Fund for Criminal Legal Aid in the Higher Courts was £1,923.54 million. Over the same period, receipts totalled £447.87 million. Net expenditure (including payments on account) was £1,475.67 million.

Industrial Injury Claims

Mr. William Ross: To ask the Parliamentary Secretary, Lord Chancellor's Department if he will list the number of *(a)* claims brought and *(b)* occasions when compensation was paid, by English courts in respect of injuries received at work in each of the last five years indicating the number of injuries recorded per 100,000 persons at work in England in each year or as much information as is readily available to him. [34573]

Mr. Hoon: For the county courts, information is collected centrally only on the total number of personal injury claims issued and cases heard in England and Wales. It is not broken down into the number of claims brought or occasions when compensation was paid in respect of injuries received at work. The information requested could be obtained only at disproportionate cost. In the High Court, the only information available is the number of personal injury cases disposed of after being set down for trial. Again, these data are not available by type of claim or by region and could also be obtained only at disproportionate cost.

TRADE AND INDUSTRY

Millennium Compliance

Mr. David Atkinson: To ask the President of the Board of Trade what plans she has to hold, during the British presidency bilateral meetings with EU member and applicant states to discuss the need for computer systems to be millennium compliant; and if she will make a statement. [33864]

Mrs. Roche: The century date change was on the agenda at the 26 February Telecommunications Council and will be discussed again at the next Telecommunications Council on 19 May. It was also raised at the European Conference in London on 12 March, and I will be discussing the matter at all suitable opportunities with my Ministerial counterparts. The UK will also be hosting an EU Millennium Bug Conference in May.

Public Bodies

Ms Roseanna Cunningham: To ask the President of the Board of Trade if she will list the bodies within the responsibility of her Department currently required by legislation to lay a report before Parliament. [33564]

Mrs. Beckett *[holding answer 9 March 1998]:* I am not aware of any bodies within the responsibility of my Department which are currently required by legislation to lay a report before Parliament in their own right. However, a number report to me and I am then required to lay their report before Parliament. They are:

Advisory Conciliation and Arbitration Service (ACAS)
Atomic Energy Authority
British Shipbuilders
British Steel Corporation
Certification Officer
Coal Authority
Commissioner for Protection against Unlawful Industrial Action
Commissioner for the Rights of Trade Union Members
Director General of Electricity Supply (OFFER)
Director General of Fair Trading (OFT)
Director General of Gas Supply (OFGAS)
Director General of Telecommunications (OFTEL)
Monopolies and Mergers Commission
National Research and Development Council
Post Office
Post Office Users' Councils.

Mr. Burns: To ask the President of the Board of Trade if she will publish a list of non-departmental public bodies *(a)* she has abolished since 1 May 1997 and *(b)* she has established since 1 May 1997; and what are the planned annual running costs of those that have been established since 1 May 1997. [34832]

Mrs. Beckett *[holding answer 17 March 1998]:* Since 1 May 1997, my Department has abolished one non-departmental public body—the Advisory Committee for the Joint Environment Markets Units. It has also established one—the Spectrum Management Advisory Group. This Group is an advisory body and will not need running costs provision.

Task Force on Vertical Agreements

Mr. Breed: To ask the President of the Board of Trade how many times the Taskforce on Vertical Agreements has met since its inception. [35209]

Mr. Nigel Griffiths: There have been five meetings of the working group of the task force and one meeting of the review group.

Mobile Phones

Mr. Clapham: To ask the President of the Board of Trade what plans she has to bring mobile phone companies under OFTEL. [34524]

Mrs. Roche *[holding answer 16 March 1998]:* Mobile phone companies, like all other telecommunications operators, are licensed under the Telecommunications Act 1984 and regulated by OFTEL. In regulating the provision of licensed telecommunication services, the Director of Telecommunications may refer matters which he considers operate or may be expected to operate against

the public interest to the MMC and ask whether any effects adverse to the public interest could be remedied by way of licence modification.

Coal-fired Power Stations

Mr. Redwood: To ask the President of the Board of Trade what plans the Government have to subsidise the generators to burn additional volumes of coal. [35228]

Mrs. Beckett *[holding answer 19 March 1998]:* Choice of energy sources for power stations is currently the subject of a Government Review. I refer the right hon. Gentleman to my reply to my hon. Friend the Member for Rugby and Kenilworth (Mr. King) of 22 December 1997, *Official Report*, columns *519–20*.

Digital Television

Mr. Llew Smith: To ask the President of the Board of Trade what assessment she has made of the additional electricity demand that will arise from the introduction of digital television; and if she will calculate the additional Carbon Dioxide emissions that will arise based on different estimates of the use of digital television. [34417]

Mrs. Roche: I understand that the power rating of different digital set top boxes are currently expected to be in the range of 10–30 Watts; equivalent to a low power light-bulb. It is expected that this will fall as refinements are made to designs. How much this adds to electricity demand and Carbon Dioxide emissions will depend, as with current analogue decoders, on how long consumers leave their decoders switched on, and how quickly they adopt digital television services. It is not possible to predict either of these factors with any certainty at this stage. The net impact in the longer-term will also be affected by the savings in energy consumption, estimated at roughly 5 Mega Watts, from eventual closure of the analogue transmitters which are always on and which run at significantly higher power levels than their digital replacements.

Milk Market

Mr. Letwin: To ask the President of the Board of Trade if she will ensure that the MMC inquiry into the milk market will investigate margins and returns earned by major dairy firms. [33739]

Mr. Nigel Griffiths: The reference into the supply of raw milk in Great Britain was made by the Director General of Fair Trading (DGFT) under the Fair Trading Act 1973. He asked the Monopolies and Mergers Commission (MMC) to investigate because of concerns he has about the competitiveness of the milk market in Great Britain. The reference was framed by the DGFT to enable the MMC to look at all aspects of the supply of raw milk in England, Wales and Scotland. It is for the MMC to decide what factors they will take into consideration in the course of their inquiry, within the framework of the reference.

The hon. Member should submit his views on margins and returns earned by major dairies to the MMC (The Reference Secretary, Milk), MMC, New Court, Carey Street, London WC2A 2JT.

WALES

Medical Staff

Mr. Llwyd: To ask the Secretary of State for Wales what initiatives his Department is taking to increase the recruitment and retention of medical staff in the rural areas of Wales. [34356]

Mr. Win Griffiths: General practitioners working in rural areas are able to obtain assistance under their remuneration system by claiming Rural Practice payments, an Associate allowance and an Inducement allowance if eligible.

In July 1997 I announced the setting up of an Equity Fund of £0.5 million to help address local recruitment and retention problems. Additionally, the Government identified in the Primary Care Act 1997 a range of flexibilities for addressing local service needs and recruitment difficulties.

In 1998–99, health authorities in Wales will receive an additional £3.9 million increase to their cash limited budget for GP practice staff and premises. This is a 7.8 per cent. cash increase on last year or a 5.0 per cent. increase in real terms growth. The budget includes provision, at health authority discretion, to reimburse GPs a proportion of practice staff costs which may include the employment of salaried doctors and practice nurses.

General Practitioners (Stress)

Mr. Llwyd: To ask the Secretary of State for Wales if he will conduct a survey into GP stress levels in Wales. [34623]

Mr. Win Griffiths: We have no plans to do so at present as this is primarily a matter for the profession. I understand that the General Medical Council and the BMA have each established helplines to give advice to GPs who may be affected by stress.

For its part, the Government are taking steps to relieve the pressure on the GP workforce. More doctors are being trained than ever before and medical school intake is being increased by 11 per cent. over the next few years. Overall GP numbers are increasing and the average list size continues to fall (down to 1,705 in April 1997).

We have also taken steps to simplify the remuneration and operational aspects of the GP contract to relieve the burdens on individual GPs.

New opportunities for GPs to provide services in different ways which are best suited to individual and local circumstances were introduced with the Primary Care Act 1997. For example, some doctors have indicated that they should like to move to salaried status in order to be relieved of the administrative and other burdens of independent practice.

In November of last year we also introduced changes to the national contract for GPs enabling practices to fund the employment of other doctors with the aid of funds held at Health Authority level.

Finally, we have accepted the recommendations of the Review Body on Doctors' and Dentists' Remuneration that an additional £60 million be made available on a GB basis from 1999–2000 for the enhancement of general

medical practitioners' net remuneration (in addition to the general award of a 5.2 per cent. increase which is to be implemented in two stages during 1998). We are exploring with the profession ways in which this money may best be targeted to help relieve the burdens of practices with the greatest pressures.

Public Bodies

Mr. Edwards: To ask the Secretary of State for Wales what policy he has put in place for the transfer and retention of staff of the non-departmental public bodies affected by the Government of Wales Bill; and if he will make a statement. [35965]

Mr. Ron Davies: In line with the proposals in the White Paper 'A Voice for Wales', I have agreed the following policy on the transfer and retention of staff of affected NDPBs and on the staff of the two Special Health Authorities which, although not directly affected by the Government of Wales Bill, will be joining the proposed National Assembly for Wales.

Careful consideration has been given to the need to ensure the continuity of management and customer service during a period of great change for these organisations. Once the overall structure of the 'economic powerhouse' and the relevant parts of the National Assembly is agreed then staff will be considered for the resulting posts as follows:

- staff in posts which remain largely unchanged will be able to retain these jobs if they wish;
- where a post has changed then internal applicants from the affected bodies will be able to apply in the first instance;
- if no suitable candidate is found, then the post may be subject to wider competition, including open advertisement.

Targeted voluntary early retirement/severance will also be used if and where necessary.

These principles were communicated to staff in December 1997 and underpin the arrangements now being planned or implemented by senior management in all of these organisations. Specific arrangements apply, or are expected to apply, to each of the affected organisations as follows:

1) All staff currently employed by Housing for Wales (Tai Cymru) who wish to transfer to the Welsh Office will be able to do so. A postings policy is in place to ensure fair competition for the posts in the new Housing Department of the Welsh Office. Those who are not successful in obtaining jobs in that Department, and who wish to join the National Assembly, will be offered posts elsewhere in the Welsh Office.

2) Subject to consultation, a similar policy will apply to staff of the Health Promotion Authority for Wales and those parts of the Welsh Health Common Services Authority which are to be transferred to the proposed National Assembly who have not taken voluntary early retirement/severance. Other staff in WHCSA will transfer to other parts of the NHS as agreed following a series of reviews currently being carried out.

3) All staff of the Development Board for Rural Wales and the Land Authority for Wales will transfer to the Agency on the abolition of those bodies, in accordance with the provisions of the Staff Transfer Order to be made under powers contained in clauses 122 and 128 of the Government of Wales Bill. All the staff of the three agencies are eligible to apply for early severance.

Staffing requirements following the establishment of the National Assembly and the 'economic powerhouse' will be a matter for those bodies to determine.

National Assembly

Mr. Rhodri Morgan: To ask the Secretary of State for Wales if he will place in the Library the documents pertaining to the net present value comparisons of the alternative sites and buildings for the National Assembly for Wales. [35593]

Mr. Win Griffiths: My right hon. Friend has already placed in the Library of the House a brief summary of the local authority bids for accommodating the National Assembly for Wales.

Once negotiations for the site of the Assembly are complete my right hon. Friend intends to place in the Library of the House a brief summary of the remaining bids.

Industrial Injury Claims

Mr. William Ross: To ask the Secretary of State for Wales if he will list the number of *(a)* claims brought and *(b)* occasions when compensation was paid, by courts in Wales in respect of injuries received at work for each of the last five years indicating the number of injuries recorded per 100,000 persons at work in Wales in each year or as much information as is readily available to him. [34571]

Mr. Hoon: I have been asked to reply.

For the county courts, information is collected centrally only on the total number of personal injury claims issued and cases heard in England and Wales. It is not broken down into the number of claims brought or occasions when compensation was paid in respect of injuries received at work. The information requested could be obtained only at a disproportionate cost. In the High Court the only information available is the number of personal injury cases disposed of after being set down for trial. Again, these data are not available by type of claim or by region and could also be obtained only at disproportionate cost.

DUCHY OF LANCASTER

New Deal (Young Unemployed)

Dr. Whitehead: To ask the Chancellor of the Duchy of Lancaster what steps have been taken to facilitate participation by the Civil Service as an employer in the New Deal programme for young unemployed people. [35605]

Dr. David Clark: The Government want the Civil Service, as an employer, to play its full role in the New Deal programme.

Recruitment to the Civil Service is governed by the fundamental principle of selection on merit on the basis of fair and open competition. The Civil Service Commissioners have agreed to a modification of that principle so that departments and agencies can take part in the New Deal by offering New Deal participants fixed term appointments in the Civil Service. The Privy Council

yesterday approved the necessary amendment to the Civil Service Order in Council 1995. Copies of the amendment Order are being placed in the Libraries of the House.

Under their Recruitment Code, the Commissioners will allow the appointment of New Deal participants on fixed term contracts of up to three years without the need for open competition. However, they have made it clear that the selection of successful candidates must be done in a way that is demonstrably fair and based on the requirements of the job, and that there should be competition between those New Deal participants who may be considered suitable for appointment. Any Civil Service appointment beyond the limited period allowed for under these arrangements may be made only after fair and open competition and selection on merit under the terms of the Commissioners' Recruitment Code. Departments and agencies will construct their own programmes within this framework, but a key objective for all will be to prepare participants to compete successfully in fair and open competition for longer term appointments.

Officials in the Office of Public Service have been discussing with departments and agencies and the Council of Civil Service Unions the arrangements for participating in the programme within the Civil Service.

Millennium Compliance

Mr. Hawkins: To ask the Chancellor of the Duchy of Lancaster when all testing on Year 2000 compliance will be completed within his Department. [32602]

Dr. David Clark *[holding answer 3 March 1998]:* I refer the hon. Member to the answer I gave to my hon. Friend the Member for Wolverhampton, South-East (Mr. Turner) on 3 March 1998, *Official Report*, columns *621–22*.

Mr. Hawkins: To ask the Chancellor of the Duchy of Lancaster if he will list the *(a)* consultants and *(b)* contractors engaged by his Department to address millennium computer compliance problems, indicating the cost of such consultancies to his Department. [32599]

Dr. David Clark *[holding answer 3 March 1998]:* In the Cabinet Office (which for these purposes includes the Prime Minister's Office, the Office of Public Service and its Agencies) the list of names and costs of consultants and contractors engaged to address specific millennium compliance problems is as follows:

	Consultants/Contractors	*Cost (£)*
Cabinet Office	Chessington Computer Services	11,410
	Logica UK Ltd	23,500
Agencies	David Hinley Associates	12,165
	K2	5,000
	Admiral Computing Ltd	15,000
	Unisys Ltd	21,000

Mr. Hawkins: To ask the Chancellor of the Duchy of Lancaster how many individuals working within his Department on millennium compliance have *(a)* given notice of their intention to leave and *(b)* left the Department in the last six months. [32590]

Dr. David Clark *[holding answer 3 March 1998]:* In the Cabinet Office, (which for these purposes includes the Prime Minister's Office, the Office of Public Service and its Agencies) the numbers of individuals working on millennium compliance who have *(a)* given notice of their intention to leave and *(b)* left the Department in the last six months are as follows:

(a) nil

(b) 1

FOREIGN AND COMMONWEALTH AFFAIRS

BBC World Service

Mr. Howard: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his oral answer of 10 March 1998, *Official Report*, column 300, to what instances he was referring when he stated that, when the Government have made a stance on human rights issues, the right hon. and learned Member for Folkestone and Hythe has been critical. [34681]

Mr. Fatchett: The Government have no responsibility for statements made by Opposition spokespersons.

Colombia

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) if the Government will support the extension of the mandate of the office of the High Commissioner for Human Rights in Colombia; [35069]

(2) if he will press for the appointment of more international monitors of human rights in Colombia. [35068]

Mr. Tony Lloyd: We fully support an extension of the mandate of the office of the UN High Commissioner for Human Rights in Colombia. We also support the proposal that the staffing complement of this office be increased to help it fulfil its mandate.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations the Government have made to the Colombian Government on human rights. [35073]

Mr. Tony Lloyd: We take every opportunity to raise with the Colombian Government our concerns about the human rights situation in Colombia. Since May last year, Ministers and senior officials have discussed human rights issues with, among others, the President of Colombia, the Vice-President, the Foreign Minister and the Defence Minister.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government intend to raise the issue of human rights in Colombia at the UN Commission on Human Rights in Geneva. [35079]

Mr. Tony Lloyd: I expect the issue of human rights in Colombia to be addressed in the EU's item 10 statement, to be delivered by the UK as Presidency. I also believe that, as in previous years, the Chairman of the Commission will deliver a statement on human rights in Colombia.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the current human rights situation in Colombia. [35080]

Mr. Tony Lloyd: The human rights situation in Colombia is serious and continues to be of concern. We are supporting the Colombian Government in their efforts to tackle the problem and in particular to end the long-running internal conflict as the most effective long-term means of improving the human rights situation.

In addition to helping to facilitate a dialogue between the Colombian military and human rights NGOs, the UK also contributed, both directly and through the EU, to the establishment of the UN Human Rights office in Bogota which is tasked with helping the Colombian Government to develop programmes for the protection and promotion of human rights. The UK also provided funding towards the visit of Organisation of American States (OAS) observers to the local and municipal elections in Colombia in October last year.

Anti-personnel Mines

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs how many anti-personnel mines under the control of the Government of the United States are held on United Kingdom territory. [35071]

Mr. Tony Lloyd: There are no US anti-personnel land mines on the UK mainland. I understand that some US mines are stored on US warships which are presently in the territorial waters of the British Indian Ocean Territory. The US Government generally do not make public the details of the specific locations, types and quantities of their military stocks.

Cambodia

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations the Government have made to the Royal Cambodian Government on human rights. [35072]

Mr. Fatchett: We are concerned about the human rights situation in Cambodia. We seize every suitable opportunity to raise our concerns with the Cambodian authorities. Most recently, as EU Presidency, we delivered a formal demarche on human rights to the Cambodian authorities on 26 February. Our Ambassador at Phnom Penh raised human rights with Cambodian Second Prime Minister Hun Sen on 11 February. I pressed the Cambodian Deputy Prime Minister strongly on these issues during the latter's visit to London on 21 January.

We are also exerting pressure on the Cambodian authorities to improve their human rights record through multilateral forums including the UN, G8 and "Friends of Cambodia" process spearheaded by the ASEAN Troika.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the current human rights situation in Cambodia. [35074]

Mr. Fatchett: We are concerned at the human rights situation in Cambodia. There have been some recent improvements on the ground, including a ceasefire between opposing forces in northern Cambodia and the return of some prominent political exiles to contest the forthcoming elections. But important problems remain, notably in respect of investigations into serious human rights abuses catalogued last August by the UN Secretary General's Special Representative on Cambodia. We continue to exert pressure on the Cambodian authorities to improve their human rights record, through bilateral and multilateral forums.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what proposals the Government have to support the forthcoming elections in Cambodia. [35075]

Mr. Fatchett: We are providing electoral assistance for Cambodia through the European Union. The EU assistance package—totalling 9.5 mecu—is being disbursed subject to strict political conditionality. As EU Presidency, we are ensuring that the Council keeps the situation on the ground in Cambodia under close review. We stand ready to suspend assistance if we judge that elections will not be free and fair.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what steps the Government have taken in respect of the request by the UN Secretary General's Special Representative to Cambodia in August 1997 for criminal investigations into cases of alleged torture and execution. [35076]

Mr. Fatchett: We strongly support the work of the UN Secretary-General's Special Representative to Cambodia. We ensured that the UN General Assembly Resolution on Cambodia last December renewed the call for investigations into the human rights abuses catalogued in the Special Representative's report of August 1997. I pressed the Deputy Prime Minister of Cambodia strongly on these issues on 21 January. As EU Presidency, we delivered a formal demarche on human rights and the need for investigations to senior Cambodian Ministers, including Second Prime Minister Hun Sen, on 26 February. The Cambodian Government have recently agreed to accept UN experts to help facilitate investigations into human rights abuses.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations the Government have made to the Government of Cambodia in respect of the coup by Hun Sen in July 1997. [35077]

Mr. Fatchett: Since the military clashes in Cambodia last July, we have sought to promote national reconciliation and respect for democracy and human rights. Through bilateral and multilateral contacts, including the "Friends of Cambodia" process, we have encouraged the Cambodian authorities to restore representative government by holding free and fair elections which are now due on 26 July.

Mr. Menzies Campbell: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Government propose to raise the issue of human rights in Cambodia at the UN Commission on Human Rights in Geneva. [35078]

Mr. Fatchett: We will work to ensure that the forthcoming UN Commission on Human Rights adopts a resolution on Cambodia based on an objective assessment of the situation on the ground. We want the Resolution to

give credit for recent positive developments and to identify specific areas in which we seek urgent improvements by the Cambodian authorities.

Departmental Commerciality

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 16 March 1998, *Official Report*, column *475*, on making his Department more commercial, if he will list the 35 business leaders who have agreed to act as ambassadors for British business. [35588]

Mr. Fatchett: The 35 business leaders appointed to be Ambassadors for British Business are as listed. In addition Sir David Alliance, Chairman of Coats Viyella, has just been appointed an Ambassador for British Business, and Adair Turner, Director-General of the CBI, has agreed to act in this capacity as well.

Ambassadors for British Business

1. Sir Christopher Benson, Chairman, Albright & Wilson plc
2. Sir Ian Prosser, Chairman, Bass plc
3. Mr. David John, Chairman, BOC
4. Ms Anita Roddick, Chief Executive, The Body Shop International plc
5. Mr. John Browne, Chief Executive, BP Group of Companies
6. Mr. Allan Gormly, Chairman, BPB plc
7. Sir Colin Marshall, Chairman, British Airways plc
8. Mr. Tony Pedder, Executive Director, British Steel plc
9. Sir Iain Vallance, Chairman, BT
10. Lord Paul, Chairman, Caparo Group Limited
11. Ms June de Moller, Managing Director, Carlton Communications plc
12. Mr. John McGrath, Chief Executive, Diageo
13. Sir Colin Southgate, Chairman, EMI Group plc
14. Lord Simpson, Managing Director, GEC
15. Sir Richard Sykes, Chairman, Glaxo Wellcome plc
16. Mr. Iain Dale, Chairman, Henderson TR Pacific Investment Trust
17. Sir Ronald Hempel, Chairman, ICI
18. Mr. Nicholas Scheele, Chairman & Chief Executive, Jaguar Cars Limited
19. Sir Geoffrey Mulcahy, Chairman, Kingfisher Group plc
20. Sir Christopher Harding, Chairman, Legal and General
21. Sir Trevor Chinn, Lex Service plc
22. Sir Richard Greenbury, Chairman & Chief Executive, Marks & Spencer
23. Mr. James Leek, Chairman, McLeod Russell Holdings plc
24. Mr. David Brown, Chairman, Motorola Limited
25. Mr. Christopher Hoskins, Chairman, Northern Foods plc
26. Mr. Robert Wilson, Chairman, Rio Tinto plc
27. Sir Ralph Robins, Chairman, Rolls Royce
28. Lord Sainsbury, Chairman & Chief Executive, J. Sainsbury plc
29. Mr Paul Smith, Chief Executive, Paul Smith Limited
30. Mr. Patrick Gillam, Chairman, Standard Chartered Bank
31. Sir Robert Clarke, Chairman, Thames Water plc
32. Mr. John Neill, Chief Executive, Unipart Group
33. Sir Nigel Rudd, Williams Holdings plc
34. Mr. Martin Sorrell, Group Chief Executive, WPP Group plc
35. Sir David Barnes, Chairman, Zeneca Pharmaceuticals.

Tibet

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs when he last discussed Tibet with the Chinese Government; and what specific representations he made to them. [35556]

Mr. Fatchett: I refer the hon. Member to the answer I gave to the hon. Member for Lewes (Mr. Baker) on 19 March 1998, *Official Report*, columns *678–79*.

Panel 2000

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will *(a)* make a statement on the aims and *(b)* list the members of Panel 2000. [35554]

Mr. Fatchett: This Department's Panel 2000 will draw up a strategy for the public presentation of Britain worldwide and identify key messages to put across. It will bring together members of the private and public sectors under my chairmanship.

The process of choosing panel members is not yet complete, but the Panel will be made up from a wide range of people from the public and private sector.

Mochtar Pakpahan

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if the Minister of State met Mochtar Pakpahan during his recent visit to Jakarta; and if he will make a statement. [35553]

Mr. Fatchett: No, as my mission to South East Asia was a European Union presidency function concentrating solely on the regions' financial difficulties. We do however follow Mochtar Pakpahan's case closely: our Embassy in Jakarta maintain contact with Mr. Pakpahan and have been attending his trial.

China

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from *(a)* hon. Members and *(b)* NGOs concerning his decision not to support this year's UNCHR resolution on China's record on human rights. [35555]

Mr. Fatchett: We have received representations from certain hon. Members and from NGOs who disagree with the decision not to pursue a resolution on China at this year's UNCHR. We remain of the view that the EU's dialogue-based approach, supported by practical cooperation, is the best way to bring about real improvements in China.

India

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the new Government of India concerning the Comprehensive Nuclear Test Ban Treaty. [35547]

Mr. Tony Lloyd: We believe that all states should sign and ratify the Comprehensive Test Ban Treaty. We shall make this clear to the new Indian Government, as we did to their predecessors.

Sino-British Liaison Group

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the forty-second meeting of the Sino-British Joint Liaison Group. [35564]

Mr. Fatchett: The Joint Liaison Group held its 42nd Plenary Meeting in London from 17 to 18 March. The two sides consulted and exchanged views on a range of matters related to the implementation of the Sino-British Joint Declaration on Hong Kong, including the forthcoming legislative elections in Hong Kong; basic rights and freedoms, including freedom of the press; the registration and indemnification of Hong Kong satellites; Vietnamese boat people in Hong Kong; and the continued application of international treaties to Hong Kong.

Ministerial Meetings

Mr. Faber: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer of 16 March 1998, *Official Report*, columns *474–75*, what further representations he has received from Mr. Wei Jingsheng since their meeting. [35592]

Mr. Fatchett: My right hon. Friend the Foreign Secretary has received no representations from Mr. Wei since their meeting on 11 March.

Iraq

Sir Peter Lloyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what products UN Resolution 986-Oil for Food and Medicine permits Iraq to buy abroad; what calculation he has made as to the value of the products the resolution permits Iraq to buy each year; and what calculation he has made as to how much Iraq actually spent on such products *(a)* last year and *(b)* so far this year. [35084]

Mr. Fatchett: United Nations Security Resolution (UNSCR) 986 and successor resolutions 1111 and 1143 permit Iraq to export oil to fund the purchase of foodstuffs, health supplies, medicine and supplies for essential civilian needs.

The value of oil these resolutions permit Iraq to sell is $US 2 billion over a 6 month period. Of this, $US 1.2 billion is allocated to the purchase of the goods listed.

The most recent "oil for food" resolution, UNSCR 1153 increases the value of oil Iraq is permitted to sell over a 6 month period from $US 2 billion to $US 5.2 billion. In addition to permitting the purchase of the goods listed, it also allows for funds from the export of oil to be used to improve Iraq's infrastructure. UN statistics give figures for Iraq's spending under each resolution. According to the latest available UN figures, under UNSCR 986, contracts for goods valuing $US 1,212,863,515 have been approved. Under UNSCR 1111, contracts for goods valuing $US 999,938,770 have been approved.

SOCIAL SECURITY

Millennium Award Grants

Mr. Rendel: To ask the Secretary of State for Social Security if she will make a statement on the impact of millennium award grants made (i) as cash payments to the individual, paid *(a)* as a one-off grant, and *(b)* as a regular series of payments and (ii) in other ways, on (A) income support, (B) job seeker's allowance, (C) family credit, (D) housing benefit and (E) council tax benefit. [35418]

Mr. Denham: Millennium awards should have no impact on benefits because Award Partners are expected to ensure that awards are made in such a way that an individual's benefit is not affected.

Independent Tribunal Service

Mr. Ronnie Campbell: To ask the Secretary of State for Social Security how many claimants who appealed to the Independent Tribunal Service had their appeal for *(a)* income support, *(b)* incapacity benefit, *(c)* jobseeker's allowance and *(d)* disability living allowance, (i) turned down and (ii) accepted in the two most recent years for which figures are available. [29227]

Mr. Keith Bradley: The information is not available in the form requested. Such information as is available is in the tables.

Outcome of income support, incapacity benefit, jobseekers allowance and disability living allowance appeals cleared at Social Security Appeal Tribunals (SSATs) in the Independent Tribunal Service (ITS), for the calendar year 1995

	(1)	(2)	Hearing (3)	(4)	(5)	(6)
	All heard and decided cases	Heard and decided in the appellant's favour	Heard and decided against the appellant	Non-hearing other outcomes	All cases that failed	Total appeals cleared
Income Support	40,597	16,708	23,889	14,781	38,670	55,378
Incapacity Benefit	3,973	1,820	2,153	1,078	3,231	5,051
UB	10,746	5,104	5,642	2,964	8,606	13,710
Disability Living Allowance[1]	232	97	135	40	175	272

[1] Only a very small number of Disability Living Allowance appeals are heard by SSATs. The vast majority are heard by Disability Appeal Tribunals (DATs) for which limited data are available from ITS.

Source:

DSS Analytical Services Division.

Outcome of income support, incapacity benefit, jobseeker's allowance and disability living allowance appeals cleared at Social Security Appeals Tribunals (SSATs) in the Independent Tribunal Service (ITS), for the calendar year 1996

	(1)	(2)	Hearing (3)	(4)	(5)	(6)
	All heard and decided cases	Heard and decided in the appellant's favour	Heard and decided against the appellant	Non-hearing other outcomes	All cases that failed	Total appeals cleared
Income support	34,851	11,012	23,839	12,250	36,089	47,101
Incapacity Benefit	51,167	22,570	28,597	6,718	35,315	57,885
UB/Jobseeker's Allowance[1]	9,450	3,947	5,503	2,169	7,642	11,619
Disability Living Allowance[2]	240	97	143	41	184	281

[1] Jobseeker's allowance was introduced in October 1996.
[2] Only a very small number of Disability Living Allowance appeals are heard by SSATs. The vast majority are heard by DATs for which limited data are available from ITS.
Source:
DSS Analytical Services Division.

National Insurance

Mr. Rendel: To ask the Secretary of State for Social Security how she will protect the benefit entitlement of the low paid following the aligning of the starting point at which employees pay national insurance contributions with the single personal allowance. [35589]

Mr. Denham: In his Budget Statement, my right hon. Friend the Chancellor announced that future reforms will ensure that no one pays National Insurance contributions on the first £81 of their weekly earnings. He added that all employees earning between £64 and £81 will have their benefit rights protected. We shall be considering how best to provide this protection and will bring forward proposals in due course.

Mr. Webb: To ask the Secretary of State for Social Security if she will estimate the effect on revenues from employee NICs in each of the next 10 financial years if the upper earnings limit for employee NICs were to be indexed to earnings rather than prices, with the lower earnings limit continuing to be indexed to prices; and what would be the level of the UEL in each year. [34358]

Mr. Denham *[holding answer 13 March 1998]:* The information is set out in the table.

Estimated upper earnings limit and net additional revenue from class 1 national insurance contributions paid by employees in Great Britain in each year from 1999–00 to 2008–09 if upper earnings limit indexed to earnings from April 1999

Year	Upper earnings limit (£ a week at 1998–99 prices)	Net additional revenue from employees' contributions (£b at 1998–99 prices)
1999–00	492	0.1
2000–01	500	0.2
2001–02	507	0.3
2002–03	515	0.5
2003–04	522	0.6
2004–05	530	0.8
2005–06	538	0.9
2006–07	546	1.1
2007–08	555	1.2
2008–09	563	1.4

Note:
These estimates assume that earnings will increase by 1.5 per cent. a year in real terms throughout the period covered by the table.
Source:
Government Actuary's Department.

HEALTH

Fluoridation

Mr. Gordon Prentice: To ask the Secretary of State for Health what research he has commissioned into the public health effects of fluoridation of the public water supply. [34463]

Ms Jowell: Relevant research has been sponsored by the Department and its predecessors and by the Medical Research Council, the main agency through which the Government support biomedical and clinical research. The initial programmes of research were described in the *Report of the United Kingdom Mission on the Fluoridation of Domestic Water Supplies in North America As a Means of Controlling Dental Caries* (HMSO-1952) and *Ministry of Health: Report on Public Health and Medical Subjects 105* (HMSO-1962) on health surveys carried out in Watford, Kilmarnock and part of Anglesey. Subsequent studies have considered fluoride and cancer, fluoride and mutagenicity, and the effects of fluoride on bone. The extensive scientific literature on fluoride indicates that optimal fluoridation of the water supply is harmless and results in substantial reductions in dental caries.

Focus Groups

Mr. Mullin: To ask the Secretary of State for Health how much his Department *(a)* has spent since 1 May and *(b)* is planning to spend on focus groups. [34966]

Ms Jowell: The estimated cost of work commissioned in respect of focus groups since 1 May 1997 is £111,363. Information for 1998–99 and future years is not yet available.

Research Contracts

Mr. Charles Clarke: To ask the Secretary of State for Health if he will list the food science research contracts allocated by his Department and its agencies in *(a)* 1994–95, *(b)* 1995–96 and *(c)* 1996–97 broken down by (i) length of contract, (ii) value of contract and (iii) institution securing the contract. [35404]

Ms Jowell: I shall let my hon. Friend have such information as is available as soon as possible.

Treatment Statistics

Mr. Jenkin: To ask the Secretary of State for Health if he will make a statement on the number of treatment episodes per thousand of population in *(a)* London and *(b)* the rest of the United Kingdom. [35410]

Ms Jowell: The information is set out in the table.

Number of finished consultant episodes (FCEs) and the number per 1,000 population for health authorities in London and total for England for the financial year 1996/97

	Population (000s)	*Total FCEs*	*FCEs per 1,000 population*
London	7,074.2	1,404,553	199
England	49,089.0	10,636,721	217

Source:
1. Population—ONS mid 1996 estimates
2. Finished Consultant Episodes—NHS Executive Outturn Activity Data 1996/97

Questions relating to other parts of the United Kingdom are for my right hon. Friends the Secretaries of State for Scotland, for Wales and for Northern Ireland.

Cot Deaths

Mr. Öpik: To ask the Secretary of State for Health when he expects the expert group on cot deaths to publish its final report; what factors have led to the delay in publication; and if he will make a statement. [34501]

Mr. Boateng: The Expert Group on Cot Death Theories held its last meeting on 16 March 1998. The results from additional research commissioned by the group were not available until autumn 1997 and the time needed to fully assess this data was greater than expected. The group will report to the Chief Medical Officer in April and hopes to publish its report as soon as possible thereafter. Abstracts from the report will be available on the internet.

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